



NSW GOVERNMENT
Department of Planning

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Mr Graham Dowers
Business Development Manager
TRUenergy Tallawarra Pty Ltd
Level 33, 385 Bourke Street
Melbourne VICTORIA 3000

Our ref: S07_00331
Your ref:

Dear Mr Dowers

Proposed Tallawarra 300-450 MW Stage B Gas Turbine Power Station, Yallah, Wollongong Local Government Area (Major Project Number 07_0124)

Pursuant to section 75F(3) of the *Environmental Planning and Assessment Act 1979* (the EP&A Act), you are hereby notified of the Director-General's Environmental Assessment Requirements for the above proposal.

The Director-General's requirements have been prepared based on the information provided to date and input from relevant agencies and Council. Under section 75F(3) of the EP&A Act, the Director-General may alter or supplement these requirements if necessary and in light of any additional information that may be provided prior to the proponent seeking approval for the project.

If your proposal contains any actions that are likely to significantly impact matters of National Environmental Significance, it will require an additional approval under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). This approval is in addition to any approvals required under NSW legislation. It is your responsibility to contact the Department of Environment and Water Resources in Canberra (6274 1111 or <http://www.environment.gov.au>) to determine if the proposal is likely to significantly impact on matters of National Environmental Significance, and would require an approval under the EPBC Act. The Commonwealth Government has accredited the NSW environmental assessment process for assessing any impacts on matters of National Environmental Significance. As a result, if it is determined that an approval is required under the EPBC Act, please contact me immediately as supplementary Director-General's requirements will need to be issued.

You should ensure that you consult with the Department prior to submission of a draft Environmental Assessment to determine:

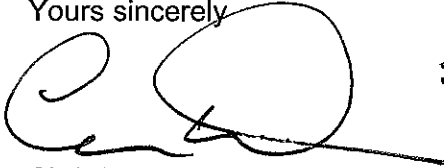
- fees applicable to the application;
- whether the proposal requires an approval under the EPBC Act and any assessment obligations under that Act;
- consultation and public exhibition arrangements that will apply; and
- number and format (hard-copy or CD-ROM) of the Environmental Assessments that will be required.

Once you have lodged the Environmental Assessment, the Department will consult with the relevant authorities to determine the adequacy of the Environmental Assessment. Following this review period the Environmental Assessment will be made publicly available for a minimum period of 30 days.

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You should keep the Department's officers for this project, Ricardo Prieto-Curiel ((02) 9228 6112), or Neville Osborne (9228 6337) up to date with the progress of preparation of the Environmental Assessment, and seek clarification of any issues that may be unclear or may arise during this process.

Yours sincerely

A handwritten signature in black ink, appearing to be 'CW', with a large circular flourish above the 'W' and a long horizontal stroke extending to the right.

31.10.07

Chris Wilson

Executive Director

As delegate for the Director-General

**PROPOSED STAGE B TALLAWARRA GAS TURBINE POWER STATION, YALLAH,
WOLLONGONG LOCAL GOVERNMENT AREA**

**ENVIRONMENTAL ASSESSMENT REQUIREMENTS UNDER PART 3A OF THE ENVIRONMENTAL
PLANNING AND ASSESSMENT ACT 1979**

Project	Construction and operation of gas turbine power station consisting of an open cycle gas turbine (OCGT) or a combined cycle gas turbine (CCGT) with a notional capacity of up to 450 MW. Other project components include extension of the Tallawarra Stage A CCGT high voltage switchyard; transmission line connection to the existing 132 kV network; connection to the Eastern Gas Pipeline and associated equipment; distillate storage tank and unloading station; demineralised water tank; an emergency diesel generator; and other ancillary equipment.
Site	Yallah Bay Road, Yallah, NSW 2530 - Lot 109 DP 1050302
Proponent	TRUenergy Tallawarra Pty Ltd
Date of Issue	16 October 2007
Date of Expiration	16 October 2009
General Requirements	<p>The Environmental Assessment (EA) must be prepared to a high technical and scientific standard and must include:</p> <ul style="list-style-type: none"> • an executive summary; • consideration of any relevant statutory provisions, environmental planning instruments, strategies and guidelines; • a detailed description of the proposal, including construction, operation, and staging. All infrastructure parts of the proposal must be clearly identified and described in terms of location, construction/operation, size and scale. Heights (AHD) and coordinates must be provided for elevated structures. Linkages and operational relationships between the proposed plant and the Tallawarra Stage A CCGT, currently under construction, must be detailed in the EA; • an assessment of the environmental impacts of the project, with particular focus on the key assessment requirements specified below. Future landuses in the Tallawarra Lands must be considered in the assessment of impacts. Suitable buffer zones to minimise any potential land use conflict and environmental impacts must be identified in the EA; • justification for undertaking the project with consideration of the benefits and impacts of the proposal; • a draft Statement of Commitments and detailed measures for environmental mitigation, management and monitoring for the project; and • certification by the author of the EA that the information contained in the Assessment is neither false nor misleading.
Key Assessment Requirements	<p>The EA must include assessment of the following key issues:</p> <ul style="list-style-type: none"> • Strategic Justification - the EA must include a strategic assessment of the need, scale, scope and location for the project in relation to predicted electricity demand, predicted transmission constraints, and the strategic direction of the region and the State in relation to electricity supply and demand, and electricity generation technologies. The EA must also include an analysis of the suitability of the proposed site with respect to potential land use conflicts with existing and future surrounding land uses associated with the Tallawarra Lands (Masterplan and rezoning). • Greenhouse Gas Generation – the EA must include a comprehensive greenhouse gas assessment and report on predicted greenhouse gas emissions (tCO₂e) including emissions on: a tonnes per unit of production (MWh) basis; a total annual emissions basis; project lifetime basis; a fuel basis (natural gas and distillate). The assessment must include direct emissions, indirect emissions and any significant upstream/downstream emissions. The emissions must be estimated using appropriate methodology as per DoP's <i>Draft Guidelines: Energy and Greenhouse in EIA (2002)</i> and the AGO's <i>Factors and Methods Workbook (2006)</i>. Annual emissions must be compared against: 'best practice' emission for peak electricity generation; total annual NSW emissions; emissions from a coal fired facility producing the equivalent amount of electricity. An evaluation of the feasibility of additional measures to reduce greenhouse gas emissions, including offsets must be included in the EA.

Air Quality Impacts – The EA must include a comprehensive air quality impact assessment developed in consultation with the DECC and prepared in accordance with the *Approved Methods for the Modelling and Assessment of Air Pollutants in NSW*. The assessment must demonstrate that:

- emissions of all potential air pollutants will cause no adverse impact on human health or the environment; and
- the proposal is either NO_x neutral or incorporates best available control technology (BACT) to reduce NO_x emissions (eg. by providing off-site NO_x emissions offsets or by installing BACT able to achieve a NO_x emission concentration of less than 10 mg/m³ as a three hour rolling average).

All potential air emissions from the proposal, for both distillate and gas fuel and for all operating scenarios (including routine operations, start up and shut down, as well as high and low load) must be fully characterised, and any local and regional air quality impacts must be fully assessed, including impacts on known and likely/proposed landuses. Cumulative air quality impacts must be assessed, including existing and proposed developments, such as the adjacent CCGT plant, and other approved/proposed developments in the region, such as those in the Port Kembla steelworks. Individual impacts from both CCGT and Stage B operations must also be documented and clearly differentiated in the assessment. The assessment must document the percentage of time and the criteria for which distillate and other fuel will be used, the characteristics of pollutant emissions associated with these fuels and the waste gas temperatures characteristic of the types of proposed power stations. The EA must also detail the anticipated operating times or periods for the proposed power stations. The EA must include detailed photochemistry modelling (or equivalent) taking into account those days which characterise the dominant conditions conducive of photochemical smog formation in the Illawarra air shed, and an assessment of the duration, size and extent of ground level and regional NO_x and ozone exposure. The EA must include a load calculation methodology for NO_x which indicates how annual NO_x will be calculated with consideration of the range of operating conditions and fuel types.

- **Noise Impacts** – the EA must include a noise impact assessment conducted in accordance with *NSW Industrial Noise Policy* (EPA, 2000) and other relevant guidelines required by the DECC. The assessment must include consideration of the noise impacts of the project and adjacent CCGT plant both cumulatively and individually, consider all project stages and operations, and consider existing and future land uses under the Tallawarra Lands proposal. To assist in assessing any potential impacts on any nearby sensitive receivers, the assessment must determine, based on site measurements, the percentage of temperature inversions, or other meteorological conditions characteristic of the locality that may exacerbate impacts. The EA must clearly outline the noise mitigation, monitoring and management measures proposed to apply to the project, and include an assessment of the feasibility, effectiveness and reliability of proposed measures and any residual impacts after these measures have been implemented.
- **Water Quality and matters related to Lake Illawarra** – the EA must include an assessment of potential impacts of the project (such as those resulting from any lake water extraction and release of cooling water) on water quality, aquatic ecology, amenity and fisheries in Lake Illawarra and Yallah Creek. For any cooling water discharges, the EA must specify quality, quantity and frequency of discharges under all operating scenarios, undertake modelling and impact assessment (including cumulative impacts with any Stage A discharges) of discharges and describe measures to minimise impacts and maintain the Lake's water quality objectives. The EA must detail safeguards to manage identified water quality related-impacts for all project stages and aspects, and outline monitoring requirements during and after construction. The assessment(s) must be prepared in consideration of and consistency with the *Illawarra Regional Strategy* (DoP, January 2007), the *Lake Illawarra Estuary Management Study and Strategic Plan* (Lake Illawarra Authority, March 2006), ANZECC (2000) *Water Quality Guidelines* and the *NSW Coastal Policy 1997*. The project should be developed to ensure that flood levels are not increased and the potential for flood damage to infrastructure is minimised. Impacts of the project on foreshore public access must be covered in the EA.
- **Hazards and Risk Impacts** – the EA must include an assessment of hazards and risks from the project in accordance with the Department's *Multi-level Risk Assessment guidelines* and *Hazardous Industry Planning Advisory Paper No. 6: Guidelines for Hazard Analysis*. The assessment should cover both risks from the

	<p>current project and the cumulative risks, including the Tallawarra Stage A Power Station. The assessment should include, but not necessarily be limited to, hazards and risks associated with dangerous goods storage, power station operation and gas supply, and an assessment of their potential off-site impacts. In terms of aviation hazards, the EA must include a plume rise impact assessment in accordance with the CASA's Guidelines for Conducting Plume Rise Assessments (2004).</p> <ul style="list-style-type: none"> • General Environmental Risk Analysis – notwithstanding the above key assessment requirements, the EA must include an environmental risk analysis to identify potential environmental impacts associated with the project (construction and operation), proposed mitigation measures and potentially significant residual environmental impacts after the application of proposed mitigation measures. Where additional key environmental impacts are identified through this environmental risk analysis, an appropriately detailed impact assessment of these additional key environmental impacts must be included in the EA.
<p>Consultation Requirements</p>	<p>You must undertake an appropriate and justified level of consultation with the following parties during the preparation of the EA:</p> <ul style="list-style-type: none"> • NSW Department of Environment and Climate Change; • NSW Department of Water and Energy; • Lake Illawarra Authority • Commonwealth Civil Aviation Safety Authority and Airservices Australia; • Wollongong City Council; • Shellharbour Council; • NSW Department of Primary Industries; and • the local community. <p>The EA must clearly indicate issues raised by stakeholders during consultation, and how those matters have been addressed in the EA.</p>
<p>Deemed refusal period</p>	<p>Under clause 8E(2) of the <i>Environmental Planning and Assessment Regulation 2000</i>, the applicable deemed refusal period is 60 days from the end of the proponent's environmental assessment period for the project.</p>