NSW GOVERNMENT
Department of Planning

25 October 2006

Contact: Ben Holmes
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Our ref: S06_00775
Your ref:

Mr Praveen Mahto
Vice President, Business Development
NP Power Pty Ltd
c/- Environmental and Licensing Professionals Pty Ltd
GPO Box 559
BRISBANE QLD 4001

Dear Mr Mahto

Proposed Parkes 80MW Gas Fired Power Station (Base Load), Parkes, Parkes Local Government Area (Application Reference: 06_0266)

I refer to your documentation of 19 September 2006 requesting for Director-General's requirements for the preparation of an Environmental Assessment in relation to the above project.

The Director-General's Environmental Assessment Requirements are attached, pursuant to section 75F(2) of the *Environmental Planning and Assessment Act 1979*. It should be noted that the Director-General's requirements have been prepared based on the information provided to date. Under section 75F(3) of the 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.

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

- fees applicable to the application;
- 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.

You should keep the contact officer for this project, Ben Holmes ((02) 9228 6534, ben.holmes@planning.nsw.gov.au), 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

23.10.06

Chris Wilson
Executive Director
As delegate for the Director-General

PROPOSED PARKES 80MW GAS FIRED POWER STATION (BASE LOAD), PARKES, PARKES LOCAL GOVERNMENT AREA

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

Project	NP Power Pty Ltd (the Proponent) proposes to construct and operate an 80MW gas-fired power station at Parkes, in the Parkes local government area. The power station would operate continually, generating base load electricity for the region. The Proponent proposes to undertake the project in two stages: • initial installation and operation of seven sets of 8.4 MW gas fired reciprocating generator sets (total capacity of 60MW); and • installation and operation of an additional two to three sets (total capacity of 20MW) subject to future demand. Additional infrastructure required would be a one kilometre natural gas pipeline and a 1.5 km electricity transmission line.
Site	Goobang Junction, Parkes; Lot 1 on DP 1016693
Proponent	NP Power Pty Ltd
Date of Issue	25 October 2006
Date of Expiration	25 October 2008
General Requirements	The Environmental Assessment must be prepared to a high technical and scientific standard and must include: • an executive summary; • a description of the proposal, including construction, operation, and staging; • an assessment of the environmental impacts of the project, with particular focus on the key assessment requirements specified below; • justification for undertaking the project with consideration of the benefits and impacts of the proposal; • a draft Statement of Commitments detailing measures for environmental mitigation, management and monitoring for the project; and • certification by the author of the Environment Assessment that the information contained in the Assessment is neither false nor misleading.
Key Assessment Requirements	The Environmental Assessment must include assessment of the following key issues: • **Strategic Justification** - the Environmental Assessment 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 Environmental Assessment must also include a strategic planning consideration of the project and an analysis of the suitability of the proposed site with respect to potential land use conflicts with existing and future surrounding land users. • **Greenhouse Gases** – the Environmental Assessment must include a comprehensive greenhouse gas assessment, incorporating a quantitative model showing the tonnages of each greenhouse gas produced (directly and indirectly from the development) per year. These figures must be expressed as a percentage of the total national greenhouse gases produced per year over the life of the project. If a greenhouse gas offset is proposed, full details of this offset(s) must be included in the Environmental Assessment. • **Air Quality** – the Environmental Assessment must include a comprehensive air quality impact assessment prepared in accordance with the *Approved Methods for Modelling and Assessment of Air Pollutants in NSW* (EPA, 2001), with particular focus on combustion gases, particulates and the impact of cumulative air emissions on the local area. This must include a detailed assessment of the effects of strong and prolonged temperature inversions known to occur in the region. Plant design must be assessed against international best practice and this shall include assessment of the proposal against gas turbine technology. Specifically, a detailed comparison of the proposal against best practice small gas turbines in terms of emissions performance must be included. Where the does not perform as well as alternatives, a detailed cost-benefit analysis and

justification of the proposal must be provided. Details must be provided on the proposed air pollution control techniques, including proposed measures to manage and monitor efficiency and performance to ensure compliance with the requirements of Schedule 4 of the *Protection of the Environment Operations (Clean Air) Regulation 2002*. Contingency plans for potential system failures shall also be identified in the EA.

- **Noise Impacts** – the Environmental Assessment must include a noise impact assessment for the project, conducted in accordance with *NSW Industrial Noise Policy* (EPA, 2000). The assessment must include consideration of noise impacts for both stages of the development, with a particular focus on scenarios under which meteorological conditions characteristic of the locality may exacerbate impacts at sensitive receivers. The probability of such occurrences must be quantified. Noise impacts associated with an increase in traffic due to the proposal needs to be determined. An assessment of the noise impacts associated with the proposal along the main access routes to the site need to be assessed in accordance with the *Environmental Criteria for Road Traffic Noise* (DEC, 1999). The Environmental Assessment must also include an assessment of the construction noise impacts of the project, against the criteria provided in Chapter 171 of the *Environmental Noise Control Manual* (EPA, 2004). The Environmental Assessment must clearly outline the noise mitigation, monitoring and management measures the Proponent intends to apply to the project.
- **Visual Amenity Impacts** – the Environmental Assessment must include an assessment of the visual impact of the project from key viewing points within the local area and from nearby residential areas. This should include a photographic assessment to clearly demonstrate the potential visual amenity impacts of the proposal. The Environmental Assessment must clearly outline the visual amenity mitigation and management measures that the Proponent intends to apply to the project. Virtual images demonstrating the effect of mitigation measures must be included as part of this assessment.
- **Flora and Fauna** - the Environmental Assessment must include a flora and fauna impact assessment in accordance with the DEC's *Guidelines for Threatened Species Assessment.*). The Environmental Assessment must specifically consider any threatened species and communities listed under both State and Commonwealth legislation recorded on the site or in the surrounding area. The Environmental Assessment must also detail measures to avoid or mitigate impacts on threatened species associated with the siting and construction of any access roads and other infrastructure.
- **Water Quantity and Quality Impacts -** The Environmental Assessment must include an assessment of the water quantity and quality impacts of the proposal, with particular reference to the water needs of the project, the proposed source of water, and the implementation of water saving measures (including use of treated effluent or rainwater). The Environmental Assessment must also identify the quantity and quality of wastewater, how this wastewater would be disposed of, and how stormwater would be managed at the site. The Environmental Assessment must reflect a design philosophy of zero water discharge from the site, except for natural surface water flows. A site water balance must be included as part of this assessment.
- **Hazards and Risk Impacts** – the Environmental Assessment must include a screening of potential hazards on site (including new gas supply infrastructure) to determine the potential for off site impacts and any requirement for a Preliminary Hazard Analysis (PHA). The PHA, should potential off-site impacts be identified, must be prepared in accordance with the Department's *Hazardous Industry Planning Advisory Paper No. 3, Hazardous Industry Planning Advisory Paper No. 6* and *Multi-level Risk Assessment.* Risk impacts associated with the transport of dangerous goods and hazardous materials must be documented with reference to the Department's draft *Route Selection* guideline.
- **General Environmental Risk Analysis** – notwithstanding the above key assessment requirements, the Environmental Assessment 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 Environmental Assessment.
Consultation Requirements	You must undertake an appropriate and justified level of consultation with the following parties during the preparation of the Environmental Assessment: • NSW Department of Environment and Conservation; • Roads and Traffic Authority; • Department of Natural Resources; • Rural Fire Service; • Commonwealth Civil Aviation Safety Authority; • Parkes Shire Council; and • the local community. The Environmental Assessment must clearly indicate issues raised by stakeholders during consultation, and how those matters have been addressed in the Environmental Assessment.
Deemed refusal period	Under clause 8E(2) of the *Environmental Planning and Assessment Regulation 2000*, the applicable deemed refusal period is 60 days from the end of the proponent's environmental assessment period for the project.