

Meeting **CLG meeting no 3** Ref No. 11/2447
 Project Marulan Project Date 15 March 2012
 Venue Meridian Cafe, 85 George St, Marulan Time 4:30pm-6:30pm
 Purpose To provide an update on the Marulan TRUenergy project

Time	Item No.	Item	Presenter
4:30pm	1	Welcome & introductions	Brendan Blakeley, Elton Consulting
4:35pm	2	Outstanding actions	Brendan Blakeley, Elton Consulting
4:45pm	3	Marulan project update	Marcello Diamante, TRUenergy
5:15pm	4	Topics of interest Narrabri Gas Project (ESG) Emergency Response Systems Project Management	Marcello Diamante, TRUenergy Graham Dowers, TRUenergy Alstom
6:15pm	5	Discussion about the CLG and the Marulan Project	All
6:45pm	6	Other matters	
7:00pm	7	Next steps, thank you and close	Brendan Blakeley, Elton Consulting

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Project	Marulan Project	Date	15 March 2011
Venue	Meridian Cafe, 85 George St, Marulan	Time	4:30pm -6:30pm
Chaired by	Brendan Blakeley, Elton Consulting	Recorded by	Georgie Wheadon, Elton Consulting
Purpose	To provide an update on the Marulan TRUenergy project		

Participants

Chris Berry	General Manager, Goulburn-Mulwaree Council
Geoff Kettle	Mayor
Guy Fletcher	Billyrambija Landcare Group and local landowner
John McKindley	Canyonleigh Community Association
John Nicastrì	Marulan Progress Association
Ken McNally	Dairy Road resident and Dairy Road Community Alliance
Steven Burgun	Sydney University Landcare Society
Rodney Sieler	Local landowner
Marcello Diamante	TRUenergy
Graham Dowers	TRUenergy
James Robertson	Alstom
Brendan Blakeley	Elton Consulting
Georgie Wheadon	Elton Consulting

Apologies

Antonia Stephenson	Dairy Road resident and Dairy Road Community Alliance
Wayne Curle	Big Hill Rural Fire Brigade
John Reynolds	Landcare Goulburn Office/Catchment Management Authority
Wayne Hillier	Local resident, Big Hill and member of the Big Hill Fire Brigade
Catherine Fletcher	Billyrambija Landcare Group and local landowner
George Barnett	Canyonleigh Community Association
Lauren Wilson	Landcare Goulburn Office/Catchment Management Authority
Maree Abood	Office of the Hawkesbury Nepean
Rosemary Turner	Marulan and District Historical Society
Maureen Eddy	Marulan Progress Association
Simon Gilmore	Penrose Community Association
Phil Venton	Penrose Community Association
Jason Gordon	Wingecarribee Shire Council
Rodney Falconer	Goulburn Field Naturalists Society
David Humphries	Marulan and Region Chamber of Commerce
Ken Wray	Marulan and Region Chamber of Commerce
Warren Dennis	Marulan Rural Fire Service
Fay and Mal Maloney	Marulan Rural Fire Service
Delise Freeman	Pejar Local Aboriginal Land Council
John Bell	General Manager, Upper Lachlan Council
John Shaw	Mayor, Upper Lachlan Council

1 Welcome

- Brendan Blakeley from Elton Consulting welcomed the group at approximately 4:35pm.
 - No comments were made on the previous meeting's notes. The notes were adopted.
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2 Outstanding actions

Marcello Diamante from TRUenergy outlined the outstanding actions from the previous meeting and explained how each would be addressed in the meeting.

The outstanding actions and their corresponding agenda items are shown below:

- Narrabri Gas Project: Provide presentation on TRUenergy's interest in former Eastern Star Gas (Item 4)
 - HSWP Update on status of Highland Source Water Pipeline Discussions (Item 3)
 - EMS Emergency Management Systems for the Marulan Power Station (Item 4)
 - Noise Information on what 35 decibels means (Item 4)
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3 Marulan Project Update and discussion

Marcello Diamante from TRUenergy gave a brief overview of the site and project history revisiting the presentation shown in the first CLG meeting (see attached PowerPoint presentation).

Key points from the presentation included:

- Since the last meeting, TRUenergy has submitted a modification application under section 75W of the NSW Planning Act to the Department of Planning and Infrastructure (DPI). The application is to consolidate the Approvals for a single plant with a single owner. The proposal is only for a peaking station. An upgrade of part or all of the station into a base load plant (i.e. CCGT), in the future, will require a separate modification process. The application included a relatively minor realignment of the approved gas pipeline and access road route and the inclusion of a water pipeline route along the gas pipeline route connecting to the Highland Source Water Pipeline.
- The benefits of the single site include:
 - Improved vegetation clearing
 - Improved visual amenity to nearby receptors; and
 - Water management below the consumption levels approved.
- The broken red line on slide 8 shows the revised pipeline corridor. TRUenergy explained the motivations behind the revised route included minimising impact on existing farming, aligning the route with previously agreed services easement on Sydney University owned lands and avoiding a degraded watercourse and gully. The route has been developed through negotiations with landowners, representatives from the Land Council and several studies including Aboriginal Heritage studies, and environmental studies.
- Following submission of the modification application in February 2012, DPI has asked for clarification on construction traffic and transport, low frequency noise, hazard comparison between the original permit and the modification, plant elevations and dimensions and waste comparison. TRUenergy is developing a response that will be submitted by late March, including explanation of how this project proposal differs from the originally approved project permit. Particular issues that will be addressed in the response include:
 - A Safety Management System (SMS) for the pipeline. This has not previously been seen by DPI. It was developed as part of the pipeline concept design and includes analysis of the risk of

- putting a gas pipeline next to a water pipeline.
 - More prescriptive site layout plans including elevation plans (provided by Alstom).
 - Demonstration that waste will be produced and contained on site in a pond rather than trucked out as previously proposed. Any oily residue that comes off the transformer during rain events will be collected in a separately bunded filtration pond and disposed offsite.
- The visual impact of the consolidated station is demonstrated through photos (slides 9 and 10) which show the predicted site and the previous Concept Application. The existing pylons shown are 60m in height with the additional towers to be built as part of the development to be lower in height to these whilst the exhaust stacks will be 35m in height. Consolidating the station has reduced the visual impact.
- The 3D CAD drawing (additional slide shown by TRUenergy) demonstrates an indicative schematic of a 4 x E Class unit Power Station.
 - Q: Is the model shown to scale in terms of relative height between the exhaust stacks and electrical towers?
 - A: 500 KV towers are generally around 60m in height. This is a generic model. The exhaust stacks shown are 35m however the height of the tower is not confirmed as a lower voltage (and therefore smaller) tower may be used. We will clarify this in the minutes.

Post Meeting note:

A review of the permits confirms that the electrical towers connecting the site to the nearby Marulan switchyard will be built to a height up to 35m.

- Q: Do the towers come back through the scrub or through the open country?
- A: The visual impacts slide captures any new powerlines. However we will take that question on notice.

Post Meeting note:

The Montages shown are based on the Towers being built in the open country along the Wollondilly River to minimise impact to the wooded area classified as an endangered ecologically community before turning into the switchyard.

Highland Source Water Pipeline

- TRUenergy explained that in early 2011, it approached Goulburn –Mulwaree Council engineering department regarding the feasibility of connecting into the newly built HSWP. The Council indicated that it was technically possible however it was unable to confirm this until it had completed its commissioning of the pipeline. In late November, TRUenergy formally approached Goulburn-Mulwaree management requesting commercial access to the pipeline. Management was open to the idea however before any negotiations could commence, management required guidance from the Council body. In December 2011, a resolution was put forward to the Goulburn-Mulwaree Council and approved outlining specific guiding principles required to be met for commercial access and connection agreement to the HSWP. The approved motion extracted from the Councils' 20 December Minutes is outlined below:

"Motion Resolved 11/437

That subject to finalising Council's Operational Plan for the Highland Source Pipeline any discussions and negotiations for potential third party access to the Highland Source Pipeline water be undertaken in accordance with the following principles:

1. *Water Supply for Goulburn Mulwaree Council is not significantly compromised for either yield or operational purposes.*
2. *Third Party Access needs to deliver a tangible benefit to Council ratepayers:*
 - a. *Water supply availability is not compromised whether in drought or not*
 - b. *A potential future reduction in the annual \$75 levy*

3. *Cost to access HSP water is based on the following 2 components:*

a. *Fixed Charge – comprising:*

- *A share of the \$50M capital cost*
- *A share of the proposed SCA fixed charge*
- *A one-off infrastructure contribution*
- *Share of funded depreciation costs*

b. *Volumetric Charge – comprising:*

- *SCA volumetric charge*
- *A share of the Operational and Maintenance cost*
- *Profit Margin based on acceptable 'return of asset' ratio.*

4. *The water supply for the Southern Highlands (including Wingecarribee Shire Council) is not to be compromised."*

- Q [CLG member]: There has been a lot of comment from Wingecarribee Council about this matter. Do you have any comments?

Note: Mayor Geoff Kettle and General Manager Chris Berry were in attendance at the Meeting and provided responses to particular questions in relation to the Water Pipeline. Their responses are denoted under [Council] below:

- A [Council]: There has been clear guidance stated publicly from the Minister and the Sydney Catchment Authority (SCA) confirming the Council's position on the rights of the water and usage on the HSWP. Wingecarribee Council is not involved however the Council has included Wingecarribee's interest in the development of the guiding principle in good faith.
- Q [CLG member]: Can you confirm that the amount of water to be used is 50mega litres per year (the equivalent of 20 Olympic sized swimming pools per year)?
- A [TRUenergy]: We have requested raw water usage up to 52.5 ML/annum in the modification application. This amount is lower in total to the 76 ML/annum approved under the original project approvals. However, we anticipate this to represent the upper limit with actual raw water usage, on average, to be significantly lower than this amount.
- Q [CLG member]: Is there a 'Plan B' for the Project as Council is in a position of power and able to control the charge for the water?
- A: [Council] No that statement is not correct. Council is not able to abuse its monopoly position and charge excessive rates. The Council is allowed to charge a commercial return to cover its costs and earn a reasonable return on its investment. Any excessive charges can be disputed by customers and bodies such as the Independent Pricing and Regulatory Tribunal (IPART), for example, can intervene. Council will charge a fair price for water and an infrastructure charge.
- Q [CLG member]: Is this a license to print money and screw over residents?
- A [Council]: We have an obligation to our ratepayers. Council is the water supply authority and prospectively there will be a number of customers who will want to tap into the HSWP. On the pipeline there will be a meter installed, which will be the responsibility of the operator. The operator, for example TRUenergy, will have an obligation to negotiate easements with the landowners and pay compensation. As outlined in the guiding principles, Council will be looking to negotiate commercial access agreements on the HSWP that will reduce the ongoing cost of the pipeline to Goulburn-Mulwaree's residents.
- A: [TRUenergy]: The current project approvals include a water solution that trucks the water to the Site. . In the interim the HSWP was built, only 7 kilometres away and running parallel to the existing gas pipeline. This means we can use the existing pipeline corridor to connect both gas and water to the site minimising the associated environmental impacts and significantly reduce the required water truck movements when the Power Station is in operation. In this instance, it is a "win win" so TRUenergy are happy to negotiate a commercial access agreement on the HSWP.

- Q [CLG member]: Is there a chance that State politicians may get involved?
- A [Council]: As the result of a misunderstanding at the Wingecarribee end, one state politician got involved and tabled a notice of motion. Sydney Water have concurred that we purchase the bulk water supply from Sydney Water and then are able to resell it for both residential and commercial purposes.

- Q [CLG member]: Have there been any discussions with Origin about future needs they may have for water and access to the pipeline? Would they take it from their own connection to the pipeline? If there is potential for minimal disruption to the environment this would be beneficial.
- A [Council]: Early conversations were that there would be no technical problem with doing this. The issue is about deciding what principles should guide this access.
- A [TRUenergy]: In the early stages of the project TRUenergy had discussions with Origin but this focused on the gas pipeline route. There has been no discussion about water. As stated previously, we are developing a throughput gas pipeline lateral – Origin have 30 kilometres of pipeline so we believe they are looking to compress and store gas within the pipeline. This makes sharing a pipeline not technically feasible. Furthermore, our project is potentially at a more advanced state and on a different timeline to Origin and other competing projects in the area. We don't see any synergies at this point however we are happy to discuss the potential if approached by other developers as long as it doesn't compromise the operation of the Power Station.

- Q [CLG member to Council]: Have Origin approached you regarding use of the HSWP?
- A [Council]: They have, along with a third customer.

- Q [CLG member]: Can you remind us why you are not using water directly from the Wollondilly river
- A [TRUenergy]: The conditions of approval make it quite clear that we are not allowed to take water from the river or harvest water on site.

- Q [CLG member]: I understand that Snowy Mountains Hydro development nearby is able to extract water?
- A [TRUenergy]: They could be seeking water extraction access as part of their Approvals. This question is best directed at the project proponent themselves.
- A [Council]: My understanding is that there is no new water extraction licences allowed.

Canyonleigh Road Upgrade

- TRUenergy explained they have engaged Aurecon to prepare a proposal for the Canyonleigh Road upgrade. They have submitted a proposal to Council and received positive feedback so far. The upgrade will include clearing of table drains, rehabilitation of pavement and a two coat seal of the road stretching approximately 10km from Brayton road intersection to the privately owned Arthursleigh Campus Road entrance just after the TransGrid switchyard. Once formal approval is received, TRUenergy will select contractors for the capital works.

Project Development

- The key activities TRUenergy will be focusing on between now and the next CLG meeting are detailed in the attached PowerPoint (see slide 13).
 - Q [CLG member]: Have you selected your turbine manufacturer?
 - A [TRUenergy]: We are working with a preferred provider called Alstom.

 - Q [CLG member]: Can you put other timelines around the key activities listed between now and the next CLG?
 - A [TRUenergy]: The planning approvals cannot be predicted. The existing approvals require Canyonleigh Road upgrade to be completed before construction– we are well on track for this. The upgrade of the Egress Track is not complex but needed to make this area safe for contractors to get on and off-site especially for pre construction clearing works. Where there are

works, all appropriate notifications will be adhered to once approval is secured. TRUenergy has management plans in final draft for handling construction, tree clearing and cultural heritage. All have been well advanced. The timing does depend on how long it takes to get the permit modification resolved.

- Q [CLG member]: Have Goulburn-Mulwaree Council been approached to upgrade the road?
- A [TRUenergy]: Council were approached but did not have the resources at the time. Council have provided TRUenergy a list of preferred providers.

- Q [CLG member]: Is the Canyonleigh Road going to be upgraded to general use standards?
- A: [Council] My understanding is the standard outlined by TRUenergy in their Canyonleigh Road upgrade report is higher than the State government requirements.

- Q [CLG member]: What sort of numbers of trucks will be passing down this road and what sort of weight will they be carrying?
- A [TRUenergy]: Alstom are currently preparing the Traffic Management Plan for the project that will explain this information. We will have to take this on notice to tell you the exact numbers. The traffic management plan is part of the CEMP and will be approved before construction.

4 Topics of interest

The following topics of interest were raised in previous meetings and requests made for more information

Marcello Diamante and Graham Dowers made short presentations on each topic (excluding item c) Project Management. This presentation was made by James Robertson from Alstom). See the accompanying PowerPoint presentation for the explanatory slides used.

a) Narrabri Gas Project

The main points of this presentation were:

- The Narrabri Gas Project was previously called the Eastern Star Gas project.
- It is a joint venture owned by Santos; TRUenergy previously owned a small share. TRUenergy now owns 20% of the project (non-operator role) and Santos owns 80% and operational rights on the Project.
- The Joint Venture, led by Santos, has recently committed \$20 million to upgrading the site infrastructure, equipment and improving working culture and processes. As part of this process Santos has suspended activities on the site.
- As a non-operator shareholder, TRUenergy is liaising with Santos on the upgrades. TRUenergy's goal is to ensure Santos meet the regulatory requirements and emulates the high standards it delivers across its portfolio of projects.
- Going forward Santos will submit a revised development application under the new Part 4A planning laws.
- The technique of hydraulic fracturing the coal seam to create flow paths for the gas is not required at the Narrabri Project (i.e. PEL 238) as the coal seams in this region have naturally occurring fracture cleats. The drilling of lateral wells across these cleats allows the gas to be produced without forced fracturing.
- A fact sheet on the project from the Santos website is included with these minutes.

b) Emergency Response Systems

The main points of this presentation were:

- An intruder alarm and electronic key card system will secure access to the site.
- Some of the major points in the site are the administration and control building which are located close to the gate, allowing monitoring of the site.
- There will be a lot of water storage on site and a water treatment system on site.
- There will be a series of cameras around the site.
- There will also be a series of fire alarms on site including alarms with automatic Plant shutdown triggers.
- The site is expected to be manned 5 days a week however 24 hour monitoring will be undertaken with

remote operation most likely from the Tallawarra Power Station situated in Wollongong.

- Each individual unit is equipped with a control system.
- The protection system drives the safety shut downs and includes equipment to protect it from unexpected events. The protection system ultimately takes over irrespective of what the operator actions and safely shuts down the plant.
- The computer system is highly complex and has a high degree of reliability built into it, either with a tripping system that can rely on 1, 2 or other notifications.
- Fire fighting equipment will be on site including TRUenergy's own fire trailer; two 2,500 litre fire water tanks; fire water pumps (electrical and diesel) [see PowerPoint presentation]
- 2x2.5 ML fire water tanks will be onsite. Action: amend the presentation to reflect this figure.
- Part of the standard procedure in the process for commissioning is inviting the Emergency Services onto the site to run through procedures. Usually one of our staff becomes a trained incident controller.
 - Q [CLG member]: How does the provision of 605m site level (contingency for flooding) compare to the floods over the last couple of weeks?
 - A [TRUenergy]: The floods are well below the 605m provision; the January 2011 floods also did not reach the 605m level.
 - Q [CLG member]: Is my understanding correct that there will only be a few people on site, say two or three?
 - A [TRUenergy}: There will be a small number on site, perhaps five or six people.

 - Q [CLG member]: I am concerned about the possibility of electrolysis with the gas pipeline.
 - A [TRUenergy]: If we run a steel pipeline next to an electrical line, we can get induction on the line which can lead to electrolysis and OH&S issues for the operating staff. Electrolysis is managed with a cathodic protection system. We have also minimised parallel running of gas and electrical infrastructure as much as possible and tried to run the pipeline at right angles which reduces this risk; there will also be safety procedures put in place. The risks associated have been identified in the pipeline safety management study and will be managed accordingly.

c) Project Management

James Robertson from Alstom provided an overview of the potential construction schedule.

- See the attached PowerPoint presentation (slides 29 to 37) for the main points of this presentation.
- No questions were taken from the group.

d) Noise

The main points of this presentation were:

- The Project Approvals state that TRUenergy needs to be less than a 35 decibel level to any receptor (i.e. nearby dwellings).
- A question was asked in a previous meeting as to what 35 decibels means compared to well known and understood noise levels. This is shown in the chart included in the PowerPoint attached. OH&S levels would require ear muffs at about the 80 decibel level.
 - Q [CLG member]: My understanding of decibels is that they do not quite work like this. The previous proponents of the project advised us that we would need to soundproof the house.
 - A [TRUenergy]: We will meet the 35 decibel level for two reasons. Previously these proponents were putting forward a proposal for a CCGT. This required additional plant equipment such as Heat Recovery Steam Generator, steam turbines and an air-cooled condenser which effectively uses industrial fans to cool the steam created. If we were building a base load CCGT, we would need to negotiate with some landowners as the noise impacts would have exceeded the 35 decibel limit for some noise receptors. As we are developing a peaking station, design work done with Alstom has allowed us design silencing components so that the 35 Decibel noise level is achieved across all resident receptors. Additionally, the reorientation helps. Of course, there is the risk that noise testing once built may show an exceedence of the 35 Decibel limit and TRUenergy will have to address this issue accordingly.

5 Discussion about the CLG and the Marulan Project

Questions about the project were sought and requests for future additional presentations were asked for.

- Q: Would the CLG be interested in more detailed information or a presentation about the safety systems for commissioning of the gas pipeline?
- A: Yes this would be helpful, especially in light of the accident in the United States of America.
- Q: How much of the information contained in today's presentation will be circulated with the minutes?
- A: The presentation will be uploaded to the web and circulated with the minutes.

6 Other matters

Requests were sought for topics of interest which CLG members would like TRUenergy to focus on in future meetings. Suggestions of topics included:

- Emissions and air quality
- How do you manage issues from the construction period (community relations and communications process) including residents on Wollumbi Road (it was noted Wollumbi Road is not a Council owned land so is maintained by residents)? A: We will do whatever we can to keep the road open and will keep the road maintained to the state it is currently in.

7 Next steps, thank you and close

Brendan Blakeley thanked all participants for their attendance and input. The tentative date for the next meeting was set for Thursday 21ST June 2012.

A CLG member was concerned that many works would have begun before this meeting, and therefore potential issues may not be able to be raised. TRUenergy responded that if this were the case they will distribute contact numbers and contact persons, and will advise the community according to the notices required.

- Q [CLG member]: How far ahead do you lock in the dates of the road closures with construction?
- A [Alstom]: This will be taken on notice.
- A [Council]: However this will be part of the Traffic Management Plan signed off by the Councils Traffic Committee. This Plan will be published on the proponent's website.
- A [TRUenergy]: The Traffic Management Plan is being developed and will involve provisions for notification times, hours of operation etc.
- Q [TRUenergy]: How would the local community like to be notified about haulage work and other works?
- A [CLG member]: It is likely that a community member would go to the Council website.
- A: [Council] Usually Council would issue a letter of notification to immediately affected people. Road closures will be advertised on the Council's website however if roads are not closed but delayed
- A [Elton Consulting]: We will also discuss communications and community engagement activities to use informal networks to notify the community.
- A [Council]: TRUenergy can also let Council's media department know and we will get the message out.
- Q [CLG member]: Do the transmission lines go through any vegetation?
- A [TRUenergy]: Yes the towers go through low value vegetation but next to high value vegetation that we are specifically avoiding.

The meeting closed at 7:00pm.