

29 July 2016

NSW Department of Planning and Environment
22 – 33 Bridge Street
Sydney NSW 2001

Attention: The Hon. Robert Stokes, NSW Minister for Planning
C/- Mike Young
Director, Resource Assessments

Dear Mike,

**RE: WILPINJONG COAL MINE (PA 05-0021) – MODIFICATION OF
PRODUCT RAIL LIMIT OF APPROVAL**

Wilpinjong Coal Mine is owned and operated by Wilpinjong Coal Pty Limited (**WCPL**), a wholly owned subsidiary of Peabody Energy Australia Pty Limited. The Mine operates in accordance with Project Approval 05-0021, granted by the Minister for Planning in February 2006 (as modified).

The Project Approval authorises the mining of up to some 16 Million tonnes per annum (Mtpa) of Run-Of-Mine (ROM) coal and the rail transport of some 12.5 Mtpa of product coal from the site in any one calendar year. The Project Approval also limits the number of rail departures to a maximum of 10 laden trains per day and an average of six laden trains per day over a calendar year.

WCPL requests that the Minister for Planning (or his delegate) modify Project Approval 05-0021 so that the permitted rail transport of product coal is increased to 13 Mtpa in the 2016 calendar year (herein described as the **Modification**). The proposed increase in product coal transport can be achieved within the approved rail frequency limits described above.

There would be no material change arising from the proposed Modification to the following key aspects of the approved Wilpinjong Coal Mine:

- open cut and contained infrastructure area;
- maximum annual ROM coal production of 16 Mtpa;
- mining method and mining fleet;
- frequency and size of open cut blasts;
- mine life;
- permitted annual average or daily maximum product rail movements; and
- operational workforce (up to approximately 550 people).

There would also be no construction associated with the Modification.

Proposed Modification of Wilpinjong Coal Mine Project Approval

Table 1 provides a comparative summary of the currently approved and proposed modified Wilpinjong Coal Mine.

Table 1
Summary Comparison of the Approved Wilpinjong Coal Mine and the Modification

Component	Approved Wilpinjong Coal Mine	Modified Wilpinjong Coal Mine
Mining Method	<ul style="list-style-type: none"> Open cut mining operation extracting ROM coal. 	<ul style="list-style-type: none"> No change.
	<ul style="list-style-type: none"> Seven open cut pits and associated contained infrastructure area¹. 	<ul style="list-style-type: none"> No change.
ROM Coal Production Rate	<ul style="list-style-type: none"> Up to 16 Mtpa of ROM coal. 	<ul style="list-style-type: none"> No change.
Waste Rock Management	<ul style="list-style-type: none"> Waste rock deposited predominantly within mined-out voids. 	<ul style="list-style-type: none"> No change.
Waste Rock Production	<ul style="list-style-type: none"> Annual waste rock production up to approximately 34.1 Mbcm. 	<ul style="list-style-type: none"> No change.
Product Coal	<ul style="list-style-type: none"> Production of approximately 12.6 Mtpa of product coal. 12.5 Mtpa railed in any calendar year. 	<ul style="list-style-type: none"> Production and railing of 13 Mtpa of product coal in 2016.
Product Coal Transport	<ul style="list-style-type: none"> An average of six and a maximum of 10 laden trains per day leaving the mine. Transport via the Sandy Hollow-Gulgong Railway. 	<ul style="list-style-type: none"> No change.
Coal Rejects (tailings and coarse rejects)	<ul style="list-style-type: none"> Coal rejects placed predominantly within mined-out voids. Tailings belt press filter to allow co-disposal of tailings with coarse reject. 	<ul style="list-style-type: none"> No change.
Water Supply	<ul style="list-style-type: none"> Make-up water demand to be met from runoff recovered from mine operational areas, recovery from tailings, open cut dewatering, advanced dewatering of pit areas and supply from a borefield. Recovery of water from tailings via belt press filter. 	<ul style="list-style-type: none"> No change.
Water Disposal	<ul style="list-style-type: none"> Mine water treated in a reverse osmosis plant and discharged to Wilpinjong Creek in accordance with Environment Protection Licence (EPL) 12425. Upgrade of the reverse osmosis plant to a water treatment facility (include pre-filtration and flocculation/dosing facilities to improve plant efficiency). 	<ul style="list-style-type: none"> No change.
Project Life	<ul style="list-style-type: none"> 21 years (from the date of grant of a Mining Lease [ML]). 	<ul style="list-style-type: none"> No change.
Operational Workforce	<ul style="list-style-type: none"> Up to approximately 550 people. 	<ul style="list-style-type: none"> No change.

¹ For the purposes of WCPL internal mine planning Pit 3 has been divided into two separate pits (Pit 3 in the north and Pit 7 in the south).

Justification of the Proposed Modification

The Modification would not alter the currently approved maximum product train movements that are permissible on any one day (10 laden departures), nor would it alter the currently approved annual average of six laden train departures per day over the course of a calendar year.

Based on on-site performance to date in 2016 at the approved coal extraction rate (16 Mtpa ROM), over the course of the remainder of this year WCPL has the ability to produce 13 Mtpa of saleable coal in 2016.

The improved efficiency is due to a number of factors associated with the continuous improvement to on-site mining, coal handling and processing that have occurred since Peabody changed to owner-operator status at the mine (from the previous contract mining arrangements).

In particular, in 2016 WCPL has been able to access a range of coal types from on-site stockpiles and the open cut operations that with blending has improved some coal recoveries through the Coal Handling and Preparation Plant (i.e. more saleable coal is being recovered by adjusting coal inputs and washing parameters).

If the current Project Approval remains unchanged, it is anticipated there will be reduced production and therefore a corresponding need to reduce the on-site workforce for approximately three weeks in December.

However, if the Modification was approved, WCPL would be able to realise the efficiency gains that have been made in 2016 and optimize coal sales within the site's approved 16 Mtpa ROM coal production limit.

Environmental Review

As described above there are no proposed changes to the physical extent or nature of the approved operations. Consequently, there would be no material alteration to the approved impacts of the Wilpinjong Coal Mine on the following aspects:

- ecology;
- heritage (Aboriginal/Historical);
- surface water and groundwater resources;
- land resources;
- blasting and vibration;
- visual amenity;
- road network;
- population and community infrastructure demand; and
- consequences or likelihood of a hazardous event.

Any minor incremental changes to site coal reject production and handling that may occur as the result of production of an additional 0.5 Mtpa of saleable coal in 2016 would not be material to site water management or coal reject emplacement requirements.

The proposed Modification involves the rail transport of an additional 0.5 Mt of product coal in calendar year 2016. The additional product train departures (some 50 to 60 laden train departures at approximately 8,600t/train) represents less than one week's railings at the approved maximum rate of the Wilpinjong Coal Mine (10 laden departures/day).

The additional trains on the Sandy Hollow Gulgong Railway arising from WCPL transporting 0.5Mt of additional product coal in 2016 could also be considered negligible (i.e. approximately 1% change) in the context of the approved product coal movements associated with the Ulan Mine Complex (up to 20 Mtpa), Moolarben Coal Complex (up to 18 Mtpa) and Wilpinjong Coal Mine (up to 12.5 Mtpa).

The mine fleet and the approved extent of open cut mining would be unchanged, and therefore the Modification would have no material implications for operational noise or air quality emissions at the nearest private receivers.

Given that the daily maximum number of laden trains leaving the site would also be unchanged (i.e. up to 10 trains per day), it follows that:

- the maximum contribution of WCPL product train movements to 24-hour average particulate matter with diameter less than 10 micrometres (µm) (PM10) would be unchanged; and
- maximum cumulative rail noise (that is assessed over the day/evening and night-time periods) at the nearest private receivers would also be unchanged.

The maximum annual rate of ROM coal and waste rock movement would be unchanged. The production, handling, rail loading and off-site transport of an additional 0.5 Mtpa of product coal on-site would have no material impact on potential dust or particulate matter emissions at the nearest private receivers in the Village of Wollar.

A greenhouse gas assessment was undertaken for the previous modification to the Wilpinjong Coal Mine (05-0021 - MOD 5) by Todoroski Air Sciences (2013). The proposed Modification would not change the total life of mine ROM coal extracted. Therefore, although the Modification may result in some minor changes to the relative timing of greenhouse gas emissions associated with the product coal movements of the Wilpinjong Coal Mine, total life of mine emissions are expected to be unchanged.

The Wilpinjong Coal Mine would continue to be operated in accordance with the approved management plans under Project Approval (05-0021).

Approvals Pathway

The Wilpinjong Coal Mine is a 'transitional Part 3A project' under clause 2 of Schedule 6A of the EP&A Act and therefore section 75W of the EP&A Act continues to apply to modifications to Project Approval (05-0021), despite its repeal².

² Part 3A of the EP&A Act (as in force immediately before its repeal) continues to apply for the Wilpinjong Coal Mine. The description and quotations of relevant references to clauses of Part 3A in this document are as if Part 3A of the EP&A Act is still in force.

Section 75W of the EP&A Act relevantly states:

75W Modification of Minister's approval

(1) *In this section:*

Minister's approval means an approval to carry out a project under this Part, and includes an approval of a concept plan.

Modification of approval means changing the terms of a Minister's approval, including:

- (a) *revoking or varying a condition of the approval or imposing an additional condition of the approval, and*
 - (b) *changing the terms of any determination made by the Minister under Division 3 in connection with the approval.*
- (2) *The proponent may request the Minister to modify the Minister's approval for a project. The Minister's approval for a modification is not required if the project as modified will be consistent with the existing approval under this Part.*
- (3) *The request for the Minister's approval is to be lodged with the Director-General. The Director-General may notify the proponent of environmental assessment requirements with respect to the proposed modification that the proponent must comply with before the matter will be considered by the Minister.*
- (4) *The Minister may modify the approval (with or without conditions) or disapprove of the modification.*

...

WCPL requests the Minister for Planning assess the proposed Modification under section 75W of the EP&A Act.

Requested Modification of Project Approval (05_0117)

WCPL requests that the Minister for Planning (or delegate) modify Condition 6, Schedule 2 of the Wilpinjong Coal Mine Project Approval (05-0021) under section 75W(4) of the EP&A Act.

The Condition currently reads as follows:

6. *The Proponent shall not:*

- (a) *extract more than 16 million tonnes of ROM coal from the site in a calendar year; and*
- (b) *transport more than 12.5 million tonnes of product coal from the site in a calendar year.*

WCPL requests that the above Condition is amended such that WCPL is permitted to transport 13 Mtpa of product coal from the site in calendar year 2016.

It is noted that there is no change required to Condition 7, Schedule 2 that reads as follows and limits maximum and average daily train movements from the mine:

7. The Proponent shall ensure that:

(a) all product coal is transported from the site by rail;

(b) no more than 10 laden trains leave the site on any one day; and

(c) not more than 6 laden trains leave the site per day on average when calculated over any calendar year.

Please do not hesitate to contact me on (02) 6370 2528 if you would like to discuss.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ian Flood'.

Ian Flood

Manager Project Development & Approvals
Wilpinjong Coal Mine
Peabody Energy Australia Pty Ltd