

Department of Planning, Housing and Infrastructure

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Clarence Colliery Modification 10 and Lidsdale Coal Loader Modification 5

Continue Increased Trucking of Coal

State Significant Development Modification Assessment Report

(DA 504-00 Mod 10 & MP 08_0223 Mod 5)

April 2024





Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Clarence Colliery Modification 10 and Lidsdale Coal Loader Modification 5 (DA 504-00 Mod 10 & MP 08_0223 Mod 5) Assessment Report

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Preface

This assessment report provides a record of the Department of Planning, Housing and Infrastructure's (the Department) assessment and evaluation of Modification 10 (MOD 10) and Modification 5 (MOD 5) of the State significant development (SSD) applications for the Clarence Colliery (DA 504-00) and Lidsdale Siding (MP 08_0223), lodged by Centennial Coal Company Pty Ltd (Centennial) and Ivanhoe Coal Pty Ltd (Ivanhoe Coal). The report includes:

- an assessment of the modifications against government policy and statutory requirements, including mandatory considerations;
- a demonstration of how matters raised by stakeholders have been considered;
- an assessment of the likely environmental, social and economic impacts of the modifications;
- an evaluation which weighs up the likely impacts and benefits of the modifications, having regard to the proposed mitigations, stakeholder views and expert advice; and provides a view on whether the impacts are on balance, acceptable; and
- an opinion on whether the modifications are approvable or not, along with the reasons, to assist the Independent Planning Commission (the Commission) in making an informed decision about whether the approvals for the projects can be modified and any conditions that should be imposed.

Executive Summary

The Clarence Colliery (Clarence) is an underground coal mine located in the Western Coalfield, approximately 10 kilometres (km) east of Lithgow and is a joint venture operation managed by Clarence Colliery Pty Ltd (a wholly owned subsidiary of Centennial Coal Company Pty Ltd [Centennial]). Clarence operates under three development consents, including a State significant development (SSD) consent (DA 504-00), granted in 2005 by the then Minister for Planning.

The Lidsdale Siding is a coal rail loading facility located approximately 9 km north-west of Lithgow. Ivanhoe Coal Pty Ltd (Ivanhoe Coal) (a wholly owned subsidiary of Centennial) owns and operates the Lidsdale Siding. The site operates under SSD consent MP 08_0223.

The Clarence Colliery (DA 504-00) and Lidsdale Siding (MP 08-0223) projects were modified in November 2022 to allow for a short-term increase in road transport of coal product to Mount Piper Power Station (MPPS) (from 100,000 tpa to 200,000 tpa) and to allow for Lidsdale Siding to temporarily receive and handle up to 200,000 tpa of coal product by road until 31 December 2023.

Centennial proposes to modify the consents to continue to truck increased coal volumes (from 100,000 tpa to 200,000 tpa) from Clarence directly to MPPS and/or to Lidsdale Siding for onward delivery to MPPS via overland conveyor until 31 December 2026. The modifications are proposed to maintain coal stockpile levels at the power station and to assist in meeting the electricity demands of NSW.

All aspects of the proposed modifications are consistent with the most recently approved modifications for Clarence and Lidsdale Siding (MOD 9 and MOD 4, respectively), with the exception of the timeframe.

The modification applications were lodged under Section 4.55(1A) of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The Department is satisfied that the proposed modifications are within the scope of section 4.55(1A) and can be assessed and determined under this section.

The Independent Planning Commission of NSW is the consent authority for the modification applications as Centennial has reported political donations.

The modifications were publicly exhibited and received one supporting submission from EnergyAustralia. No public submissions were received. The Environment Protection Authority (EPA) and Lithgow City Council did not raise any concerns regarding the proposed modifications. Lithgow City Council provided recommendations for conditions of consent. Transport for NSW requested a Traffic Management Plan be prepared.

Centennial is the main supplier of coal to MPPS, with over 80 per cent (%) of coal being supplied from Centennial's Springvale Mine. Recent disruptions to supply from Springvale Mine have increased the reliance on alternative sources of coal to maintain supply to the power station. MPPS generates up to 15% of the State's electricity and is currently critical to the reliability of NSW electricity supply.

The Department considers that the proposed modifications would provide reliable short to medium-term supplementary coal supply to MPPS, without the need to modify any existing infrastructure at Clarence or Lidsdale Siding. This would assist the ongoing efficient operation of the power station and its capacity to meet NSW energy demands.

The Department's assessment has concluded that the impacts associated with the proposed modifications would be minor and generally consistent with the previously approved trucking modifications. The Department considers that the existing and recommended conditions would be adequate to manage the impacts of the proposed modifications.

Consequently, the Department considers that the proposed modifications are in the public interest and are approvable, subject to the recommended conditions.

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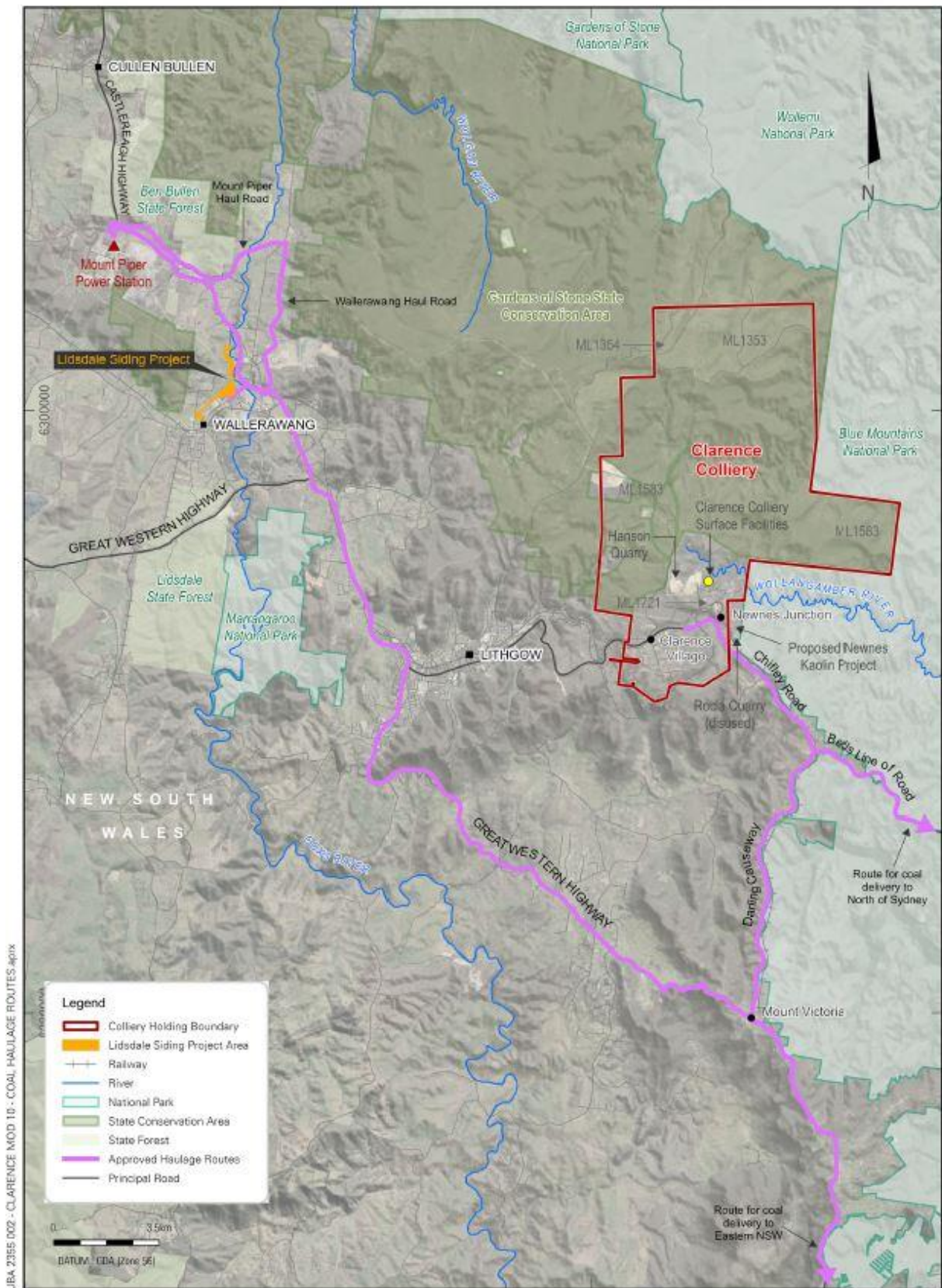
1 Introduction

1.1 Background

1. Clarence Colliery (Clarence) is an underground coal mine located in the Western Coalfield, approximately 10 kilometres (km) east of Lithgow (see **Figure 1**). The mine has been in operation since the 1980s and is a joint venture operation managed by Clarence Colliery Pty Ltd (a wholly owned subsidiary of Centennial Coal Company Pty Ltd [Centennial]).
2. The Lidsdale Siding is a coal rail loading facility located at Wallerawang, approximately 9 km north-west of Lithgow (see **Figure 1**). Ivanhoe Coal Pty Ltd (Ivanhoe Coal) (a wholly owned subsidiary of Centennial) owns and operates the Lidsdale Siding.

1.2 Approval history

3. Clarence operates under three development consents approved under the *Environmental Planning and Assessment Act 1979* (the EP&A Act):
 - IRM. GE.76, for construction of surface facilities, issued in 1976 by Blaxland Shire Council (now Lithgow City Council [Council]);
 - DA 174/93, for underground mining, reject emplacement, water management and ancillary structures, issued by Council in 1994; and
 - DA 504-00, granted in 2005 by the then Minister for Planning. This State significant development (SSD) consent provides for the expansion of approved mining operations into Mining Lease (ML) 1583, the processing of coal onsite, and the transport of coal by rail and road to both domestic and export markets 24 hours a day, seven days a week.
4. As detailed in **Table 1**, DA 504-00 has been modified on seven occasions. The Department understands that Centennial is currently in the process of preparing a further modification (MOD 8).



CENTENNIAL COAL



Coal Haulage Routes

Figure 1 | Regional context map

Table 1 | Summary of modifications to DA 504_00

| Modification | Description | Decision-maker | Type | Approval Date |
|--------------|--|---|-----------|------------------|
| MOD 1 | Increase in the road haulage of coal products | N/A | N/A | Withdrawn |
| MOD 2 | Establishment of Reject Emplacement Area 6 and upgrade and relocation of sewage effluent irrigation system | Planning Assessment Commission ¹ | 75W | 17 June 2014 |
| MOD 3 | Changes to road haulage routes | Planning Assessment Commission ¹ | 75W | 17 June 2014 |
| MOD 4 | Short-term increase in road transport of coal product to Mount Piper Power Station (MPPS) | Minister | 4.55 (2) | 16 August 2019 |
| MOD 5 | Increase in personnel from 300 to 400 full-time equivalent staff | Minister | 4.55 (2) | 2 October 2019 |
| MOD 6 | Rail transfer of coarse coal reject material to Charbon Colliery | Minister | 4.55 (2) | 20 August 2021 |
| MOD 7 | Alignment of the consent conditions with the mining lease conditions | Minister | 4.55 (1) | 11 October 2021 |
| MOD 9 | Increase in the total coal transported by road from Clarence from 200,000 tonnes per annum (tpa) to 300,000 tpa until 31 December 2023, including an increase in coal transported by road to MPPS or Lidsdale Siding from 100,000 tpa to 200,000 tpa | Minister | 4.55 (1A) | 17 November 2022 |

5. Lidsdale Siding has been used for coal handling, storage and rail loading since 1974. The site operates under SSD consent MP 08_0223, which has been modified on four occasions as described in Table 2.

Table 2 | Summary of modifications to MP 08_0223

| Modification | Description | Decision-maker | Type | Approval Date |
|--------------|---|----------------|----------|------------------|
| MOD 1 | Minor upgrades to allow coal delivery to MPPS, including development of temporary unloading infrastructure and a new stockpile. | Minister | 4.55 (2) | 5 September 2019 |

¹ Now the Independent Planning Commission.

| Modification | Description | Decision-maker | Type | Approval Date |
|--------------|--|----------------|-----------|------------------|
| MOD 2 | Adjustment of total rail movements | Minister | 4.55 (1A) | 24 October 2019 |
| MOD 3 | Removal of rail unloading restrictions | Minister | 4.55 (1A) | 3 November 2020 |
| MOD 4 | Receive up to 25 laden trucks per day delivering coal to the site from Clarence until 31 December 2023 | Minister | 4.55 (1A) | 17 November 2022 |

6. The most recent modifications for Clarence and Lidsdale Siding (MOD 9 and MOD 4, respectively)² allowed for the following until 31 December 2023:

- increase in the maximum total annual road coal transportation from Clarence from 200,000 tpa to 300,000 tpa;
- increase in the maximum annual road coal transportation from Clarence to MPPS or Lidsdale Siding from 100,000 tpa to 200,000 tpa; and
- receipt of up to 200,000 tpa of coal at Lidsdale Siding by road.

2 Proposed modifications

7. In November 2023, Centennial lodged two modification applications seeking to modify the SSD consents for Clarence (DA 504_00) and Lidsdale Siding (MP 08_0223). The modification applications were supported by a single Modification Report (see **Appendix A**).

8. Centennial proposes to modify the consents to continue trucking increased coal volumes from Clarence directly to MPPS, and/or to Lidsdale Siding for onward delivery to MPPS via overland conveyor in accordance with the approved activities under the Lidsdale Siding development consent (MP 08-0223), until 31 December 2026. The modifications are proposed to maintain coal stockpile levels at the power station and to assist in meeting the electricity demands of NSW.

9. The Department notes that all aspects of the proposed modifications are consistent with the previously approved trucking modifications, with the exception of the timeframe.

10. The proposed modifications to the Clarence and Lidsdale Siding development consents are summarised below. A detailed description of the modifications is provided in the Modification Report (see **Appendix A**).

² Referred to as the previously approved trucking modifications from hereon.

2.1 Clarence consent (DA 504-00)

11. The proposed modification to DA 504-00 involves:
 - increasing the maximum total annual road coal transport from Clarence from 200,000 tpa to 300,000 tpa, until 31 December 2026; and
 - increasing the maximum annual road coal transport from Clarence to MPPS or Lidsdale Siding from 100,000 tpa to 200,000 tpa, until 31 December 2026.
12. No change is proposed to the currently approved 200,000 tpa limit for road coal transport to other destinations to the east of Clarence.
13. Consistent with MOD 9, the increase in maximum coal transported by road to 300,000 tpa would require overall daily truck movements from Clarence to increase from 50 to 80 per day. Of these, a maximum of 50 truck movements (25 laden trucks) would be associated with delivery of coal to the MPPS or Lidsdale Siding, with the balance associated with supply to domestic and export customers to the east of Clarence.
14. Coal haulage to MPPS or Lidsdale Siding would be undertaken via public roads and is shown on **Figure 1**.
15. The proposed coal haulage route remains unchanged from the route approved by MOD 9.
16. The proposed modification relates to coal transportation only. No changes are proposed to the approved mine life, mining areas, operational hours, mine access, mining and coal handling and processing methods, employee numbers and coal production rates.

2.2 Lidsdale Siding consent (MP 08_0223)

17. The proposed modification to MP 08_0223 seeks approval to receive up to 25 laden trucks per day to deliver coal to the site from Clarence, until 31 December 2026. Deliveries would occur between 7 am and 10 pm Monday to Saturday and 8 am and 10 pm on Sundays and public holidays.
18. The proposed increase in daily truck movements is consistent with the increase approved by MOD 4.
19. No changes are proposed to the facility's operating life, operational hours, annual rate of coal throughput (i.e. incoming or outgoing), facility access, infrastructure, employees and coal handling methods.

3 Strategic context

20. MPPS is a coal fired power station located 17 km north-west of Lithgow. The power station is owned and operated by EnergyAustralia. The power station has the capacity to provide electricity to approximately 1.18 million homes in NSW annually, or up to 15 per cent (%) of NSW's electricity. It is important that the power station has a reliable source of coal to enable continuous operation, particularly during periods of increased demand.
21. MPPS was commissioned in 1992. It is one of four operational coal-fired power stations in NSW. It is the newest and is also expected to be the last operational coal-fired power station in the State, with an expected closure date of 2040.
22. Coal supply to MPPS is limited by a lack of rail access from the Hunter Valley coal supply chain. MPPS has alternative coal supply but not at an adequate volume without impacts on regional communities or additional Government intervention (such as for coal trucking). In the future it may be feasible to supply coal via rail from other existing mines located further afield in the Mudgee area, however this is not currently a commercially viable or approved option. Such an option is also further complicated by the current loader/unloader infrastructure at Springvale Mine.
23. Centennial is the primary provider of coal to the MPPS, with Springvale and Clarence being the two mining operations currently approved to deliver coal to the power station. Springvale Mine is the main local supplier of coal to the MPPS, typically providing between 80% and 100% of all coal supplied to the power station.
24. The Department understands that the coal supply to MPPS from Springvale Mine has recently been disrupted due to challenging water management conditions. To enable the power station to meet forward electricity demands, there is a need to continue supplementing coal supplies to the power station from Clarence.
25. Temporary increases in road transport of supplementary coal from Clarence directly to MPPS (up to 200,000 tpa) was previously approved on two occasions under MOD 4 and MOD 9 to DA 504-00.
26. Transport of the supplementary coal under MOD 4 occurred via private haul roads. The private haul roads previously approved for road transport are not currently accessible by Centennial due to changes in ownership and/or expired lease agreements. Transport of the supplementary coal under MOD 9 occurred via public roads.

4 Statutory context

4.1 Scope of modification

27. The modification applications were lodged under Section 4.55(1A) of the EP&A Act. Under Section 4.55(1A), a development consent can only be modified if the consent authority is satisfied that the proposed modification is of minimal environmental impact and that the development would remain substantially the same as the originally approved development.

28. The Department has reviewed the scope of the modification applications and considers that the applications can be characterised as modifications involving minimal environmental impacts as the proposals would:

- not involve any changes to project lifespans, production rates, disturbance footprints, operating hours, infrastructure or mining operations (in the case of Clarence);
- not significantly increase the environmental impacts of the approved development; and
- be substantially the same development as originally approved.

29. The Department is therefore satisfied that the proposed modification should be assessed and determined under section 4.55(1A) of the EP&A Act.

4.2 Consent Authority

30. Centennial disclosed a reportable political donation under section 10.4 of the EP&A Act. As such, in accordance with section 4.5(a) of the EP&A Act and section 2.7(3) of the *State Environmental Planning Policy (Planning Systems) 2021* (Planning Systems SEPP), the Independent Planning Commission (Commission) is the consent authority for the modification applications.

4.3 Mandatory matters for consideration

31. The Department has undertaken a detailed assessment of the proposed modifications, taken into consideration each of the relevant matters listed in sections 4.15(1) and 4.55(3) of the EP&A Act, including:

- the objects of the Act (see 0);
- applicable environmental planning instruments (see 0);
- issues raised in submissions on the proposed modifications (see Section 5);
- the likely impacts of the modification applications (see Section 6);

- the suitability of the sites for the proposed modifications (see Sections 3, 6 and 7); and
- the public interest (see Section 7).

4.4 Biodiversity development assessment report

32. Under Section 7.17(2) of the *Biodiversity Conservation Act 2016* (BC Act), the Department is satisfied that a Biodiversity Development Assessment Report (BDAR) is not required to be submitted for the proposed modifications as the applications would not increase impacts on biodiversity values.

4.5 Landowner consent

33. The Department is satisfied that the proposed modifications meet the definition of public notification development under *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation). The Department is also satisfied that Centennial complied with sections 98(4) and (5) of EP&A Regulation.

34. Therefore, in accordance with section 98(3) of EP&A Regulation, landowner consent is not required for the proposed modifications.

5 Engagement

5.1 Department's engagement

35. The Department publicly exhibited the modification applications and Modification Report on the NSW Major Projects planning portal for a period of 14 days from 24 November until 7 December 2023. The Department also advertised the exhibition in the Lithgow Mercury newspaper, notified previous submitters and invited comment from relevant government agencies and Lithgow City Council (Council).

5.1.1 Summary of public submissions

36. During the exhibition period, the Department received 1 submission from a special interest group (EnergyAustralia).

37. EnergyAustralia supported the proposed modifications on the grounds that these would support MPPS's capacity to meet NSW energy demands. A link to the submission in full is provided in Appendix A.

5.1.2 Summary of agency advice

38. Two state government agencies provided advice in relation to the proposed modifications. A summary of this is provided in Table 3.

Table 3 | Summary of agency advice

| Agency | Advice Summary |
|----------------------------------|---|
| EPA | <ul style="list-style-type: none"> • Noted that the proposed modifications remain substantially the same as the previously approved trucking modifications. • Emphasised that all feasible and reasonable measures must be undertaken to prevent noise and dust impacts. • Referred to an existing set of conditions in the environment protection licence relevant to the dust and noise minimisation and management at Clarence and Lidsdale Siding. • Did not provide any specific recommendations for conditions of consent. |
| Transport for NSW (TfNSW) | <ul style="list-style-type: none"> • Following review of the Modification Report, TfNSW: <ul style="list-style-type: none"> – noted that the modification requires a continued use of State roads; – requested a Traffic Management Plan (TMP) be prepared in consultation with TfNSW; and – made recommendations for conditions of consent. • Following review of the Department’s recommended conditions of consent, TfNSW indicated it supported the Department’s recommended conditions, provided the TMP is prepared prior to commencement of coal haulage and in consultation with TfNSW. |

5.1.3 Summary of council submissions

39. In its submission, Council did not object to the proposed modifications and did not raise any specific concerns or issues to be addressed during the assessment of the modification applications. Council provided recommendations for conditions of consent, including retention of the conditions related to the road transport hours and truck movements through the City of Lithgow.

40. Blue Mountains City Council did not provide any comments on the proposed modifications.

5.2 Response to submissions

41. As no submissions requiring a response were provided during the public exhibition period, the Department did not request a response to submissions from Centennial.

6 Assessment

42. The Department considers the key issues for the proposed modifications relate to potential traffic and noise impacts associated with the proposed increase in truck movements on public roads.

43. The Department's assessment of these issues is provided in **Section 6.1** and **Section 6.2**. The Department's assessment of other issues associated with the proposed modifications is provided in **Section 6.3**.

6.1 Traffic and transport

44. A Traffic Impact Assessment was undertaken by PDC Consultants (2023), which assessed the potential impacts of the proposed modifications on daily traffic volumes, intersection performance and road safety along the proposed haul route during the morning and afternoon peak period (Figure 1).

6.1.1 Traffic Volumes

45. The modifications would generate an additional eight truck movements travelling between Clarence and MPPS or Lidsdale Siding during the peak hour. This represents an increase in peak hour traffic volumes of approximately 4 – 38% along the haul routes. The overall daily traffic volumes (including traffic movements during peak hours) are predicted to increase by approximately 1 – 8% along the haul routes.

46. Despite the additional traffic that would be generated by the proposed modifications, the level of service (LOS) would remain high (LOS A) along the proposed haul route.

47. The Department notes that the proposed increase in traffic volumes associated with the modifications is consistent with that of the previously approved trucking modifications and that Centennial did not receive any community complaints regarding increased trucking of coal during that period.

48. The Department considers that the modifications would not adversely impact the efficiency of the local road network.

6.1.2 Intersection Performance

49. Intersection performance was assessed based on the proposed maximum eight truck movements per hour travelling to MPPS or Lidsdale Siding during peak periods.
50. The Castlereagh Highway / Boulder Road intersection and Castlereagh Highway / Main Street / Wolgan Road intersection would experience minimal increase in vehicle delays (between 0.6 and 2.6 seconds).
51. The Castlereagh Highway / Boulder Road intersection would maintain a high level of service (LOS A) during the morning and evening peak hours.
52. The Castlereagh Highway / Main Street/ Wolgan Road intersection performance during evening peak hours is predicted to slightly decline with the modifications (from LOS A to LOS B), with the maximum predicted vehicle delays being 1.3 seconds over LOS A threshold. LOS B represents an intersection performance that is good with acceptable delays and spare capacity.
53. The Department considers that key intersections would continue to operate at a good level of service with the proposed modifications.

6.1.3 Road Safety

54. All intersections generally have good visibility and there are established speed limits on the haul routes. The Department considers that the proposed modifications are unlikely to affect current road safety.

6.1.4 Mitigation and management

55. Centennial currently operates in accordance with an internal Haulage Management Standard, which incorporates the drivers code of conduct, fatigue management and several other measures relevant to road haulage.
56. Based on the advice of TfNSW, the Department has recommended a condition requiring Centennial prepare a TMP in consultation with TfNSW prior to commencing coal haulage under the proposed modifications.

6.2 Noise

57. A Noise Impact Assessment was prepared by Bridges Acoustics (2023), to assess the predicted noise impacts of truck loading and unloading at Clarence and Lidsdale Siding, and from truck movements along the proposed haul routes.

6.2.1 Operational noise

58. Consistent with the previously approved trucking modifications, additional truck movements within Clarence (including loading) are not predicted to increase the noise levels at receivers surrounding the Clarence pit top. Noise associated with truck loading and truck movements would however be more frequent.
59. The Noise Impact Assessment indicates that noise levels would continue to comply with the existing noise criteria in the Clarence and Lidsdale Siding development consents with the proposed modifications.
60. No exceedances of noise criteria were reported to the Department and no community complaints were received for both Clarence and Lidsdale Siding during the period of increased truck movements associated with the previously approved trucking modifications.

6.2.2 Road noise

61. The Noise Impact Assessment predicts that the proposed modifications would increase road traffic noise levels by less than 1 decibel (dB) at receivers along the haul route.
62. The Department is satisfied that the modifications would result in a negligible increase in road traffic noise levels that is unlikely to be noticeable to receivers.

6.2.3 Mitigation and management

63. The existing conditions of consents for Clarence (DA 504-00) and Lidsdale Siding (MP 08-0223) include operational noise limits and require Centennial to prepare and implement Noise Management Plans for the projects in consultation with the EPA.
64. Noise impacts from Clarence and Lidsdale Siding would continue to be managed and monitored in accordance with the Centennial's *Western Region Noise Management Plan*.
65. Centennial has also committed to use trucks that comply with current Australian Design Rules for heavy vehicles.
66. No additional conditions are considered necessary to manage the noise impacts of the modifications.

6.3 Other issues

67. Other issues associated with the proposed modifications include air quality, greenhouse gas, and socio-economic impacts. The Department's assessment of these issues is summarised in
68. **Table 4.** The Department considers that the issues summarised in

69. Table 4 can be adequately managed by the existing conditions of the Clarence and Lidsdale Siding consents.

70. The modifications do not propose any activities which would materially impact on biodiversity, Aboriginal heritage, historic heritage, water, or soils.

Table 4 | Assessment of other issues

| Issue | Findings and conclusions |
|---------------------------------|---|
| Air Quality | <ul style="list-style-type: none"> • The modifications would result in a small incremental increase in particulate emissions from additional truck movements and coal loading / unloading. • No exceedances of air quality criteria were recorded during the previous period of increased trucking. • The Department considers that the small increase in particulate emissions associated with the proposed modifications is unlikely to result in an exceedance of relevant air quality criteria. • EPA noted that all feasible and reasonable measures must be undertaken to prevent air quality impacts associated with the increased truck movements. • Existing conditions of consent for both developments require ongoing air quality monitoring and compliance with contemporary air quality impact assessment criteria. • Centennial has committed to: <ul style="list-style-type: none"> – passing all haul trucks through a vehicle wash bay before leaving Clarence, Lidsdale Siding and MPPS; and – covering all loaded trucks to prevent windblown dust during transport. • Air quality impacts at Clarence and Lidsdale Siding would continue to be managed in accordance with Centennial’s <i>Air Quality and Greenhouse Gas Management Plan Western Region</i>. |
| Greenhouse Gas Emissions | <ul style="list-style-type: none"> • The proposed additional truck movements would result in a small incremental increase of approximately 403 tonnes of carbon dioxide equivalent per year in greenhouse gas emissions. This represents approximately 0.8% increase in annual average Scope 1 and Scope 2 emissions compared to the emissions generated by the approved Clarence operations. • Greenhouse gas impacts would continue to be managed in accordance with Centennial’s <i>Air Quality and Greenhouse Gas Management Plan Western Region</i>. |
| Socio-Economic | <ul style="list-style-type: none"> • The proposed additional coal supply would supplement energy stocks at the MPPS and assist in ensuring that energy demands in NSW can continue to be met. |

7 Evaluation

71. The Department has assessed the merits of the proposed modifications and has considered the relevant matters and objects of the EP&A Act, advice from government agencies, local council and public submissions (Section 5), and strategic government policies and plans (0).
72. The Department understands that the coal supply to MPPS from Springvale Mine has recently been disrupted due to challenging water management conditions. The Department acknowledges that this has the potential to affect NSW energy supply, particularly during periods of increased demand.
73. The Department considers that the proposed modifications would provide reliable short to medium-term supplementary coal supply to MPPS, without the need to modify any existing infrastructure at Clarence or Lidsdale Siding. This would assist the ongoing efficient operation of the power station and its capacity to meet NSW energy demands.
74. The Department's assessment has found that the impacts associated with the proposed modifications would be minor and generally consistent with the previously approved operations. The Department considers that the existing and recommended conditions would be adequate to manage the impacts of the proposed modifications.
75. Consequently, the Department considers that the proposed modifications are in the public interest and are approvable, subject to the recommended conditions set out in the notices of modification (see Appendix C). Consolidated development consents incorporating the recommended changes are provided in Appendix D.
76. The Modification Assessment Report is hereby presented to the Commission to determine the application.

Appendices

Appendix A – List of referenced documents

A1 – Modification Report: Refer to the ‘Modification Application’ folder under the ‘Assessment’ tab on the Department’s website at:

<https://www.planningportal.nsw.gov.au/major-projects/projects/mod-10-continue-increased-trucking>

<https://www.planningportal.nsw.gov.au/major-projects/projects/lidsdale-siding-mod-5-coal-deliveries-clarence-colliery>

A2 – Submissions: Refer to the ‘Submissions’ tab on the Department’s website at:

<https://www.planningportal.nsw.gov.au/major-projects/projects/mod-10-continue-increased-trucking>

<https://www.planningportal.nsw.gov.au/major-projects/projects/lidsdale-siding-mod-5-coal-deliveries-clarence-colliery>

A3 – Agency Advice: Summarised in Table A1. Refer to the ‘Agency Advice’ folder under the ‘Assessment’ tab on the Department’s website at:

<https://www.planningportal.nsw.gov.au/major-projects/projects/mod-10-continue-increased-trucking>

<https://www.planningportal.nsw.gov.au/major-projects/projects/lidsdale-siding-mod-5-coal-deliveries-clarence-colliery>

Table 5 | Agency Advice

| Agency | Advice |
|---|---|
| Environment Protection Authority (EPA) | <ul style="list-style-type: none">• EPA advice on MOD 10 & 5 |
| Traffic for NSW (TfNSW) | <ul style="list-style-type: none">• TfNSW advice on MOD 10 & 5• TfNSW final advice on MOD 10 & 5 |
| Lithgow City Council (Council) | <ul style="list-style-type: none">• Council advice on MOD 10• Council advice on MOD 5 |

Appendix B – Statutory considerations

The Department’s assessment of the modification applications has given detailed consideration to a number of statutory requirements (see Section Error! Reference source not found.). These include the:

- objects found in section 1.3 of the EP&A Act; and
- matters listed under section 4.15(1) of the Act, including applicable environmental planning instruments (EPIs) and regulations.

A summary of these considerations is provided below.

Objects of the EP&A Act

Table D1 summarises how the relevant objects of the EP&A Act have been considered in the Department’s assessment of the modification applications.

Table D1 | Consideration of the applications against the relevant objects of the EP&A Act

| Object | Consideration |
|--|--|
| (a) to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State’s natural and other resources, | The Department considers that the modification applications meet this objective due to the following: <ul style="list-style-type: none">• The applications would supplement coal supplies to the Mount Piper Power Station to meet forward electricity demands across NSW.• Any minor impacts associated with the applications (i.e. traffic, noise and air quality) can be appropriately managed with the existing Clarence and Lidsdale Siding consents (see Section Error! Reference source not found.). |

| Object | Consideration |
|--|---|
| <p>(b) to facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment,</p> | <p>The Department considers that the modifications are minor and can be carried out in a manner that is consistent with the principles of ecologically sustainable development as they would:</p> <ul style="list-style-type: none"> • not involve any activities which may impact on biodiversity, Aboriginal heritage, historic heritage, water or soils; • have minimal environmental and social impacts beyond what is already approved; and • assist in meeting forward electricity demands across NSW. |
| <p>(c) to promote the orderly and economic use and development of land,</p> | <p>The modifications involve a permissible land use.</p> <p>The modifications would not require any additional land clearing and would result in no additional impacts to built or natural features beyond what is already approved. The Department considers this represents an orderly and economic use of the land.</p> |
| <p>(d) to promote the delivery and maintenance of affordable housing,</p> | <p>The modifications would have no impact on the existing approved project boundaries.</p> |
| <p>(e) to protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats,</p> | <p>The proposals do not require any land clearing and avoid any impacts on threatened species and communities, and key habitats.</p> <p>The Department considers that the proposals have been designed to minimise potential environmental impacts.</p> |
| <p>(f) to promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage),</p> | <p>The modifications would not directly impact Aboriginal cultural heritage or historic heritage.</p> |
| <p>(g) to promote good design and amenity of the built environment,</p> | <p>The modifications would not require any changes to the existing built environment.</p> |

| Object | Consideration |
|--|---|
| (h) to promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants, | The modifications do not require the construction of any buildings. |
| (i) to promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the state, | The Department has assessed the modification applications in consultation with Lithgow City Council and other relevant NSW government authorities and considered the issues raised by these agencies in its assessment. |
| (j) to provide increased opportunity for community participation in environmental planning and assessment. | The Department publicly exhibited the Modification Report and applications and considered all submissions in its assessment. |

D2 Environmental Planning Instruments

To satisfy the requirements of section 4.15(1)(a)(i) of the EP&A Act, the following considers the relevant provisions of the EPIs that govern the carrying out of this project and have been taken into consideration in the Department's environmental assessment:

Lithgow Local Environmental Plan 2014

Both the Clarence and Lidsdale Siding are located within the Lithgow City local government area.

Clarence is zoned RU3 (Forestry) and E3 (Environmental Management) under the *Lithgow Local Environmental Plan 2014* (Lithgow LEP). Section 2.9(1)(a) of the *State Environmental Planning Policy (Resource and Energy) 2021* (Resource and Energy SEPP) states that underground mining may be carried out on any land with development consent. Section 2.6 of the Resource and Energy SEPP also states that the Resources and Energy SEPP prevails where there is inconsistency with the local environmental plans.

Lidsdale Siding is zoned E4 (General Industrial) and RU1 (Primary Production) under the Lithgow LEP. These zones permit developments for the purpose of general industries and agriculture, respectively. Section 2.9(a)(b) of the Resource and Energy SEPP allows for mining to be carried out on land with development consent where development for the purposes of agriculture or industry are permitted (with or without development consent).

Therefore, the Department considers that the modification applications are permissible with development consents.

State Environmental Planning Policy (Resource and Energy) 2021

As outlined above, the proposed modifications are permissible with consent under the Resource and Energy SEPP, and the Commission may determine the application. The Department notes that the modifications do not include any changes to the already approved disturbance area or project boundaries.

In addition, Part 2.3 of the Resource and Energy SEPP lists a number of matters that a consent authority must consider before determining an application for consent to undertake development for the purposes of mining. Table D2 summarises how these matters have been considered in the Department's assessment of the modification applications.

The Department considers that the modification applications can be managed in a manner that is generally consistent with the aims, objectives and provisions of Chapter 2 of the Resource and Energy SEPP.

Table D2 | Consideration of the applications against Part 2.3 of Resource and Energy SEPP

| Section | Matter | Consideration |
|---------|---|--|
| 2.16 | Non-discretionary development standards for mining | <ul style="list-style-type: none"> The modifications would not result in cumulative amenity noise levels that are greater than the recommended amenity noise levels, as determined in accordance with Table 2.2 of the Noise Policy for Industry, at any residences that are private dwellings. The small increase in particulate emissions associated with the proposed modifications is unlikely to result in an exceedance of the relevant air quality criteria. The modifications do not propose any activities which require blasting or aquifer interference. |
| 2.17 | Compatibility with other land uses | <ul style="list-style-type: none"> The modifications represent a continuation of a historical land use which is permissible on the subject land. The modifications would not significantly change the impacts of the approved project on surrounding land uses. |
| 2.18 | Voluntary land acquisition and mitigation policy | <ul style="list-style-type: none"> The modifications would not result in noise or air quality criteria exceedances that would trigger application of the Voluntary Land Acquisition and Mitigation Policy. |

| Section | Matter | Consideration |
|---------|---|--|
| 2.19 | Compatibility with mining, petroleum production or extractive industry | <ul style="list-style-type: none"> The modifications would continue supplementing coal supplies to the Mount Piper Power Stations from Clarence. It is important that the power station has a reliable source of coal to enable continuous operation, particularly during periods of increased demand. |
| 2.20 | Natural resource management and environmental management | <p>The modifications would:</p> <ul style="list-style-type: none"> not involve any activities which may impact on biodiversity or water; not require any land clearing and avoid any impacts on threatened species and communities, and key habitats; have minimal environmental and social impacts beyond what is already approved; have a small incremental increase in greenhouse gas emissions associated with the increased truck movements which would continue to be managed in accordance with Centennial's <i>Air Quality and Greenhouse Gas Management Plan Wester Region</i>. |
| 2.21 | Resource recovery | <ul style="list-style-type: none"> No additional resource would be extracted as a result of the modification. The modifications would however provide a supplementary coal supply to the Mount Piper Power Station to meet forward electricity demands across NSW. |
| 2.22 | Transport | <ul style="list-style-type: none"> The private haul roads previously approved for road transport are not currently accessible by Centennial due to changes in ownership and/or expired lease agreements. Transport of the supplementary coal under MOD 9 of DA 504-00 occurred via public roads. Haulage of coal would only occur between 7 am and 10 pm Monday to Saturday and 8 am and 10 pm on Sundays and public holidays. |
| 2.23 | Rehabilitation | <ul style="list-style-type: none"> The proposed modifications are limited to haulage of coal and would not change any rehabilitation strategies, objectives, final land use or landform approved under the existing consents. |

State Environmental Planning Policy (Planning Systems) 2021

The proposed modifications are for the purposes of coal mining which is identified as State Significant Development through Clause 5 of Schedule 1 of the *State Environmental Planning Policy (Planning Systems) 2021* (Planning Systems SEPP).

As Centennial has disclosed a reportable political donation, under section 2.7(1)(c) of the Planning Systems SEPP and in accordance with section 4.5(a) of the EP&A Act, the Independent Planning Commission is the consent authority.

Appendix C – Instrument of modification

<https://www.planningportal.nsw.gov.au/major-projects/projects/mod-10-continue-increased-trucking>

<https://www.planningportal.nsw.gov.au/major-projects/projects/lidsdale-siding-mod-5-coal-deliveries-clarence-colliery>

Appendix D – Consolidated Development Consent

<https://www.planningportal.nsw.gov.au/major-projects/projects/mod-10-continue-increased-trucking>

<https://www.planningportal.nsw.gov.au/major-projects/projects/lidsdale-siding-mod-5-coal-deliveries-clarence-colliery>