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16 July 2014

Department of Planning & Environment
22-33 Bridge Street
SYDNEY NSW 2000
By: Online submission



Dear Sir/Madam,

**AGL Energy Limited (AGL) Submission
*State Environmental Planning Policy (Mining, Petroleum Production and
Extractive Industries) Amendment 2014 (the Mining SEPP Amendment)***

AGL is one of Australia's leading integrated energy companies and the largest ASX listed owner, developer and operator of renewable energy generation in the country. AGL is one of Australia's oldest companies and has a proud history of operating in Australia for over 175 years. We operate across the supply chain with investments in energy retailing, coal-fired electricity generation, gas-fired electricity generation, renewable and upstream gas exploration and production projects. AGL is also one of Australia's largest retailers of gas and electricity with 3.8 million customers in Victoria, NSW, South Australia and Queensland.

AGL is an experienced developer and operator of coal seam gas projects and is familiar with the challenges involved in developing natural coal seam gas (**CSG**) projects within the technical, environmental and commercial constraints to which major projects are subject. Accordingly, the diversity of AGL's portfolio has enabled us to develop a detailed understanding of the risks and opportunities presented by CSG and the broader energy sector.

Set out below is AGL's submission on the Mining SEPP Amendment which seeks to amend the *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 (Mining SEPP)*.

Submission

1. Clause 7

AGL supports the proposed clarification of clause 7 of the Mining SEPP. In our view, this will clarify what we understand to be the Government's policy position and what AGL considers to be the correct interpretation of clause 7(2)(f)(iii).

This clarification is consistent with the nature of a "set" of pilot wells, and achieves what AGL understands to be the purpose of the clause.

2. Clause 20

We agree that that proposed amendments to clause 20 of the Mining SEPP clarify that there are some types of modifications of existing CSG projects within CSG exclusion zones and buffer zones that should be allowed.

As clause 9A only relates to the CSG exclusion zone or buffer zone, we understand that proposed sub-clauses 20(1B) and (1C) of the Mining SEPP Amendment will relate only to a modification within the CSG exclusion zone or buffer zone.

However, in our view, the terms “approval” in sub-clause (1B)(a)(i) and “modification of a development consent” in sub-clause (1B)(a)(ii) of the Mining SEPP Amendment would have to be considered within the meaning of:

- in relation to transnational Part 3A projects - (the now repealed) section 75W(1) and (2) in relation to section 75A; and
- in relation to development consents - section 96(4),

of the *Environmental Planning and Assessment Act 1979* (NSW).

Accordingly, to clarify the intent of the proposed clauses 20(1B) and (1C), we request the following minor changes to clause 20(1B):

(1B) Clause 9A does not prohibit the carrying out of coal seam gas development if:

- (a) the development is authorised by either of the following:*
 - (i) an approval to modify a transitional Part 3A project of a kind referred to in subclause (1A) (a),*
 - (ii) a modification of a development consent for development of a kind referred to in subclause (1A) (b), and*
- (b) the Minister or consent authority who gives the approval or consent to the modification (being within a coal seam gas exclusion zone or a buffer zone) is satisfied that the coal seam gas development authorised by the modification is of minimal environmental impact, and*
- (c) any development so authorised that involves the drilling or operation of a petroleum well relates to a well that was approved as at 3 October 2013 as part of development of a kind referred to in subclause (1A) (a) or (b) and does not result in any increase in the depth or lateral extent of the well, and*
- (d) the carrying out of the development so authorised complies with the conditions of the modified approval or the conditions of the modified development consent.*

If the Department is not inclined to accept the amendment proposed above, to avoid misinterpretation, we request the Department add the following “Note” after clause 20(1C):

Note: Sub- clauses 20(1B) (b) (c) and (d) only apply to a modification to the extent that they relate to a coal seam gas exclusion zone or a buffer zone. Sub-clause 20(1B)(d) only applies to any modified conditions of a modified approval or development consent.

Please do not hesitate to call me if you have any questions about AGL's submission.

Yours sincerely,



Suzanne Westgate
Head of Land & Approvals, Upstream Gas