VOLUME 2 APPENDICES JULY 2011

AGL Dalton Power Project Environmental Assessment

MP10-0035

Appendix B

Consultation

URS

AGL

Switched on Business.

MEDIA MONITORS

Goulburn Post
12-Apr-2010
Page: 3
General News
Region: Goulburn NSW
Circulation: 4166
Type: Regional
Size: 108.47 sq.cms
M-W-F--

Energy and employment

UPPER Lachlan Shire councillors are set to discuss a proposed $1.5 billion energy project and its "likely" positive impacts when they meet this week.

A report by the Shire's director of environment and planning Robert Mowle, to be tabled at Thursday's meeting, included a copy of the application for AGL's major energy project, to be located 3km north of Dalton.

The project application stated that the 1500 MW gas turbine power station would be constructed in two stages on a 200ha block, with "significant capacity" for buffer zones.

"The project is likely to have positive impacts on the existing social and economic environment of the Upper Lachlan Shire and, in particular, for the towns of Dalton and Gunning," it stated.

"The construction phase would involve the expenditure of a significant proportion of the estimated total project cost on local goods and services and generate associated employment."

The report also noted a number of requirements have been forwarded to the Department of Planning for inclusion in the environmental assessment, such as the undertaking of a road safety audit, bushfire ignition threats from the power and sub stations, and the an analysis on noise impacts. A copy of councils' proposed community enhancement program was also forwarded.

Councillors will discuss the project, along with Mr Mowle's recommendation to endorse the additional items for the environmental assessment, at their Thursday meeting in Crookwell.

MEDIA MONITORS

Crookwell Gazette
15-Apr-2010
Page: 1
General News
Region: Crookwell NSW
Circulation: 1200
Type: Regional
Size: 140.49 sq.cms
-T-T---

$1.5 billion power plant planned for Dalton

UPPER Lachlan Shire could be on the verge of becoming the "green power" generating capital of New South Wales.

Already there are 21 wind turbines operating, with the prospect of this number running into the hundreds of approved and mooted developments going ahead on the Gullen Range (near Grabben Gullen), Crookwell wind farms Two and Three, Walwa, Taralga and possibly Golspie.

Added to that is the already approved construction of twin gas-fired turbines in a multi-million dollar project at Big Hill.

And Upper Lachlan Council has been advised of possibly the biggest project of them all - a $1.5 billion dollar gas turbine power station near Dalton.

At today's meeting at Crookwell, Council will have before it a copy of the development planned by AGL for the first stage of this massive project.

This will involve the construction of a 250 megawatt gas turbine power station on rural land 3 kilometres from Dalton village.

The first stage of the project will cost between $250 and $750 million dollars, with the ultimate aim of expanding to create a 1500 megawatt capacity at a cost of $1.5 billion. The power station will be constructed and operate on an area of less than 15 hectares within an area of 200 hectares, providing significant capacity for buffer zones.

The development application (which will go to the State Planning Authority for approval) points out that the most economic current source of renewable energy is "irregular and not guaranteed to be available during peak electricity demand," a function the proposed power station will perform.

It adds that AGL has committed over $2 billion in renewable energy generation.

AGL will prepare an environmental assessment covering noise, visual and landscape amenity, water quality, traffic and access, flora and fauna.

MEDIA MONITORS

Crookwell Gazette
20-Apr-2010
Page: 3
General News
Region: Crookwell NSW
Circulation: 1200
Type: Regional
Size: 90.31 sq.cms
-T-T---

Council input into Dalton power project

UPPER Lachlan Council will ask for a detailed pavement and structure analysis to be undertaken on affect public roads association with the proposed gas-fired power generator near Dalton.

The details of the project were before Council at its Crookwell meeting.

An anlysis of noise impact on residences within 2 kilometres of the power station, and the possible hazards such as bushfires and effluent management will also be required.

Cr. Mike Coley expressed some concern over the power station's affect on local water supplies, but Planning Manager Ms Tina Dodson said the developers (AGL) did not intend to "use much water at all."

Cr. Mick Mayoh said he was surprised to see figures in the proposal that pollution would be two-thirds of coal fired generation, which he thought would not class it as green energy.

Cr. Brian Moloney pointed out that the new plant could not reach its full capacity until Transgrid's Bannaby transformers reached 500 megawatt capacity.

When this happened it would mean more massive towers to carry the power lines from Dalton to Bannaby, and result in more heavy traffic for the roads.

Ms Dodson commented that what happened to roads was a major concern for Council.

Cr. Brian McCormack said it was logical that a number of wind farms would also "lock in" with this.

"I admit we got some asphalt in connection with the Bannaby transformers, but we're paying for it now on the Goulburn - Taralga Road. It was not built for this kind of traffic."

Newsletter

April 2011

Dalton Power Project

AGL is a major retailer of gas and electricity to over three million customers, with an extensive portfolio of wholly and partly-owned investments in energy infrastructure, infrastructure management and other energy companies. We aim to build a sustainable energy future for our customers, our investors and the communities in which we operate.

Benefits of "peaking power"

The proposed Dalton Power Project would contribute positively to the NSW electricity market by providing a peaking plant to service demand. It will also minimise AGL's market exposure and complement the introduction of intermittent renewable generation sources into the NSW electricity market

About the Dalton Power Project

It is predicted that over the next decade rising electricity demand will substantially increase the need for rapid response "peaking" power generation within NSW. To meet NSW electricity needs, AGL is proposing to construct and operate a gas turbine power station of up to 1500 megawatt capacity.

The Project (Stage 1) will supply electricity (250-750 MW) for NSW to meet this growing peak demand. In time it could expand to up to 1500MW capacity.

The project would be located on rural land approximately 3 km north of the town of Dalton, south western NSW.

The Dalton Power Project will act as a peaking power station to supply the electricity grid during times of peak demand.

The Dalton Power Project will be constructed and operated on an area of around 25 ha within around 500 ha of land that comprises the site. This location will provide significant capacity for buffer zones.

As part of the Environmental Assessment (EA) process, specialist studies have been conducted to determine the potential impact of the Project on various issues. These include (but are not limited to):

- a visual and landscape assessment;
- an air quality and greenhouse gas assessment;
- an assessment of potential noise and vibration impacts; and
- a flora and fauna assessment.

The EA presents the findings of these studies and includes a Draft Statement of Commitments that AGL would implement to minimise potential impacts. The EA has been submitted to the Department of Planning for adequacy review. Following that review, the EA document will be made available for comment through public exhibition (anticipated to be around mid May 2011).

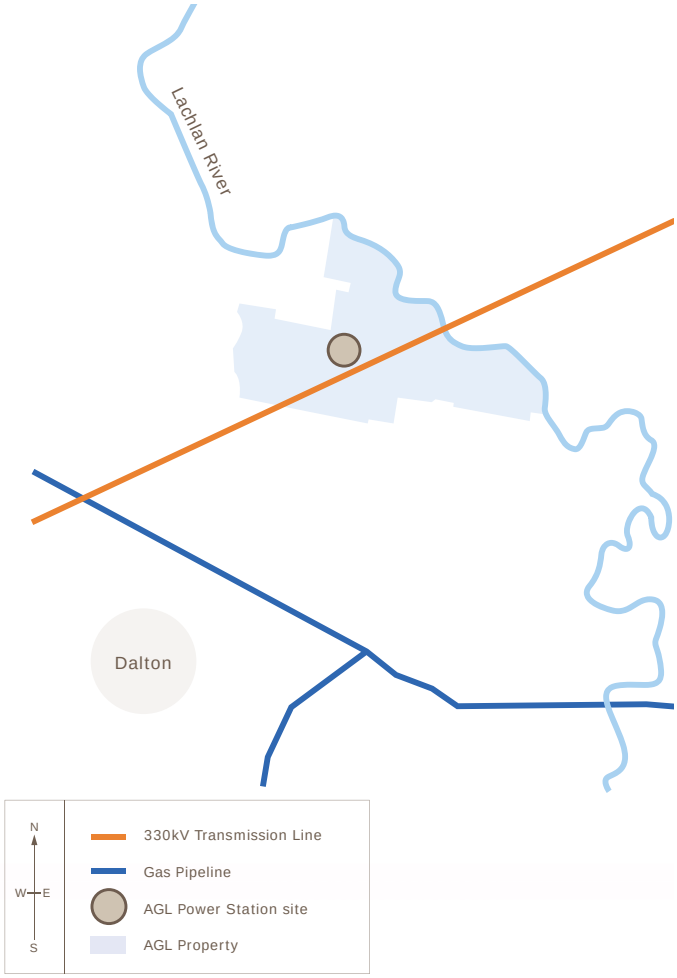
AGL will hold a community information day to discuss the project on a one on one basis. For details about the project approval and EA processes, as well as the the information day, please see the back page of this newsletter.

Local Benefits of the Dalton Power Project

The benefits of the project to the local area include:

- A capital investment of up to $1.5 billion, creating over 150 jobs during construction.
- Business opportunities for regional contractors and local companies within south western NSW.
- A boost to the local economy and service industries.
- Long-term local employment opportunities associated with the operation and maintenance of the power plant.
- AGL has an active community engagement philosophy through support of community initiatives.

Project Location



Has AGL considered alternatives to the Proposal?

A range of alternatives for the plant size, its location and water sources have been considered by AGL. Natural gas is a clean burning fuel and has comparatively low greenhouse gas emissions. In terms of power generation technologies, open cycle gas turbines present the best balance of outcomes between the imperatives of climate change mitigation and meeting peak electricity demand while managing the price of electricity for end use consumers. The operation of gas turbines in open cycle mode was found to be preferable to combined cycle gas turbines and coal fired generation for meeting peak electricity demand. Renewable energy technologies were examined but were found not to be conducive to meeting peak demand requirements.

AGL has undertaken a comprehensive review of existing gas turbine developments in Australia and has also reviewed more than 12 alternative sites for the proposed development in NSW. Network connections, existing land uses and environmental constraints were reviewed as part of selecting a site for the Project. The Dalton area was selected as the preferred region for the facility due to the proximity of the Site to demand, the existing concentration of infrastructure, and the appropriate site setback from neighbouring properties and communities.

Air Quality and Greenhouse Gas

The potential impact on air quality of the Project has been assessed in accordance with the requirements of the NSW Department of Environment, Climate Change and Water (DECCW). The results of the air quality modelling indicated that the predicted impacts on ground level concentrations of air pollutants, when added to peak background concentrations, were within the DECCW regulatory criteria. These criteria are conservative and established to assure protection of human health and environmental values.

A greenhouse gas assessment has been performed for the Facility. The principal greenhouse gas emission from the Facility is carbon dioxide (CO2), which is a product of natural gas combustion. The assessment confirmed that having gas fuelled turbines operating in open cycle arrangement provides the most efficient and environmentally friendly method of operating the system, and complementing the production of electricity through renewable means.

Landscape and Visual Assessment

The visual assessment determined that there are unlikely to be any significant impacts on view lines toward the power station site from local roads or access tracks. The access road, control building, ancillary infrastructure and constructed gas pipeline would generally not be visible from most view locations.

Views from the road are likely to be restricted to portions of the exhaust stacks. These views would be of a short duration to motorists where the facility is visible. Mitigation measures such as careful selection of the colour of buildings and stacks would reduce the visual contrast of the power station and associated infrastructure. This would reduce the visual impact of the facility on passing traffic and at the nearest residential view locations.

Traffic and Transport

The traffic and transport assessment found that the road network around Dalton could satisfactorily, and safely, accept the additional traffic generated by the development during the construction, operational and maintenance phases of the project.

Noise Assessment

The noise assessment examined potential noise generation impacts during the construction and operational phases of the power station. It also considered associated traffic noise. The study of the operation of the power station addressed general continuous operations, potential for sleep disturbance and low frequency noise.

The construction noise assessment examined activities related to the Facility, the gas pipeline and the access road development, as well as off site traffic noise on public roads generated during construction.

The study confirmed that, with the exception of one location, there should be no breach of required noise limits at any residential locations during the proposed construction phase of the power station. The predicted increases in road traffic will also fall within the criteria established by DECCW for off-site traffic noise.

Noise levels generated by the proposed operation of the plant are predicted to be within the established noise limits at all receptor locations. It was concluded that noise impacts of the

construction and operation of the proposed power station, gas pipeline and access road are not expected to degrade the existing acoustic environment, nor create ongoing annoyance at residential locations surrounding the power station.

Flora and Fauna

The Flora and Fauna assessment found that there are important ecological values on the site.

The proposed works would involve the clearing of approximately 6ha of Box-Gum Woodland, a community listed under the New South Wales *Threatened Species and Conservation Act 1995* (TSC Act). It would also require the clearing of 9ha of Natural Temperate Grassland listed under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999.*

The assessment found that beyond the impact to the TSC Act listed Box Gum Woodland, the Project would not result in a significant impact to any other threatened species or populations listed under the TSC Act.

In order to offset the potential impact of the Project on Box Gum Woodland and Natural Temperate Grassland communities, AGL has proposed an offset area within the AGL owned lands adjoining the development footprint. This would include:

- 77 ha (approx) of Box Gum Woodland,
- 80 ha (approx) of Native Temperate Grassland; and
- 25 ha (approx) of exotic pasture which has the potential to become Natural Temperate Grassland within the AGL owned lands adjoining the development footprint if managed appropriately.

The project plan also includes additional mitigation measures that would be implemented, including management plans for the construction and operational stages of the project, clearing strategies, habitat replacement plans, and rehabilitation and land management strategies.

AGL's commitment to the biodiversity offset strategy and mitigation measures for the project aim to ensure that the overall biodiversity of the local area would be 'maintained or improved' as is required under biodiversity assessment guidelines for major projects provided by DECCW. The offset arrangements are also consistent with the Commonwealth's principles for environmental offsets established under the EPBC Act.

Heritage

A heritage assessment of the potential impacts of construction of the power station, gas pipeline and access road was conducted. The assessments examined the local and regional archaeology and Aboriginal and European cultural heritage.

No European sites were located as occurring within either the power station footprint, or within the gas pipeline easement area. Where potential impacts were identified to the identified Aboriginal Cultural Heritage and where these cannot be avoided, the artefacts would be collected and if feasible relocated away from the area of impact.

Understanding the Environmental Studies

The Environmental Assessment (EA) has assessed the project's potential impacts relating to:

- Air quality and greenhouse gas emissions;
- Land use;
- Operating hours;
- Noise and vibration;
- Visual and landscape amenity;
- Water quality;
- Heritage;
- Traffic and access;
- Cultural and historic heritage; and
- Flora and fauna

The EA outlines how potential impacts can be avoided, minimised and managed throughout the design, construction and operational phases of the project.

Importantly, through design considerations, plant location and analysis of alternatives, AGL has proposed a gas fired power station that has minimised potential impacts on the natural environment, and on community within which it will be sited.

Mitigation Measures

Mitigation measures have been proposed in the Environmental Assessment to address the development's potential impact on noise levels, air and water quality, traffic and transportation, visual amenity and other environmental matters. These mitigation measures would ensure that the proposed project proceeds with minimal impact on existing surrounding land uses, and on potential future uses.

What planning approvals are required?

AGL is seeking approval for the Dalton Project under Part 3A of the NSW Environmental Planning and Assessment Act 1979. Approval of the Dalton Power Project is subject to compliance with the provisions of both NSW and Commonwealth planning and environmental law.

To obtain approval, this process requires comprehensive environmental assessment, public consultation and a report on issues raised during the consultation.

Public consultation will involve engagement with all project stakeholders, including the local community, Council and government agencies. The agencies include the Department of Planning, Department of Environment, Climate Change & Water and Department of Sustainability, Environment, Water, Population and Communities.

The seven-step Environmental Assessment process is outlined below and includes public submission periods.

The Environmental Assessment Process

1. Request for Part 3A Assessment to DoP (Project Application) and Submission of Preliminary Environmental Assessment
2. Director General's Requirements issued by DoP
3. Preparation and submission of Environmental Assessment Report
4. **WE ARE HERE**
   Adequacy Review
   DoP determines if Environmental Assessment Report is Acceptable for Exhibition and Assessment
5. **Public Exhibition**
   Revised Environmental Assessment Report available for public comment. Dates to be confirmed.
6. AGL address submissions
7. Final assessment and decision by Minister for Planning

Following the commencement of the public exhibition period, likely to be mid May 2011, the community will again be invited to make submissions and provide comment on the Project.

A further community meeting will be held during the exhibition period to facilitate the submission of additional feedback on the findings of the Environmental Assessment by interested community members.

Community Consultation

Your thoughts and opinions are a very important part of the assessment process.

To give the community a better insight to the Dalton Power Project, AGL will be holding an Open Day.

Community Open Day

When:
Saturday 16 April 2011 from 9.30am to 12.30pm

Where:
Dalton Church Hall,
Chapel Street, Dalton

Information about the Project can be viewed at:
www.agk.com.au/dalton
or request a copy by calling:
1800 039 600.

Energy in action.®

AGL

Find out more about the project or contact the project team:

Phone: 1800 039 600

Visit: www.agk.com.au/dalton

Email: Please fill out our online enquiry form

URS

1 April 2011

To Whom It May Concern

AGL, one of Australia's leading suppliers of energy, is working to address the shortfall in peak electricity generation within New South Wales. Over the next decade it is predicted that demand for electricity is going to rise in New South Wales, combined with the need to diversify the mix of generation sources as a result of the expansion of Renewable Energy Targets (RET). These factors will substantially increase the need for rapid response "peaking" power generation within NSW.

AGL proposes to seek approval to construct and operate a 1500 megawatt (MW) gas turbine power station on rural land approximately 3 km north of the town of Dalton, north west of Gunning in south western New South Wales (NSW). The project also includes an access road connection to Walshs Road, Dalton. An Environmental Assessment (EA) has been prepared by URS for the Project.

As part of the EA process, specialist studies have been conducted to ascertain the potential impact of the Project on various issues. These include (but are not limited to) a visual and landscape assessment, an air quality and greenhouse gas assessment, an assessment of potential noise and vibration impacts, and a flora and fauna assessment. The EA presents the findings of the studies as well as a Draft Statement of Commitments that AGL would follow to minimise identified potential impacts. The EA has been submitted to the Department of Planning for adequacy review, and following that review, will be made available for comment through public exhibition mid May 2011.

The Dalton locality has been selected by AGL after careful consideration of sites around NSW that might be suitable for the Project. The specific site has been chosen because of the size of the land available, the natural buffers that exist between the site and local sensitive receptors, and the ease of access to energy infrastructure such as gas supply and electricity transmission.

Information about the Project can be accessed at

www.agk.com.au/dalton/

As part of the ongoing consultation process, an open day has been arranged to enable you to access additional information and have an opportunity to discuss the Project with representatives from AGL, and the Environmental Consultants undertaking work on the EA.

The open day will be held:

Saturday 16 April 2011 from 9.30 am to 12.30 pm
Dalton Church Hall – Chapel Street, Dalton

We hope that you are able to meet with members of the Project team at the open day. If you are unable to attend but wish to arrange an alternative meeting, please contact the AGL Community Consultation Hotline **1800 039 600.**

Yours faithfully
URS Australia Pty Ltd

Nicole Brewer
Associate Environmental Scientist

URS Australia Pty Ltd (ABN 46 000 691 690)
Level 4, 407 Pacific Highway
Artarmon NSW 2064
Australia
T: 61 2 8925 5500
F: 61 2 8925 5555

URS

10 March 2011
Project No. 43177661

General Manager, Corporate and International Affairs
Air Service Australia
Alan Woods Building
25 Constitution Avenue
Canberra
ACT
2601

Attention: David Byers

Subject: Proposed AGL Dalton Power Project

1 Introduction

AGL has identified the need to address the short fall in peak electricity generation and is seeking approval from the Department of Planning for the AGL Dalton Project. An Environmental Assessment is currently being prepared for the Project. The Department of Planning has requested that AGL consult Air Services Australia regarding this Project. AGL has appointed URS as the representative to undertake detailed environmental work and we would welcome the opportunity to receive your considerations for this Project.

2 The Project

Over the next decade it is predicted that demand for electricity is going to rise in NSW, combined with a change in the mix of generation sources as a result of the expansion of Renewable Energy Targets (RET) will substantially increase the need for rapid response "peaking" power generation within NSW. To meet this rapidly changing electricity supply landscape, AGL proposes to construct and operate a 1500 megawatt (MW) gas turbine power station. The Site is located on rural land approximately 3 km north of the town of Dalton, north west of Gunning in south western New South Wales (NSW) The project also includes an access road connection to Walshs Road, Dalton. The constituent elements of the Project would include the proposed power station consisting of up to six gas turbine units; a 4 km lateral gas pipeline connection from the power station to an existing natural gas supply pipeline (Moomba to Sydney Gas Pipeline) located to the south of the Site; new off take from the Moomba to Sydney Gas Pipeline and a connection between the power station and the existing high voltage transmission system on Site.

The Dalton Power Project will act a peaking power station to supply electricity to Sydney during times of peak demand. Part 3A of the Environmental Planning and Assessment Act 1979 (EP&A Act) would be used to determine planning permission to the Dalton Power Station Project.

URS Australia Pty Ltd (ABN 46 000 691 690)
Level 4, 407 Pacific Highway
Artarmon NSW 2064
Australia
T: 61 2 8925 5500
F: 61 2 8925 5555

3 Background

3.1 Site Section

A thorough evaluation of the different options and alternatives has been conducted in order to establish the most environmentally and economically sustainable method of meeting the future energy provision needs of the area resulting in the selection and adoption of this Project by AGL.

The Dalton locality has been selected after a careful consideration of sites around NSW. The specific site has been chosen because of the size of the land available, the natural barriers that exist between the site and local sensitive receptors, and the ease of access to energy infrastructure such as the gas pipelines and the site has a 330kV transmission line on site, completely removing the need to burden neighbouring landowners with transmission line easements.

4 Consultation

A Preliminary Environmental Assessment for the Project has been prepared which outlines the constraints, impacts and opportunities for the Project in the Area. This document has been included with this correspondence for your information.

We request your input on the considerations of your department regarding the Project.

Should you require any further information regarding the Project feel free to contact URS on 02 8925 5500, or you can contact us in writing at the below address:

Dalton Power Project
c/o Kath Tinker
URS Australia
Level 4, 407 Pacific Highway,
Artarmon, NSW 2064.

Correspondence is requested to be provided by **Wednesday 23 March 2011**.

If you have any questions regarding the project, please contact Kathryn Tinker on (02) 8925 5792.

Yours sincerely
URS Australia Pty Ltd

kathryn_tinker

Attachments
PEA

URS

10 March 2011
Project No. 43177661

Office of Airspace Regulation
Commonwealth Civil Aviation Safety Authority
Building 628
Airport Drive
Bankstown Airport
NSW
2200

Attention: Tony O'Shea

Subject: Proposed AGL Dalton Power Project

1 Introduction

AGL has identified the need to address the short fall in peak electricity generation and is seeking approval from the Department of Planning for the AGL Dalton Project. An Environmental Assessment is currently being prepared for the Project. The Department of Planning has requested that AGL consult the Civil Aviation Authority regarding this Project. AGL has appointed URS as the representative to undertake detailed environmental work and we would welcome the opportunity to receive your considerations for this Project.

2 The Project

Over the next decade it is predicted that demand for electricity is going to rise in NSW, combined with a change in the mix of generation sources as a result of the expansion of Renewable Energy Targets (RET) will substantially increase the need for rapid response "peaking" power generation within NSW. To meet this rapidly changing electricity supply landscape, AGL proposes to construct and operate a 1500 megawatt (MW) gas turbine power station. The Site is located on rural land approximately 3 km north of the town of Dalton, north west of Gunning in south western New South Wales (NSW) The project also includes an access road connection to Walshs Road, Dalton. The constituent elements of the Project would include the proposed power station consisting of up to six gas turbine units; a 4 km lateral gas pipeline connection from the power station to an existing natural gas supply pipeline (Moomba to Sydney Gas Pipeline) located to the south of the Site; new off take from the Moomba to Sydney Gas Pipeline and a connection between the power station and the existing high voltage transmission system on Site.

The Dalton Power Project will act a peaking power station to supply electricity to Sydney during times of peak demand. Part 3A of the Environmental Planning and Assessment Act 1979 (EP&A Act) would be used to determine planning permission to the Dalton Power Station Project.

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Yours sincerely
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kathryn_tinker

Attachments
PEA

URS

10 March 2011
Project No. 43177661

Catchment Officer, Property Vegetation and Planning
Lachlan Catchment Water Authority
2 Sheriff St
Forbes
NSW
2871

Attention: Paul Nicholl

Subject: Proposed AGL Dalton Power Project

1 Introduction

AGL has identified the need to address the short fall in peak electricity generation and is seeking approval from the Department of Planning for the AGL Dalton Project. An Environmental Assessment is currently being prepared for the Project. The Department of Planning has requested that AGL consult the Lachlan Catchment Water Authority regarding this Project. AGL has appointed URS as the representative to undertake detailed environmental work and we would welcome the opportunity to receive your considerations for this Project.

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Yours sincerely
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kathryn_tinker

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PEA