

Tallawarra Stage B - Gas Turbine Power Station Modification for extension of approval (07_0124 MOD 1)

1. BACKGROUND

The Tallawarra Stage B Gas Turbine Power Station (Tallawarra Stage B) is located in Yallah, on the western foreshore of Lake Illawarra in New South Wales (see **Figure 1**), approximately 13 kilometres southwest of Wollongong. EnergyAustralia operates Tallawarra Stage B as a wholly owned subsidiary of CLP Holdings Ltd.

Tallawarra Stage B was approved by the Minister for Planning on 21 December 2010. The conditions of approval required the project to be physically commenced prior to 21 December 2015. This modification application is seeking to extend the lapse date by an additional five years.



Figure 1: Site Location (SKM/TRUenergy, 2009)

The existing approval for Tallawarra Stage B (MP07_0124) allows EnergyAustralia to:

- construct and operate a gas turbine power station with a nominal capacity of up to 300-450 megawatts (MW);
- construct and operate ancillary infrastructure; and
- utilise existing infrastructure.

Tallawarra Stage B is located within an approved mixed land use precinct known as the Tallawarra Lands Project (MP09_0131), which has not yet been developed.

2. PROPOSED MODIFICATION

EnergyAustralia is seeking to extend the approval lapse date of Tallawarra Stage B for an additional five years (i.e. 21 December 2015 to 21 December 2020) in order to complete the tendering, contracting, design, construction and commissioning for a combined cycle generator (refer to **Appendix A**).

The proposed modification does not seek to change other aspects of the approved project, including the type and capacity of gas turbines, the maximum electricity generation rates, the construction of ancillary infrastructure or the utilisation of existing infrastructure.

3. STATUTORY CONTEXT

3.1 Section 75W

Tallawarra Stage B was approved by the Minister for Planning on the 21 December 2010 under the former Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act). Although Part 3A was repealed on 1 October 2011, the project remains a 'transitional Part 3A project' under Schedule 6A of the EP&A Act and is to be assessed under Section 75W of the EP&A Act.

This modification application is subject to the transitional arrangements outlined in Schedule 6A of the EP&A Act, including Clauses 11 and 11A relating to requests to extend lapse dates of Part 3A approvals. As EnergyAustralia submitted a modification request on 17 December 2015, the existing approval remains in force until the modification request is determined, withdrawn or until 17 December 2016, whichever occurs first.

3.2 Approval Authority

The Minister for Planning was the approval authority for the original project application. Consequently, the Minister for Planning is the approval authority for this modification request. However, under the Minister's delegation dated 16 February 2015, the Executive Director, Resource Assessment and Business Systems is the approval authority as reportable political donations were made.

3.3 Modification

The Department is satisfied that the proposed five year extension can be characterised as a modification to the existing approval, as it would not:

- alter the approved electricity generation methods;
- increase the approved maximum electricity generation rates;
- alter the approved existing and proposed ancillary infrastructure; and
- increase the approved environmental impacts of the project

Consequently, the Department considers the proposal to be within the scope of section 75W of the EP&A Act

4. CONSULTATION

The Department exhibited the modification application and the accompanying EA from 20 January until 17 February 2016. The Department also made these documents publically available on its website, and notified key government agencies of the application in writing.

No submissions were received from community organisations or the general public.

The Department received four submissions from government agencies: Wollongong Shire Council, Roads and Maritime Services, Office of Environment and Heritage and Department of Primary Industries (DPI Agriculture and DPI Water).

No issues were identified by agencies regarding the project.

5. ASSESSMENT

In assessing the merits of the proposal, the Department has considered:

- the modification application and accompanying request;
- the EA and conditions of approval for the Tallawarra Stage B Gas Turbine Power Station Project;
- the EA and conditions of approval for the associated Tallawarra Lands Project (PA 09_0131);
- relevant environmental planning instruments, policies and guidelines; and
- the requirements of the EP&A Act.

The EA states that construction of Tallawarra Stage B was delayed as a result of a fall in energy demand immediately following the original approval in 2010. However, in 2014 the National Electricity Market (NEM) projected an increase in electricity consumption by 12% between 2015 and 2020, and 19% by 2025.

The proposed extension of the Tallawarra Stage B approval would allow EnergyAustralia to provide peaking and intermediate capacity during the predicted period of increased demand. The Department notes that Tallawarra Stage B would have significantly less greenhouse gas emissions than typical coal fired power stations and considers natural gas to be an effective transitional energy source as NSW moves progressively towards renewable energy.

Tallawarra Stage B and the approved Tallawarra Lands Project were assessed with a strategic approach that considered the predicted impacts across both projects. Consequently, the criteria and performance measures are consistent within the conditions of approval for both projects. The Tallawarra Lands Project has not yet been developed.

The Department considers that there is no increase in predicted environmental impacts beyond those that have already been assessed and approved. There are no proposed changes to the approved electricity generation rates, electricity generation methods or physical operation of the project.

Furthermore, the Department is satisfied that the existing conditions provide a comprehensive and robust regulatory framework, which is consistent with contemporary practice and would effectively manage any impacts of the approved project. Under the existing conditions, EnergyAustralia is required to comply with strict performance measures, minimise noise impacts to sensitive receivers, and comprehensively monitor and manage water quality and ecological impacts.

The Department also notes that the proposed modification would allow for the estimated 600 construction jobs and 15 to 20 operational jobs identified under the existing project approval to occur.

The Department supports the proposed modification and recommends its approval.

6. RECOMMENDED CONDITIONS

The Department has drafted a Notice of Modification (refer to **Appendix B**) and consolidated approval (refer to **Appendix C**).

The Department has modified condition 1.4 of Schedule 2 of the existing approval by extending the lapse date for 5 years until 21 December 2020.

The Department notes that EnergyAustralia has received a copy of the recommended conditions, and has raised no objections.

7. CONCLUSION

The Department has assessed the merits of the proposed modification in accordance with the relevant requirements of the EP&A Act, including the objects of the Act and the principles of ecologically sustainable development.

The proposed modification would allow EnergyAustralia to construct and operate the plant during a period of increasing energy demand.

The previous assessments of Tallawarra Stage B and the Tallawarra Lands Project considered the predicted impacts across both projects. The Department is satisfied that there would not be any increase in the predicted environmental impacts beyond those that have already been assessed and approved.

Furthermore, the Department considers that there is a robust and comprehensive set of existing conditions of approval, which would effectively manage any impacts of the project.

Overall, the Department is satisfied that there is a clear justification for the proposal in terms of contributing to the State's energy supply capacity over the medium and longer term.

Consequently, the Department supports the proposed modification, and believes it should be approved.

8. RECOMMENDATION

It is RECOMMENDED that the Executive Director, as delegate of the Minister for Planning:

- consider the findings and recommendations of this report;
- determine that the modification is within the scope of Section 75W of the EP&A Act;
- approve the application under Section 75W, subject to conditions; and
- sign the Notice of Modification (**Appendix B**).

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APPENDIX A: MODIFICATION APPLICATION

APPENDIX B: NOTICE OF MODIFICATION

APPENDIX C: CONSOLIDATED APPROVAL