

For Public Notice via Internet

**DECISION UNDER *ENVIRONMENT EFFECTS ACT 1978*
AND REASONS FOR DECISION**

Title of Proposal: Tarrone Power Station

Proponent: AGL Energy Limited

Description of Project:

AGL Energy Limited proposes to develop a gas-fired power station near Tarrone, north-east of Port Fairy in Moyne Shire. The proposed 720 to 840 megawatt power station (with a development footprint of about 4 hectares) and associated 500 kilovolt electrical substation (with a footprint of about 6 hectares) would be developed on a 75 hectare site on land currently used for agriculture. The power station would use an open-cycle turbine technology to provide peak-load power to Victoria's electricity grid via a connection to the 500 kilovolt Moorabool to Portland transmission lines that transit the site.

The proposal also includes the development of a new gas pipeline from the existing South East Australia Gas Pipeline (SEA Gas Pipeline) to the power station site. Two potential alignments for a gas pipeline are being investigated: an 'east-west corridor' with a connection point at Willatook (approximately 8 kilometres in length), and a 'north-south corridor' with connection point to the north of Heywood-Woolsthorpe Road (approximately 10 kilometres in length). Both gas pipeline routes would traverse agricultural land.

The project will require the provision of water supply to the power station site. A number of water sources are being considered, including groundwater extraction, transport of water by trucks to the site or a recycled water pipeline.

Decision:

The Minister for Planning has decided that an Environment Effects Statement is not required for the proposed Tarrone Power Station, as described in the referral accepted on 15 December 2009, subject to the following condition:

AGL Energy Limited, prior to removal of any native vegetation, prepare both a native vegetation offset management plan and a flora and fauna management plan for the whole of project, in consultation with the Department of Sustainability and Environment and to the satisfaction of the Department of Planning and Community Development. The flora and fauna management plan should include processes for managing the potential impacts on species listed under the *Flora and Fauna Guarantee Act 1988*, including Southern Bent-wing Bat, Growling Grass Frog, Swamp Skink and Brown Toadlet.

Reasons for decision:

- The construction of the proposed power station and ancillary works would not have significant adverse effects on landscape, waterway, biodiversity or cultural heritage values of the local environment, as they would be located on mostly cleared farm land.
- The proposed power station is unlikely to cause significant off-site hazards to the local environment or community, in part because it will operate intermittently to generate power only at times of high electricity demand.
- Potential environmental effects of operating the power station, including opportunities to minimise emissions to air, resources use, waste generation and noise levels, can be adequately assessed and managed under the *Environment Protection Act 1970*. Best practice approaches will need to be applied in addressing these aspects.
- Neither of the two proposed alignment options for the high-pressure gas pipeline from the SEA Gas Pipeline to the power station site are likely to cause significant adverse effects on rural land use, waterways or cultural heritage, due to their relatively short length and the extensive modification of the local environment by agricultural land use.
- While the construction of the gas pipeline has some potential to impact on native vegetation as well as listed flora and fauna species, depending on the option adopted, the magnitude of these impacts is unlikely to be significant once the requirements of *Victoria's Native Vegetation Management – A Framework for Action* are applied and suitable management measures are implemented to protect listed species.
- Procedures under the *Pipeline Act 2005*, including the requirement for an environmental management plan, will provide an adequate framework for assessing and managing the environmental effects of the gas pipeline.
- Options under consideration for provision of water supply to the power station are unlikely to have significant adverse effects.

Date of Decision:

2 FEB 2010