

ASSESSMENT REPORT

Camden Gas Project Stage 2

Modification to Align Conditions with EPL (DA 282-6-2003-i MOD 13)

1 BACKGROUND

1.1 Camden Gas Project

AGL owns and operates the Camden Gas Project in Sydney's southwest. It is a coal seam gas extraction, processing and supply operation that supplies around 5% of the daily power used in NSW.

The project has been developed in two stages, which are regulated through a complex framework of seven development consents, three major project approvals and one concept plan. Most of the development consents and major project approvals have also been modified numerous times.

Stage 1 was approved in 2002 and included the development of gas wells, a gas treatment plant and gas gathering system in the Cawdor area. Some of the Stage 1 wells are still producing gas, however the gas treatment plant was decommissioned in 2007.

Stage 2 was first approved in 2004 and included the development of a second gas treatment plant at Rosalind Park, and more gas wells and gathering systems in the Razorback and Menangle areas. The development consent (DA 282-6-2003i) for the Rosalind Park Gas Plant and associated gas wells in Menangle (see **Figure 1**) was approved in 2004 and has subsequently been modified 12 times.

AGL recently announced its plans to fully decommission the Camden Gas Project by 2022. Of the 144 wells drilled in total for the project, 92 are in production, 32 are suspended, and 20 have already been decommissioned.



Figure 1: Stage 2 Rosalind Park Gas Plant location

1.2 Coal Seam Gas Regulation

While DA 282-6-2003i is the relevant planning approval for the Rosalind Park Gas Plant, the gas plant is also regulated under an Environmental Protection Licence (EPL) 12003, which was first issued by the Environment Protection Authority (EPA) in 2005 (see **Appendix A**).

The statutory scheme for State significant and integrated development contemplates the possibility that the conditions on an environment protection licence may diverge from those on a planning consent over time, as pollution control standards are changed and the EPL is updated to reflect these changes.

To avoid inconsistencies developing between the two instruments and regulatory overlap, it is quite common for proponents to seek modifications to the conditions of planning consents to ensure they align with the conditions of the EPL.

Both the Department and the EPA support this approach, as it represents good regulatory practice. Further, since July 2015, a legislative change to the *Protection of the Environment Operations Act 1997* (POEO Act) has allowed the EPA to enforce the conditions of both EPLs under the POEO Act and planning approvals for gas activities under the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While EPA is responsible for the enforcement of conditions of approval in the relative instruments, the setting of these conditions remains the responsibility of the individual regulatory agencies. Under the Memorandum of Understanding between agencies, the Department of Planning and Environment must consult with EPA before it imposes new conditions and seek to incorporate EPA's comments into the conditions of planning approvals.

2 PROPOSED MODIFICATION

AGL is seeking to modify the development consent for the Rosalind Park Gas Plant and associated gas wells in Menangle (DA 282-6-2003i) to provide consistency with the conditions of the EPL 12003.

This modification application results from the findings of the 2016 Independent Environmental Audit of the Camden Gas Project, which noted that numerous conditions in the DA 282-6-2003i consent relating to the operation of the gas plant either duplicate, do not align with, or conflict with, the conditions of the EPL 12003. The proposed changes to the consent conditions therefore only relate to the gas plant.

The proposed modification (Mod 13) is described in detail in the attached Environmental Assessment (see **Appendix B**). It has two key components: an update of the air quality monitoring system at Rosalind Park Gas Plant; and the removal of duplicate and inconsistent conditions in DA 282-6-2003i.

2.1 Update of the Air Quality Monitoring System

The modification application firstly seeks to amend the air quality conditions to allow the current Continuous Emissions Monitoring System (CEMS) at the Rosalind Park Gas Plant to be replaced with a more contemporary Predictive Emissions Monitoring System (PEMS).

Since 2014, AGL has been working closely with EPA to develop and implement the PEMS for its coal seam gas compressors at the Rosalind Park Gas Plant. Removing the relevant air quality conditions in the development consent would allow the PEMS to be fully implemented under the EPL, which is supported by EPA.

2.2 Removal of Duplicate and Inconsistent Conditions

The modification application also seeks to remove consent conditions relating to the gas plant which are duplicated in the EPL or inconsistent with it. These conditions relate to:

- air quality criteria, monitoring locations and testing,
- surface water quality monitoring and effluent management;
- waste tracking, waste classification and recyclable material handling;
- pollutant load limits; and
- monitoring records.

The majority of these conditions reflect 'general terms of approval' (GTAs) that the EPA recommended when the development application for the gas plant was originally made. Many of these GTAs are now either duplicated in the EPL or inconsistent with newer conditions in the EPL. The removal of duplicate or inconsistent conditions in the development consent would ensure that the most effective instrument (i.e. the EPL) is used to regulate these matters.

3 STATUTORY CONTEXT

The development consent was originally approved under Part 4 of the EP&A Act. However, under the transitional provisions in clause 8J of the *Environmental Planning and Assessment Regulation 2000*, modifications to this development consent are made under the former section 75W of the Act.

The Department is satisfied that the proposal is within the scope of section 75W, as it would not increase the environmental impacts of the project, and would not significantly change the project. Under section 75W, the Minister for Planning is the approval authority for the modification application. However, under the Minister's delegation dated 16 February 2015, the Planning Assessment Commission must determine the application, as AGL has made reportable political donations.

4 CONSULTATION

As the proposed modification is minor in nature and would not increase the impacts of the project, no formal exhibition was undertaken. However, the Department made the modification application and Environmental Assessment publicly available on its website on 26 November 2016. The Department also referred the application to the EPA, which provided its written support (see **Appendix C**).

5 ASSESSMENT

5.1 Update of the Air Quality Monitoring System

Over the past three years, AGL and EPA have worked together to develop and implement a Predictive Emissions Monitoring System (PEMS) for the Camden Gas Project.

The first trial of the PEMS in 2014 identified that minor upgrades to the compressors was required to achieve a successful reduction in nitrogen oxide in stack emissions. A further trial in 2016 confirmed the success of PEMS in monitoring emissions against EPL parameters.

AGL has proposed to remove condition 58 of the consent, which specifies that continuous monitoring must be undertaken from the three compressor stacks at the gas plant, i.e. a Continuous Monitoring System (CEMS). The removal of this consent condition would allow AGL to fully implement the PEMS, which is now required under a Pollution Reduction Program in section 8 of the EPL.

EPA supports implementing PEMS, and the removal of the consent conditions which require a CEMS. EPA has advised the Department that there were considerable benefits during the trials, including significantly reduced nitrogen oxide levels in emissions from compressor stacks.

5.2 Removal of Duplicate and Inconsistent Conditions

The Department's assessment of the proposed removal of other conditions of the development consent is summarised in **Table 1**.

Table 1: *Proposed changes to conditions*

Issue	Assessment	Recommendation
<i>Air Quality</i>		
Schedule 4, conditions 48 and 49 (Air Emission Criteria), 51 (Dust operating condition), 54-55 (Air quality monitoring locations and testing methods)	<ul style="list-style-type: none"> The removal of these conditions from the consent would have no material effect on the way air quality is managed on site, given that they are replicated in the following EPL conditions (see Appendix A): <ul style="list-style-type: none"> - L3 – Air quality concentration limits; - O3 – Dust minimisation; - P1 – Air quality monitoring locations; and - M3 – Air quality monitoring methodology. 	Delete conditions 48, 49, 51, 54 and 55 of Schedule 4.

Issue	Assessment	Recommendation
Surface Water		
Schedule 4, condition 68 (Surface water quality monitoring locations)	<ul style="list-style-type: none"> This condition is no longer relevant. The equivalent condition was removed from the EPL in 2007. The Department and EPA do not object to the removal of the condition of consent on this basis. Notwithstanding, there is an overarching condition (66 of Schedule 4) which requires AGL to comply with Section 120 of the POEO Act and/or an EPL. 	Delete condition 68 of Schedule 4.
Surface Water (continued)		
Schedule 4, condition 69 & 72 (Effluent parameters and testing methods)	<ul style="list-style-type: none"> Condition 69, which details monitoring of effluent pollutants at an evaporation pond on site, is no longer relevant, as a more comprehensive range of monitoring parameters is required at this site under EPL condition M2.7 – Water quality monitoring. Condition 72 duplicates the testing requirements of EPL condition M3.3 – Water quality monitoring methodology. The Department considers that removing these conditions would allow best practice regulation to prevail under the EPL conditions. Again, condition 66 of Schedule 4 requires AGL to comply with Section 120 of the POEO Act and/or an EPL. 	Delete conditions 69 and 72 of Schedule 4.
Waste		
Schedule 4, conditions 103 & 104 (Waste classification and recyclable material handling)	<ul style="list-style-type: none"> Condition 103 makes reference to an out-of-date waste classification guideline. The most up-to-date guidance is contained in EPL condition O5 – Waste Classification. Condition 104, which requires recyclable waste to be stored separately, is replicated in EPL condition O5 – Waste Classification 	Delete conditions 103 and 104 of Schedule 4.
Assessable Pollutants – Load Limits		
Schedule 5, condition 12 (Pollutant load limits)	<ul style="list-style-type: none"> These conditions do not represent current best practice. Current best is represented in condition L2 – Pollutant Load Limits in the EPL. 	Delete condition 12 of Schedule 5.
Monitoring		
Schedule 5, conditions 13, 14 & 15 (Monitoring records)	<ul style="list-style-type: none"> These conditions are replicated in the monitoring record keeping provision in the EPL (M1 – Monitoring records). The Department and EPA do not object, on the basis that this issue is regulated by the EPL. 	Delete conditions 13, 14 & 15 of Schedule 5.
Mandatory conditions for EPL		
Schedule 6 (Mandatory conditions for all DECCW licences)	<ul style="list-style-type: none"> This schedule includes a range of matters not relevant to what would now be included in a contemporary EPL. The current EPL represents best practice, and the Department and EPA do not object to the removal of the schedule. 	Delete Schedule 6.
Waste Tracking Requirements		
Schedule 8 (DECCW Waste Tracking Requirements)	<ul style="list-style-type: none"> New waste tracking requirements were implemented with the gazettal of the <i>Protection of the Environment Operations (Waste) Regulation 2005</i>. The Regulation removed waste tracking requirements on individual EPLs, and the relevant EPL conditions were removed in 2007. 	Delete Schedule 8.

6 RECOMMENDED CONDITIONS

The Department has prepared a Notice of Modification (see **Appendix D**) and a consolidated version of the development consent (see **Appendix E**) showing the changes to the consent that would result from the proposal.

The recommended changes align the relevant consent conditions with the conditions of the EPL. The Department has also taken the opportunity to make other minor administrative changes to the consent, including updating the names of government agencies.

7 CONCLUSION

AGL has sought to modify the conditions of the development consent for the Rosalind Park Gas Plant (DA 282-6-2003-i). The proposed modification seeks to update the consent to allow the project to be regulated by EPA in line with current best practice and in accordance with the conditions of the EPL.

Firstly, it would allow a more effective emissions monitoring system to be fully implemented at the gas plant. Secondly, it would remove a number of conditions from the consent (as detailed in **Table 1**) that are either duplicated in the EPL, or are inconsistent with it.

The proposed changes to the consent would have no material impact on the way the project is operated. The changes would ensure that the duplicate and inconsistent conditions of consent are removed, and allow the most effective instrument (i.e. the EPL) is used to regulate these matters at the gas plant.

The Department is therefore satisfied that the modification is in the public interest, would not result in any additional environmental impacts, and recommends that the modification is approved, subject to the proposed changes to the conditions of consent.

8 RECOMMENDATION

It is recommended that the Planning Assessment Commission, as delegate of the Minister for Planning:

- **considers** the findings and recommendations of this report;
- **determines** that the proposed modification is within the scope of section 75W of the EP&A Act;
- **approves** the application subject to conditions; and
- **signs** the attached Notice of Modification (**Appendix D**).



16/3/17

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16/3/17

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