

Gloucester Gas Project

NEWSLETTER | NOVEMBER 2009



What is an Environmental Assessment?

An Environmental Assessment is a formal submission to the Department of Planning as part of the Major Project approval process. It is the Government's way of assessing the project to ensure it meets strict NSW Government standards and that it will not have significant environmental impacts.

An Environmental Assessment is made up of:

- > A formal description of the project,
- > An assessment of the likely effects of the project on the physical, social and economic environment
- > Identification of measures to be implemented to mitigate impacts,
- > An evaluation of alternatives and justification for the project,
- > An assessment of the cumulative impacts of the project

Specialist studies have been undertaken to address a range of environmental issues associated with the proposed works, including an assessment for noise, air quality, ecology, traffic, and groundwater.

You can download the EA for the Gloucester Gas Project at <http://majorprojects.planning.nsw.gov.au/page/on-exhibition/> or alternatively www.agl.com.au/gloucestergasproject

Opportunities to make a Submission

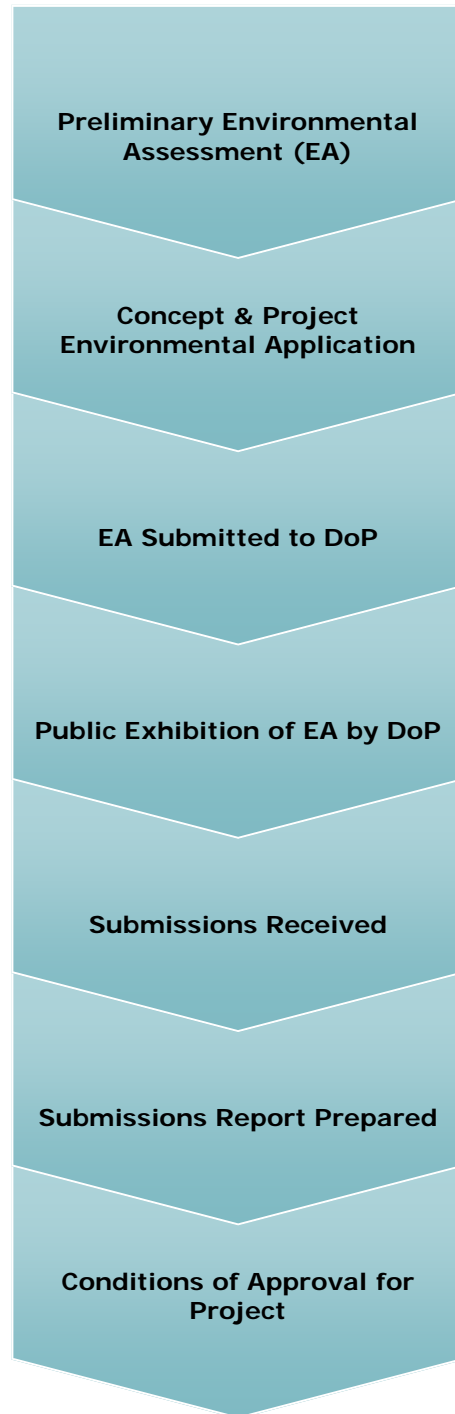
The public submissions will be taken into consideration by the Minister when making a decision on the proposed project.

AGL encourages community comments on the proposal either positive or negative. The Department of Planning now invites the community to make submissions on the project as part of the public exhibition of the EA to the address below:

DEPARTMENT OF PLANNING

Major Development Assessment
Department of Planning, GPO Box 39, Sydney NSW 2001
Exhibition website at:

<http://majorprojects.planning.nsw.gov.au/page/on-exhibition/>
For additional information or for copies of the Environmental Assessment you can contact either AGL or AECOM:



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Project Overview

The Gloucester Gas Project is located near Stratford, NSW, approximately 100 km north of Newcastle and is situated within PEL 285. AGL is seeking approval for the following four integrated components:

- > Gas Field Development Area (GFDA) – development of producing wells and associated infrastructure within the Concept Area and Stage 1 GFDA;
- > Central Processing Facility (CPF) – compression of gas up to 30PJ per year with an 80 TJ/day average, water treatment facility including associated storage and evaporation ponds, small scale ancillary power generation facility, and other ancillary infrastructure;
- > Gas Transmission Pipeline – high pressure gas pipeline from Stratford to Hexham; and
- > Hexham Delivery Station (HDS) - custody transfer point for Coal Seam Gas (CSG) from the pipeline to the Sydney Newcastle trunk pipeline.

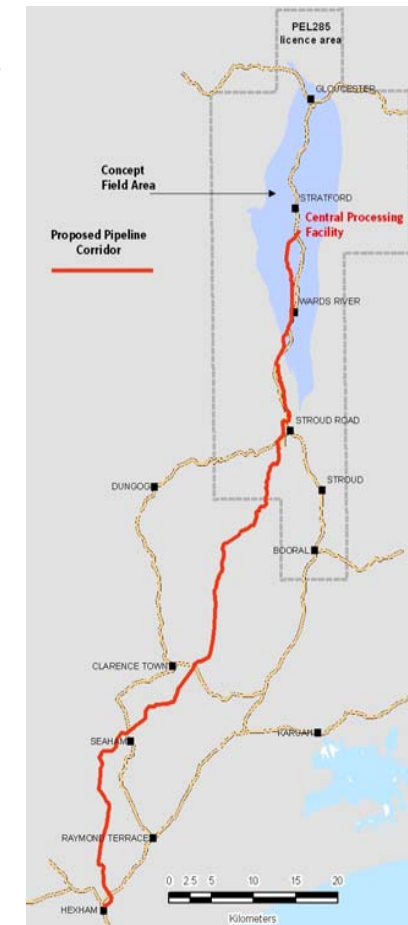
The project location and area is shown in the map on the right.

The value of Coal Seam Gas

NSW relies heavily on importing gas from Victoria and South Australia. The Gloucester Gas Project will use significant local coal seam gas reserves, making it an important project for the NSW economy.

Gas supply is one of the key factors in meeting the needs of the Hunter region's growing population and economy.

Coal seam gas is also an important environmental energy resource. Energy produced from coal seam gas generates up to 55% less greenhouse emissions and would support the climate change and greenhouse gas emissions initiative of the NSW Government.



Letter to the Community

This newsletter is part of our way to inform the community about the Gloucester Gas Project and the Environmental Assessment (EA) on public exhibition between 18th November 2009 to 15th January 2010.

We encourage public input and participation in the EA process.

Please do not hesitate contact us if you have any queries or alternatively you can make a submission to the Department of Planning regarding the EA.

AGL

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Overview of Environmental Studies

AGL engaged AECOM, a leading environmental services firm, to undertake a range of environmental studies to define the potential impacts of the proposal after initial consultation with councils, community groups, neighbours and government agencies. As part of the EA process set down by the NSW Department of Planning, specialist studies were undertaken in a range of fields including visual amenity, ecology and cultural heritage. The key findings of the major studies confirmed that the Project will not have a significant impact with management measures in place. Some details of the studies are outlined below.

Noise

The existing noise levels were logged in various areas to determine the noise goals for well surface locations, the CPF and the HDS in accordance with the Department of Environment, Climate Change & Water (DECCW) guidelines.

The construction phase of the project was assessed against stringent criteria as part of a worst case approach to ensure the Project meets the NSW Government requirements.

The assessment determined that the Project would result in some noise impact during the construction phase, with exceedances predicted for certain activities at certain distances from the location of construction. The implementation of recommended mitigation measures during the construction period would aim to minimise these impacts and maintain noise levels within the project noise goals as far as possible. Exceedances experienced during the construction period would be temporary and generally short-term, ceasing upon completion of construction activities. Given the generally low density of population in the area surrounding the Stage 1 GFDA, CPF, pipeline, and HDS, residual impacts associated with the construction period would not be widespread and would likely be limited to isolated residences.

Operational noise impacts related to the Stage 1 GFDA and pipeline are manageable with appropriate mitigation to meet noise goals. Operational noise impacts associated with the CPF and HDS would generally be managed through plant selection and site layout to be finalised during the detailed design phase and would be subject to a monitoring program to ensure that the plant is operating within the noise goal requirements.



Drill Rig



Tiedeman property during well Development



Tiedeman property after restoration



Trenching during Pipeline Construction



Laying pipeline



Pipeline easement during restoration



Pipeline easement after restoration

Air Quality

Air quality impact from the Project has been assessed by means of an air quality impact assessment (AQIA). The impact assessment was prepared in accordance with NSW DECCW Approved Methods for the Modelling and Assessment of Air Pollutants in NSW (DECC, 2005).

The results of the Air Quality Impact Assessment (AQIA) undertaken in respect of the Stage 1 GFDA and CPF indicate that:

- > Ground level pollutant concentrations resulting from operation of the proposed facilities would be below the relevant DECCW criteria for the CPF at all modelled locations;
- > Emissions resulting from the flaring of the wells during commissioning were predicted to be below the DECCW criteria, provided the recommended distance between simultaneously flaring wells is adhered to.

The AQIA indicated for the Pipeline and HDS that:

- > Some emissions would be expected during the construction phase, however would be managed through the development and implementation of Construction Environmental Management Plan.
- > Emissions during operations for both the pipeline and HDS are expected to be minimal.

Ecology

An Ecological Assessment was undertaken for the Stage 1 GFDA, CPF, Pipeline and HDS which considered threatened species, populations and communities listed under both State and Commonwealth legislation that have been recorded within the Project Areas. This assessment identified potential impacts on threatened species and detailed measures to avoid or mitigate impacts identified.

An extensive range of environmental safeguards, mitigation measures and monitoring and management programmes have been identified and would be undertaken in accordance with the EA.

Residual ecological impacts would be managed through the development of an offset strategy. As such, the activities associated with the project are not likely to significantly impact ecological values within the Project Areas.