

## LICENCE REVIEW/ERA CHECKLIST - STATEMENT OF REASONS

<b>Licence Number: 761</b>	<b>Licensee Name: Sunset Power International Pty Ltd</b>		
Premise Common Name:	Vales Point Power Station and Coal Unloader	Review Officer:	Matthew Corradin
Scheduled Activities:	Generation of electrical power from coal (and others)	Review due date:	24/December/2018
<b>Consider</b>	<b>What to Check</b>		<b>Details of Findings</b>
Is the licensee aware of review?	<p>Contact licensee to let them know review is underway</p> <p>(Check PALMS communication tab. This should be done by RACSU)</p>		<p>Notification Letter sent 27/June/2018.</p> <p>NIL response received.</p>
Are the licensee details correct?	<p>Check accountable party details against</p> <p>Response provided above (if applicable),  <a href="http://www.asic.gov.au">www.asic.gov.au</a>,  <a href="http://www.abr.business.gov.au">www.abr.business.gov.au</a>, or  <a href="http://www.dlg.nsw.gov.au/dlg/dlghome/documents/Downloads/lgdgpall.xls">www.dlg.nsw.gov.au/dlg/dlghome/documents/Downloads/lgdgpall.xls</a></p> <p>Check contact details with licensee.</p>		<p>Details were checked and updated during Hunter Region's Electronic Correspondence project via both ASIC and ABR search and direct feedback from the licensee themselves.</p> <p>No further changes required.</p>
Are the premises details correct?	<p>Check common name and address details.</p> <p>Check SIX viewer, SAI Global if required, Project Approvals etc.</p>		<p>Details were checked and updated during NSW Coal Fired Power Station Review Project as per s58 Notice 1559921 for provision of preliminary draft to licensee for consultation.</p> <p>No further changes required.</p>
Are the scheduled activities and fee base activities correct?	<p>Check against licence application form.</p> <p>Check against last Annual Return/Annual Reports or site inspection.</p>		<p>Details have been checked previously and details updated to include relevant scheduled activities on the licence.</p> <p>No further changes required other than to finalise this Notice on completion of NSW Coal Fire Power Station Review Project.</p>
Are the types and locations of monitoring/discharge points correct and/or are there any that can be removed/added?	<p>Check against site map, site plans or PIRMP.</p> <p>Check against standard approach for describing points on licence.</p>		<p>This constitutes ongoing actions – see below.</p> <p>The licence review finds no need to change the existing discharge or monitoring locations now noting that air discharge and monitoring locations are being reviewed and potentially changed (monitoring locations) as part of the implementation of recommendations from the NSW Coal Fire Power Station Review Project which are ongoing.</p>
Are limit/monitoring tables correct?	<p>Check limits are appropriate (e.g. Clean Air Regulation).</p> <p>Check pollutants/units are appropriate.</p> <p>Check frequency is appropriate.</p>		<p>This constitutes ongoing actions – see below.</p> <p>The licence review finds no need to change the existing limit or monitoring tables now, noting that</p>

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	<p>Check method against Approved Methods</p>	<p>recommendations on limits and monitoring are being reviewed as part of the implementation of recommendations from the NSW Coal Fire Power Station Review Project which are ongoing.</p> <p>The licensee has also previously submitted a licence variation application to increase the thermal temperature limits for cooling water. Advice has been sought from OEH. This application will be considered within the normal licence variation process and is not considered further as part of this review.</p>
<p>Are non-standard conditions /PRPs still appropriate? Review all non-standard conditions and PRPs.</p>	<p>Check for correct plain English.</p> <p>Check that licensee can comply.</p> <p>Check that EPA can enforce the condition.</p> <p>Check that requirements and PRP dates are still current or have been completed (in which case they can be removed).</p>	<p>This constitutes ongoing actions – see below.</p> <p>The licence review finds that outdated and/or completed conditions can be changed and/or removed and that modernisation of other conditions not related to the abovementioned project can occur as part of routine improvements. Public submissions have also raised issues of non-standard conditions and their need to be reviewed, noting that specific operational conditions are being reviewed as part of the implementation of recommendations from the NSW Coal Fire Power Station Review Project which are ongoing</p>
<p>Is the licence consistent with other licences in the sector?</p>	<p>Check against model licence (if applicable).</p> <p>Check against any Compliance Audit Unit sector reviews.</p> <p>Check against Monitoring Protocols stored on Insite.</p>	<p>This constitutes ongoing actions – see below.</p> <p>The licence review considers the existing conditions are consistent with other electricity generation from coal licences for power stations of the same age and design, noting that recommendations on consistency across the sector are being reviewed as part of the implementation of recommendations from the NSW Coal Fire Power Station Review Project which are ongoing</p>
<p>Have submissions and any issues outstanding from other EPA actions been considered?</p>	<p>Check file for any public/licensee submissions.</p> <p>Check whether outstanding matters from previous reviews, Compliance Audit Unit action, PN's, prosecutions, complaints etc.</p>	<p>Public submissions stored in SF18/100537 with a summary submission report provided with this Licence Review/ERA Checklist.</p>

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Risk Based Licensing – Environmental Risk Assessment	Has there been any change to the licensee’s activities since the last ERA?  If yes, need to undertake a new ERA.	Nothing of substance.	
	Has there been any changes to the licensee’s pollution controls, environmental management systems, or incident management systems since the last ERA?  If yes, need to undertake a new ERA.	Nothing of substance.	
	Has there been any changes to the receiving environment or location of sensitive receptors since the last ERA?  If yes, need to undertake a new ERA.	Nothing of substance.	
<b>RECOMMENDATION</b>	<b>COMMENTS FROM REVIEWING OFFICER</b>	<b>PROCESS INFORMATION</b>	
<input checked="" type="checkbox"/> Vary licence <input type="checkbox"/> No change to licence <input checked="" type="checkbox"/> Other	Continue with NSW Coal Fired Power Station Review Project and work to finalise s58 Notice 1559921 to vary the licence. Consider responses from Ministry of Health and Officer of Environment & Heritage.  Progress other outstanding matters identified above.	Matthew Corradin Senior Operations Officer	Date: 14/12/2018
		<b>AUTHORISATION</b>	
		Unit Head: Mark Hartwell.	
		<b>PALMS UPDATE</b>	
		Finalised Date: 18/12/2018	

**LICENCE REVIEW/ERA CHECKLIST - STATEMENT OF REASONS**

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# VALES POINT POWER STATION s 78 LICENCE REVIEW REPORT

## 1. Introduction

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The Environment Protection Authority (EPA) is required, under Section 78 of the *Protection of the Environment Operations Act 1997* (the POEO Act), to undertake a review of environment protection licences issued under Chapter 3 of the POEO Act.

Section 78 of the POEO Act states as follows:

- (1) *The appropriate regulatory authority is required to review each licence at intervals not exceeding 5 years after the issue of the licence.*
- (2) *The appropriate regulatory authority must give public notice of the licenses that are to be reviewed as follows:*
- (a) *not less than 1 month, and not more than 6 months, before the review is undertaken, a notice of the review of each licence is to be published on the website of the EPA,*
- (b) *(Repealed)*
- (c) *the notice is to specify the activity or work to which the licence relates and the address of the premises (if any) at which it is carried out.*
- (3) *Any failure by the EPA to comply with the requirements of this section to review a licence is to be reported by the EPA to the Board of the EPA, and in the annual report of the EPA, together with a statement of reasons for the failure.*
- (4) *Any failure by a regulatory authority (other than the EPA) to comply with the requirements of this section to review a licence is to be reported to the EPA by that authority.*
- 4A) *The EPA must audit, on an industry wide or regional basis, compliance with licence requirements under this Act and whether such requirements reflect best practice in relation to the matters regulated by the licenses.*
- (5) *Any failure to comply with the requirements of this section cannot be the subject of proceedings under this Act.*

The EPA's Hunter Region undertakes such reviews utilising the Licence Review/ERA Checklist – Statement of Reasons document preceding this review report to ensure that relevant items are considered as part of any review. This includes considering any public submissions made which have been addressed by the themes at Section 6 of this review report.

Notwithstanding the formal licence review process, the EPA has the ability to review any environment protection licence at any time and make changes to such licences as required.

**Environment Protection Licence 761** (the Licence) is held by **Sunset Power International Pty Ltd** (trading as Delta Electricity) for the **Vales Point Power Station and Coal Unloader** (Vales Point Power Station) and is due for review by **24 December 2018**.

Provide below is a review of these requirements and public submissions received.

## 2. Compliance

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The EPA's Hunter Region has reviewed Section 78 of the POEO Act to determine compliance with statutory requirements as outlined below:

1. **Section 78(1)**: The EPA's Hunter Region is on track to have this licence review finalised by the due date using the Licence Review/ERA Checklist – Statement of Reasons document above and including this review report. Note: the finalisation of this licence review by 24 December 2018 does not limit any actions identified or required to be actioned and/or implemented post this date.
2. **Section 78(2 a, b and c)**: the EPA's Corporate Services and Finance Branch is responsible for the publication of all licence reviews. Advice obtained from the EPA's Corporate Services and Finance BRanch on 13 December 2018 indicates that the review was publicised on or about 12 November 2018 which is greater than one month before and less than 6 months from the due date.
3. **Section 78(3)**: not applicable.
4. **Section 78(4)**: not applicable.
5. **Section 78(4A)**: the EPA has a well established Strategic Environmental Compliance and Performance Review program which focussed on priority areas/issues with the main objective being to improve industry's level of performance. This provision does not require auditing of all licenses as part of the licence review process, but rather aims to focus regulator attention on priority industry sections or regions.
6. **Section 78(5)**: noted.

Based on the above, the EPA is compliant with Section 78 of the POEO Act.

## 3. Assumptions

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The EPA's Hunter Region, in preparing this review report, has considered all submissions received up until the closing date of 10 December 2018 11:59pm.

If at any time the EPA's Hunter Region becomes aware of any outstanding or unidentified public submission (received up until 10 December 2018 11:59PM), these will be considered external to this review.

## 4. Submission summary

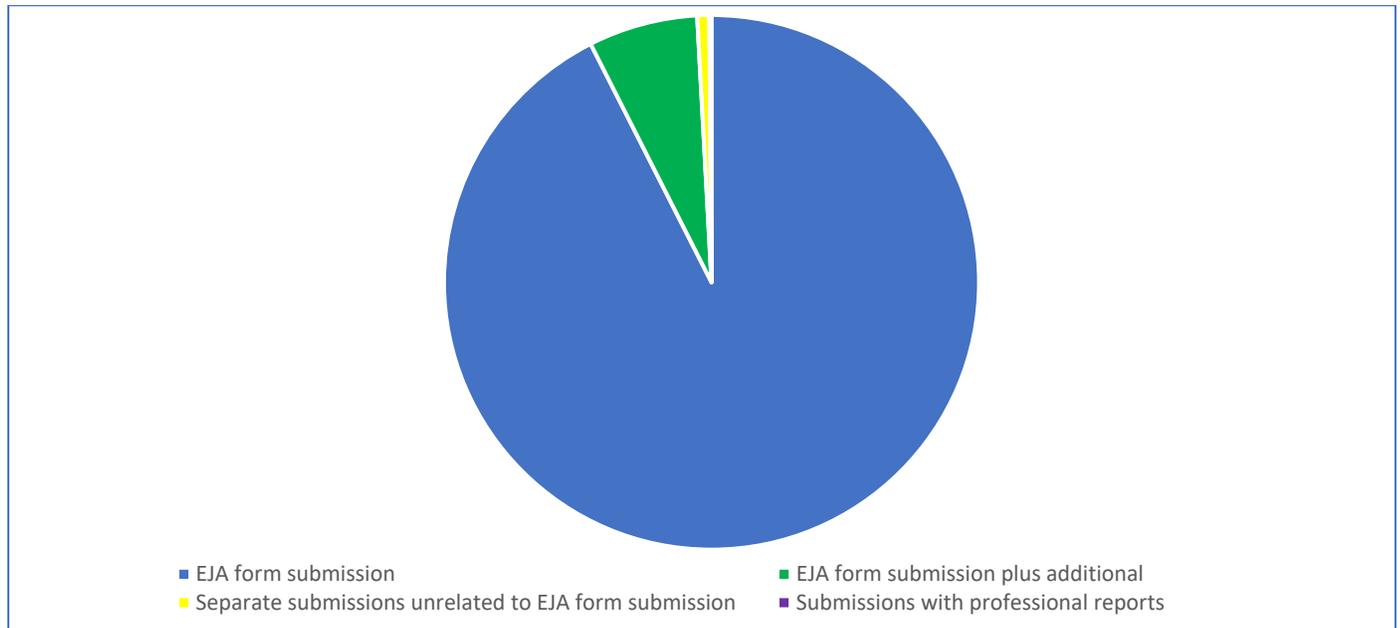
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The EPA has received **1515** submissions in respect of the Vales Point Power Station prior to the public submission close date and time of 10 December 2018 11:59PM. These submissions can be broken down into the following categories:

1. Environmental Justice Australia form submission (**1401**);
2. Environmental Justice Australia form submission and additional comment from submitter (**100**);
3. Separate submissions unrelated to Environmental Justice Australia form submission (**12**); and
4. Professional reports (**2**).

Details of the Environmental Justice Australia form submission is provided below for context.

#### 4.1. Graphical representation of public submissions received



#### 4.2. Environmental Justice Australia form submission

*Thank you for the opportunity to comment on the Environment Protection Licences for the Eraring, Mount Piper and Vales Point power stations.*

*The five coal-fired power stations in NSW are the state's main source of several toxic air pollutants including fine particles (PM2.5), sulfur dioxide (SO2) and oxides of nitrogen (NOx). These five power stations cause a range of chronic and acute health problems for residents in the Greater Sydney Metropolitan Region, the Central Coast, Lake Macquarie, Newcastle and Lithgow. These impacts including asthma, reduced lung function and birth weight, and premature birth.*

*Power stations in other countries are required to emit toxic pollutants at much lower concentrations than the NSW power stations. In the United States, new power stations are required to keep NOx emissions below 100 milligrams per cubic metre, 15 times lower than the NSW licences permit. To comply with these limits, generators have installed pollution controls including Flue Gas Desulfurisation which reduces SO2 emissions by as much as 95%, Selective Catalytic Reduction which reduces NOx emissions by 90% and activated carbon injection to reduce emissions of mercury by about 90%.*

*These measures have become standard practice internationally, but they're not yet installed at any Australian power station. It's time they were. The EPA should strengthen stack emission limits in all three licences to best practice international standards and require the installation of SCR and FGD to protect community health.*

*We also need a strategy to control air pollution for NSW and incentives for pollution control. I urge you to complete the review of the Load-Based Licencing Scheme, increasing the fees that polluters pay, and to finalise the NSW air pollution control strategy that was drafted in 2016.*

*Communities closest to coal-fired power stations deserve to know about the air they breathe. I urge you to expand the NSW Office of Environment and Heritage air pollution monitoring network to include new monitors in Lithgow and on the Central Coast and ensure communities can access this data.*

*You can protect community health by requiring these power stations to fit readily available pollution controls. I urge you to do that.*

*I would appreciate a response to my submission.*

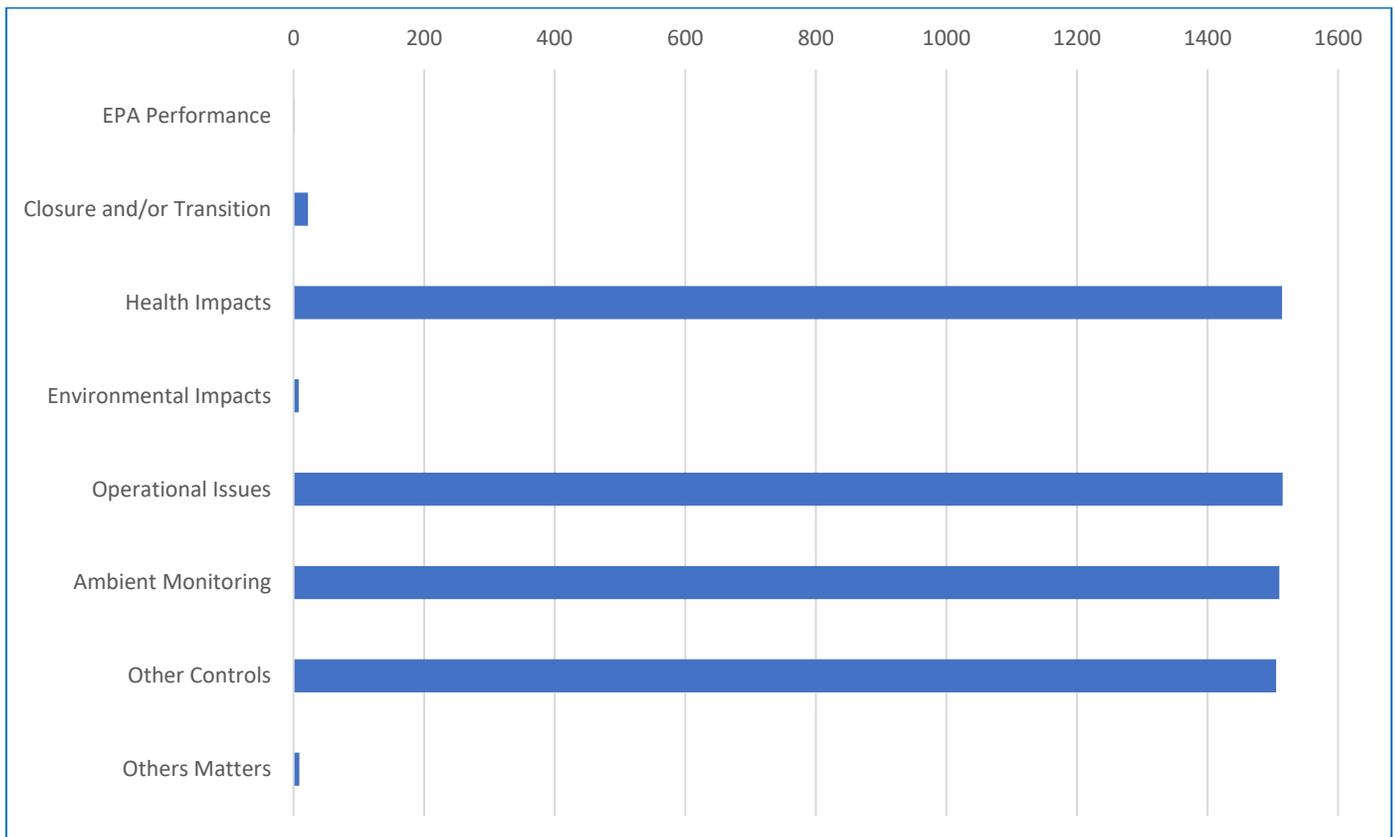
## 5. Grouping of submissions

The EPA's Hunter Region has grouped public submissions into categories or themes for ease of understanding, review and response given the number received.

These categories, or themes, are detailed below and which are represented at Section 6 below:

1. **EPA Performance (1)**: being complaints about the EPA's regulatory performance.
2. **Closure and/or Transition (22)**: being the closure of the power stations or the non-renewal of their environment protection licences or a transition to renewable and sustainable energy.
3. **Health Impacts (1514)**: being the impacts to the health and wellbeing of humans (particularly around respiratory illnesses and corresponding reduction in life expectancy and premature deaths in infants and children) and including full health accounting and risk assessment of impacts.
4. **Environmental Impacts (8)**: being the impacts to the health and wellbeing of the receiving environment (separate to those issues identified above) such as receiving waters.
5. **Operational Issues (1515)**: being critique of emission limits, pollution control equipment (most notably for NO<sub>x</sub>, SO<sub>x</sub> and particulates), monitoring requirements (lack of continuous monitoring for pollutants of concern), data availability and other operational issues (such as coal quality and dust).
6. **Ambient Monitoring (1510)**: being critique of ambient air quality monitoring, particularly around the Central Coast and Lake Macquarie given the proximity to the Sydney Metropolitan Area (SMA).
7. **Other Controls (1505)**: being the finalisation of the NSW Air Pollution Control Strategy and the review of the NSW Load Based Licensing Scheme, changes to legislation and other similar matters.
8. **Other Matters (9)**: being those matters that do not fit the categories or themes above.

Provided below is a graphical representation of the number of public submissions that raised the abovementioned categories, or themes.



The EPA's response to the public submissions is below.

## 6. Response to submissions

Issue raised in submissions		EPA response to issue raised
EPA Performance	The EPA is not doing its job in regulating power stations	<p>The EPA takes its role regarding human and environmental health protection seriously which is enshrined in the <i>Protection of the Environment Administration Act 1991</i>, the POEO Act and the EPA's Strategic Plan. The EPA also has a strong focus on compliance and enforcement activities with actions listed on the EPA's POEO Act Public Register and with an overview of regulatory action provided in EPA Annual Reports.</p> <p>In response to community concern about coal fired power stations in NSW, the EPA has undertaken a review of the compliance of all five base-load coal fired power stations in NSW with emission limits, monitoring and reporting requirements. The full report and the recommendations contained within this report can be accessed <a href="#">here</a>.</p> <p>Complaints about the EPA not fulfilling its duties or not undertaking its duties in a proper manner can be made to the NSW Ombudsman.</p>
Closure and/or Transition to renewables	Close all the coal fired power stations	This is beyond the scope of a single power station licence review.
	Do not renew the environment protection licences	The 5-year statutory review is not a renewal of an environment protection licence.
	Transition from coal to renewables	This is beyond the scope of a single power station licence review.
Health Impacts	Power stations are impacting human health	The EPA will formally request feedback from the NSW Ministry of Health regarding the submission from Dr Ben Ewald on potential health impacts from power station emissions and will consider the response and any recommendations made.

Issue raised in submissions		EPA response to issue raised
Environmental Impacts	Power stations are impacting the environment	A number of public submissions have raised concerns about impacts from noise/vibration and emissions/dust, impacts to groundwater and surface water with Wyee Creek specifically named, as well as other impacts caused by the operation of the ash dams onsite. Generally, complaints can be, and are, made about noise/vibration and emissions/dust on a specific basis and responded to at the time by the EPA. The EPA encourages any site-specific concerns to be reported to its Environment Line on 131555. Furthermore, the EPA has and will incorporate concerns regarding groundwater and surface water issues and ash dam management as part of routine licensing actions.
Operational Issues	Tighten stack emission limits	The EPA's review of NSW Coal Fire Power Station Air Emissions and Monitoring compliance made recommendations in relation to the consistency of stack emission limits and opportunities to tighten limits where there is a clear history of compliance by an appreciable margin and these are being implemented. This project is ongoing and the continuing actions as part of this project are not limited to this licence review period.
	Install additional pollution controls	The EPA continues to take an evidence-based approach to considering new information on the need for additional pollution controls. The EPA will formally request feedback from the NSW Ministry of Health regarding the submission from Dr Ben Ewald on potential health impacts from power station emissions and will consider the response and any recommendations made. As noted above, the EPA is implementing the recommendations of its review of NSW Coal Fire Power Station Air Emissions and Monitoring compliance.
	Improve emission monitoring	The EPA's review of NSW Coal Fired Power Station Air Emissions and Monitoring compliance has made recommendations in relation to improved emission monitoring and data reporting and these are being implemented. This project is ongoing and the continuing actions as part of this project are not limited to this licence review period.
	Emission monitoring and data availability	The EPA's review of NSW Coal Fired Power Station Air Emissions and Monitoring compliance has made recommendations in relation to improved emission monitoring and data reporting and these are being implemented. This project is ongoing and the continuing actions as part of this project are not limited to this licence review period.  Licensees are required under Section 66(6) of the POEO Act to publish pollution monitoring data on their website of which all of the base-load coal fired power stations operate a website.

Issue raised in submissions		EPA response to issue raised
		Requests can also be made direct to licensees regarding pollution monitoring data with ambient data also held by licensees.
	Quality of coal used	<p>Vales Point Power Station currently has the most stringent sulfur limit condition on any of the five base-load coal fired power station licences being condition O8.1 which limits sulfur in coal to 0.5% by weight.</p> <p>The EPA's review of NSW Coal Fired Power Stations Air Emissions and Monitoring compliance found no evidence that coal blending has been used to purposely lower emissions during testing periods and produce unrepresentative test results.</p>
	Management of coal stockpiles and dust	The environment protection licences for the coal fired power stations contain conditions that relate to undertaking activities in a competent manner as well as conditions relating to dust management. This review considered the existing conditions to be adequate to manage dust from the premises at this time.
<b>Ambient Monitoring</b>	Offsite ambient monitoring needs to be expanded to give the public better access to data about pollutants that may affect human health and wellbeing	<p>The NSW Office of Environment &amp; Heritage operates a number of ambient air quality monitoring stations across NSW with the Newcastle and Hunter Valley ambient air quality monitoring networks being expanded over time in response to community concerns about industry. Furthermore, environment protection licences require ambient monitoring, particularly in relation to coal fired power stations, coal mines and other industrial sites which can be utilised by the EPA and the NSW Office of Environment &amp; Heritage when assessing available data.</p> <p>The EPA will inform NSW Office of Environment &amp; Heritage of submissions regarding the ambient air quality monitoring networks in NSW and ambient monitoring carried out by Vales Point power station.</p>
<b>Other Controls</b>	Make changes to the POEO Clear Air Regulation to lower emission standards	This is beyond the scope of a single power station licence review. Amendments to the POEO (Clean Air) Regulation are considered as part of standard statutory review processes.
	Finalise the NSW Air Pollution Control Strategy	Clean Air for NSW is under consideration by the NSW Government.

Issue raised in submissions		EPA response to issue raised
	Finalise the EPA's review of the Load Base Licensing (LBL) scheme	<p>The EPA is continuing to review the LBL scheme and to develop a proposal paper. The EPA will notify stakeholders of further consultation opportunities.</p> <p>The EPA has already consulted on an LBL issues paper and stakeholder feedback has informed a comprehensive review of the scheme's efficiency and effectiveness. The issues paper provided information about the performance of the load-based licensing scheme, identified a range of issues and various options for its improvement.</p>
Other Matters	Standardise the environment protection licences for all power stations	The EPA's review of NSW Coal Fired Power Stations Air Emissions and Monitoring compliance made recommendations in relation to the consistency of licences which are being implemented, noting that there may be some differences between the environment protection licences to account for site specific and operational issues. This project is ongoing and the continuing actions as part of this project are not limited to this licence review period.
	Improve the NPI system, particularly around data reporting practices	The NSW Government is participating in the review of the National Pollutant Inventory currently being undertaken by the National Environment Protection Council. Further information can be found at <a href="http://www.npi.gov.au">www.npi.gov.au</a> .
	Review Pollution Studies and Reduction Programs and Special Conditions still on the Licence to determine if they have been complied with or otherwise	<p>The EPA will review existing Pollution Studies and Reduction Programs and Special Conditions on the Licence and determine whether they have been complied with and what follow up actions are required as part of the EPA's review of NSW Coal Fired Power Station compliance.</p> <p>The EPA will vary the EPLs at the next application or variation opportunity to remove PRPs or special conditions that are not relevant to Vales Point Power Station licence. At this time a table of completed PRP's will be included/updated.</p>
	Further Pollution Studies and Reduction Programs may be required to address potential discharges to water from Vales Point Power Station (including ash dam)	The EPA will review these particular submissions and assess what follow up actions are required regarding discharges to water from the Vales Point Power Station as an outcome from this review.
	Waste management at the ash dam	The EPA is currently investigating waste management activities at the ash dam. As this is an active investigation, no further comment can be made.

## 7. Conclusions

The review of the Licence has concluded, based on the evidence available to EPA at the time of review, noting the on-going actions arising from the EPA's NSW Coal Fire Power Station Review Project, that no changes are required to the existing licence limits, operation or monitoring conditions of this Licence at this time.

Review of the public submissions received and details of the EPA's responses to the issues raised (at Section 6 above) to these submissions, indicates that the implementation of the recommendations from the EPA's NSW Coal Fire Power Station Review Project will address many of the concerns raised in public submissions regarding operational issues and may lead to further licence amendments.

The EPA will formally request feedback from the NSW Ministry of Health regarding the submission from Dr Ben Ewald on potential health impacts from power station emissions and will consider the response and any recommendations made. The EPA will also inform NSW Office of Environment & Heritage of submissions regarding the ambient air quality monitoring networks in NSW and ambient monitoring carried out by Vales Point power station.

The other issues raised in the public submissions have been considered as part of this review of the Licence.

## 8. Recommendations

1. No changes are required to the existing condition of the Vales Point Power Station Environment Protection Licence 769 as a result of this review at this point in time.
2. That the licence review be marked as complete.