



Santos

FREQUENTLY ASKED QUESTIONS

1. Why does Victoria need this project?

Victoria's demand for electricity is growing and NEMMCO forecast a shortfall in supply in the coming years. Victorian Government policy recognises the importance of gas as a transitional fuel. Locating a gas fired power station in Western Victoria will disperse electricity generating facilities and enhance electricity supply reliability.

2. Why is the power station to be situated in Western Victoria and near Orford in particular?

Electricity generators are most effective when they are located near where the energy is required. Western Victoria is currently supplied from the Latrobe Valley in Gippsland. A power station located in Western Victoria would more effectively meet demand in the region and South Australia, as well as supplying Melbourne and Geelong. It is also located close to the Otway Basin, a major source of gas. The location of the proposed power station was determined through an extensive site options assessment which considered up to ten sites within the region. The Orford site was considered the most appropriate one due to a number of factors including proximity to the existing high voltage network for ease of connection, favourable topography, surrounding land use, water supply options and minimal environmental impacts.

3. What is a compressor station?

Compressor stations boost the pressure in a gas pipeline to move the gas further downstream and are required because the pressure decreases along the pipeline due to friction. Compressor stations typically look like a single storey, six door garage.

4. Why that site for the compressor station?

This site was chosen after careful consideration of environmental, economic and access factors such as having an appropriate noise buffer and ensuring sufficient distance from the power station to provide adequate gas pressure.

5. How does this project impact on climate change and the need to move away from using fossil fuels?

Gas is a more efficient, and therefore cleaner, fuel than other fossil fuels such as black or brown coal, diesel or fuel oil. The proposed power station will have a lower emissions intensity than a coal-fired power station but will still contribute to greenhouse gas emissions. Victorian Government policy promotes gas as a transitional fuel in the switch to low emissions technologies and renewable energies

6. How does the availability of water impact upon the power station?

The power station utilises dry cooling technology to minimise water consumption and will use recycled water.

7. Where is the gas being supplied from and how long is the gas pipeline supplying the power station?

The gas is coming from the Gippsland and Otway basins. The pipeline is approximately 105 km long.

8. Why can't the project use existing gas pipelines?

Santos has investigated the opportunity to use existing pipeline infrastructure and easements, however, commercial arrangement and capacity restraints render these options unfeasible. In addition, existing pipelines do not go to the power station site and even if they could be used a connecting pipeline would still need to be constructed.

9. Why turn gas into electricity instead of selling it directly to the growing market for gas (particularly in winter months)?

There is sufficient gas supply to be used both in electricity generation and the gas market.

10. How many people will the power station supply energy to?

Electricity generated at the power station will be sold to the National Electricity Market to meet demand in Victoria and South Australia. A power station of this size

has the capacity to supply 560,000 households at 500 MW and up to 1.7 million homes at 1500 MW.

11. Does this mean that Western Victorians can have gas supply to their homes?

No, the gas pipeline is a high pressure transmission pipeline. This type of infrastructure does not allow towns or communities along the way to tap into it.

12. Is this project definitely going ahead?

The project must be approved by the state government before it can proceed and the process for this is underway. Santos is undertaking engineering and design studies for this project and will make a final decision whether or not to proceed by the end of 2009.

13. What experience does Santos and the project team have in executing projects like this one?

Santos has been involved in planning, constructing and operating major oil and gas projects in Australia and overseas. While its long term experience is primarily in oil and gas, Santos has more recently built its expertise in the electricity industry for this project.

14. Is the project related to the Mortlake project? Does this project mean that the Mortlake project now won't go ahead?

Shaw River Power Station project is a separate project. The Mortlake Power Station project is being developed by Origin Energy. Information about the proposed Mortlake Power Station can be obtained by contacting Origin Energy.

15. If the project is approved when will construction start?

Construction will commence in 2010 if it goes ahead.

16. How long will the construction phase go for and how will it proceed?

The power station will take approximately three years to design, procure and build. The pipeline construction program will be of some 18 months duration. To enable the power station to be commissioned, the pipeline and compressor station will need to be completed.

17. Why is this project in three stages – what will happen in each of these stages?

Staging of the project will enable additional capacity to be brought into service as the demand for electricity increases and as gas supply becomes available. NEMMCO (National Electricity Market Management Company) has forecast a shortfall in generating capacity in coming years based on moderate growth. Actual growth and associated shortfalls in generating capacity will determine the timing of construction of subsequent stages. Each stage is a nominal 500 MW with the power station ultimately having a total nominal capacity of 1500 MW. The first stage will involve bulk earthworks

and construction of civil infrastructure, the first generating unit and switchyard. Subsequent stages will involve construction of additional generating units and upgrade of the switchyard. (A switchyard is the enabling connection equipment that allows the electricity generated by the power station to connect to the electricity network).

18. Will Santos ever build the second and third stages?

Demand for electricity and the supply of gas will determine when stages two and three are built. Current forecasts of electricity demand indicate that stages 2 and 3 of the Shaw River Power Station Project, as well as other power generation projects, will be required.

19. If approved, when will it come on line and start generating electricity?

Stage 1 of Shaw River Power Station Project is planned to come into service in 2012 – 2013. The second and third stages will come into service as electricity demand dictates.

20. What are the likely impacts of the project?

Short-term impacts of pipeline construction are noise, dust, extra traffic, loss of vegetation along the right of way and temporary disruption to land use. Impacts will primarily occur within the easement plus any extra working space that is required for construction activities. The pipeline route will be revegetated after construction. There will be no direct impacts of the power station on landowners as Santos owns the land on which it has been proposed. Longer term impacts include a small increase in local traffic, effects on air quality and changes to land use and amenity at the power station site.

21. What will be the visual impact of the power station on the surrounding landscape?

The power station will be visible as parts of the development will extend above the surrounding plantations. The most visible components will be the switchyard, exhaust stack and heat recovery steam generator enclosure, all of which will be higher than the existing plantations but lower than the existing 75 m transmission line towers.

22. From what distance will you be able to see the power station? What about at night? Will there be a lot of light at the power station?

The power station will be visible from some distance but the structures will become less noticeable as the surrounding plantations planted by Santos mature. For safety reasons the power station and switchyard need to be lit at night. Lighting will be designed to minimise glare in the surrounding area and include the use of down-turned lights etc.

23. How many trucks will be added to the already strained infrastructure in the area during construction and also during operations?

The local road network will experience increased traffic during construction of the power station and pipeline. Traffic impacts will be assessed as part of the EES; traffic management plans will be developed and implemented to minimise disruption to the local community. During operations, traffic will be substantially less than during construction when employees, materials delivery and disposal and maintenance activities generate the traffic.

24. How disruptive will the project be? How will it affect local amenity, noise, air pollution etc?

Construction activities cause disruption to every day activities including impacts on road users, land use and amenity. Dust, noise and traffic are the main amenity impacts of a pipeline and power station construction project. Construction methods and working hours will take into account impacts on communities and local residents and procedures will be put in place to ensure that impacts are minimised.

25. How about when the pipeline crosses train lines and roads – what disruption will this cause?

Road and rail crossing methods are designed to ensure minimal or no interruption to traffic. Major roads and railways are proposed to be crossed using horizontal directional drilling or thrust boring. These methods allow traffic to use the road/railway without interruption. Some smaller, infrequently-trafficked local roads will be trenched. Where this occurs, one lane or a detour will always be kept open for emergency access.

26. Will the power station use water from Shaw River?

The power station will not use water from Shaw River. Water will be supplied to the power station from the Port Fairy wastewater treatment plant as this will meet its requirements for quality and volume. An added advantage of this proposal is that it assists to reduce the need for the existing ocean outfall.

27. The pipeline crosses a lot of rivers and creeks... will they still be able to flow?

Pipeline construction methods enable flow to be maintained in watercourses even when the construction method involves digging a trench through the creek. In this instance, water is temporarily diverted around the excavation and the original stream bed will be reinstated following pipe laying and backfilling of the trench. Horizontal directional drilling is used to bore under larger streams and rivers. Flows are not interrupted using this method.

28. Why are you consulting with communities near the planned site for the power station and the planned route of the pipeline?

It is important that all planning takes into account social, environmental, land use, cultural heritage and other issues. We want to be sure that the project has minimal impacts and that the community is fully informed. Please read the information bulletin for more information about the consultation process.

29. What stakeholder groups are you targeting?

There is quite a variety... landowners and occupiers, councils, community groups, environmental protection organisations, regulatory agencies, governments, Indigenous communities, tourism operator associations, industry groups and the like.

30. What sort of issues are being raised?

Issues being raised include air and noise emissions, pipeline alignment, flora and fauna and business / employment opportunities.

31. Will you address all issues that are raised?

All issues that are raised will be recorded and examined so they can be addressed appropriately. For instance, it is natural for people to be concerned about dust and noise so the construction method will incorporate measures to minimise dust and noise. There may also be concerns regarding the spread of weeds, so weed control will be a key issue during construction and upon the remediation of the easement.

32. Will adjacent landowners be affected by the compressor station and power station?

Landowners living adjacent or near to the power and compressor stations will experience disruption to their every day activities during construction. This will mostly be from dust, noise and traffic. The power station and compressor station are being designed to ensure that nearby residents are not adversely affected by noise and emissions from the operation of the facilities.

33. Have landowners and occupiers affected by the pipeline been contacted?

Immediately following the public announcement all landowners and occupiers affected by the pipeline were contacted individually and provided with detailed information packs about the project and its impact on their land. Where easements for the pipeline are required compensation will be provided in accordance with the *Land Acquisition and Compensation Act 1986*.

34. What is the mechanism for provision of compensation for landowners on the pipeline route?

Santos is committed to the voluntary acquisition of easement rights for the pipeline. Santos owns the power station site and is seeking options for a compressor station site. Santos will have regard to the requirements of the Land Acquisition and Compensation Act 1986 (Vic) in determining the compensation payable for acquiring an easement. Santos is committed to fair and equitable compensation.

35. What benefits will this project bring to the local community?

Construction of the power station and pipeline will require up to 730 contractors over a period of three years. Some 35 full-time employees will be required to operate and maintain the power station and pipeline. These temporary and permanent jobs will have a positive effect on the local economy as will the demand for goods and services. An added benefit of the project is the proposal to use recycled wastewater from Port Fairy which will reduce the need for the existing ocean outfall. This initiative is consistent with Victorian Government policy and will assist the Port Fairy community improve the marine environment on which it relies for tourism and fishing.

36. Will the project offer local employment opportunities?

Yes, Santos predicts that there will be up to 730 construction jobs and once the power station is operational there will be 35 full-time jobs.

37. I have a small business and would like to be a supplier for your project, who do I contact?

Santos will compile a register of local businesses interested in providing goods and services to the project and pass that onto the successful construction contractor. Interested businesses should include a brief statement of the goods and/or services they provide and their capacity to resource such a project.

38. Where can I go for more information?

Freecall telephone number: 1800 736 113

Email: info@shawriverpowerstation.com.au

Website information: www.shawriverpowerstation.com.au

39. Who is the person at the other end when I ring the freecall number?

The number will be answered from JTA Australia during business hours. JTA Australia and Coffey Natural Systems have been engaged by Santos to coordinate the stakeholder engagement and assessment and approvals process. If you call outside of business hours you will be directed to a message bank and your query will be followed up promptly the next business day.

40. What is the EES process?

On the 7 November 2008 the Victorian Minister for Planning determined that an EES would be required for the Shaw River Power Station project. The EES process requires the environmental impacts of the project to be assessed. The key steps in an EES process usually include:

1. Minister for Planning specifies key procedures and requirements for the EES
2. The Department of Planning and Community Development (DPCD) prepares and exhibits draft

‘Scoping Requirements’ for public comment – these detail the matters to be investigated and addressed during the preparation of the EES.

3. Following receipt of submissions, ‘Scoping Requirements’ are finalised and issued to the proponent. They are also published on DPCD’s website.
4. The EES will be prepared by consultants on behalf of Santos and will include specialist studies that assess the environmental impacts of the project.
5. The proponent is responsible for the preparation and implementation of a community consultation plan, to ensure the community and stakeholders are informed and consulted during the EES process.
6. The EES reports are drafted and progressively provided to DPCD and government agencies for review.
7. Once finalised, the EES is provided to DPCD and authorisation to exhibit is sought.
8. The EES is placed on public exhibition and submissions are invited (usually in conjunction with any EPA Works Approval Application or Planning Scheme Amendment that may also be required).
9. An Inquiry Panel may be appointed by the Minister for Planning, to consider the impacts of the Project, in the context of the exhibited EES and any public submissions received. Inquiries convened may comprise written submission, by submitter conference or by a formal hearing.
10. Ultimately an assessment is issued by the Minister for Planning on the environmental impacts of the Project and its acceptability. This is forwarded to the relevant government decision-makers, such as the EPA.

Note - If the Project has also been deemed a ‘controlled action’ by the Commonwealth Department of the Environment, Water, Heritage and the Arts, under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), the EES process is usually accredited as the required form of assessment. The Commonwealth Minister then also received the Minister for Planning’s ‘Assessment’ to inform their EPBC Act decision on approval.

41. What sort of impacts does an EES usually investigate?

An EES assesses a broad range of potential effects on the ‘environment’, which includes biophysical, cultural, and socio-economic aspects. Examples include assessing impacts on landscape and visual impacts, traffic, air quality, noise and vibration, waste, health hazards/risks, Aboriginal cultural heritage, aquatic and terrestrial ecosystems, and social and economic impacts.

42. How is an EES used in planning a project?

The EES looks at the consequences and impacts of a development and recommends ways both to minimise impacts and maximise opportunities for communities.

43. What exactly are the scoping requirements for an EES?

These set out the scope of the investigations required for preparation of the EES and its specialised reports. These Scoping Requirements are specific to each EES and it is not unusual for them to vary from project to project. The Department of Planning and Community Development (DPCD) is responsible for determining the scope of an EES and the proponent is responsible for following these during the EES process. The public and government departments will be provided with the opportunity to have input into the scoping requirements.

44. How long does the EES process take?

The time required to prepare an EES is largely dependent on time required to investigate the environmental impacts and prepare the EES reports. Therefore it directly relates to the complexity of the issues generated by a project, the existing environmental conditions and is also dependent on statutory timeframes set by the relevant government department. A typical EES process can take 12 to 18 months to prepare and sometimes longer.

45. Can a project be shelved because of the findings of an EES?

Yes, the Government may decide, in the context of applicable legislation and policy, against approving a certain aspect of the project or possibly the entire project. The Government may also recommend approval but with stringent conditions.

46. Does the EES report become a public document?

Yes the EES report and technical appendices are publicly exhibited, usually for six weeks. During this period the proponent is required to undertake consultation with the community and stakeholders and anyone has the opportunity to make a submission on the exhibited EES.

47. Who is responsible for conducting an EES?

An independent environmental consultant has been engaged by the proponent to coordinate and prepare the EES. Technical experts in areas such as noise, ecology and air quality conduct various specialised assessment studies. The EES is currently being coordinated by Coffey Natural Systems with JTA Australia providing support in stakeholder engagement. Coffey Natural Systems is a specialist environmental and social impact assessment consultancy servicing the mining, oil and gas and infrastructure sectors. JTA Australia specialises in public consultation, communications and risk management.

48. When is the next round of community consultation and what information will be provided?

The next round of community consultation is to occur around the middle of 2009. The exact date will be determined according to the availability of specialist technical reports. The first round of consultation, conducted in September 2008 introduced the proposed project to the community and provided an opportunity for issues and questions to be raised. The next round of consultation will focus on the potential impacts of the proposed power station. The project team will have the specialised technical reports and will be able to answer questions on the potential impacts and proposed mitigation measures.

49. How is the proposed power station going to be protected by bushfire?

The power station will be protected from bushfire in a number of ways. Santos will liaise closely with the Victorian Country Fire Association on how to appropriately manage fire risks. In addition, the site itself will be protected from fire by appropriately managed buffer zones and fire protection systems and will have dedicated water storage on site for the purpose of fire fighting.

50. How can people have input?

Consulting with the community is an important part of any project and its assessment. For the Shaw River Power Station Project, a number of public consultation activities have been designed, to both inform the community about the project and provide an opportunity for questions and feedback. These activities include:

- Staffed public displays in ten towns and villages in the area
- Information packs for affected landowners and occupiers
- Presentations/briefings with interested stakeholder groups
- Information bulletins
- Facts sheets about various aspects of the assessment process and the project
- Freecall telephone number – 1800 736 113
- 'Have your Say' forms
- Website information
www.shawriverpowerstation.com.au
- online feedback to
info@shawriverpowerstation.com.au
- Freepost facility:
Shaw River Power Station Project
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