



AGL Energy Limited
T 02 9921 2999 Level 24, 200 George St
F 02 9921 2552 Sydney NSW 2000
agl.com.au Locked Bag 1837
ABN: 74 115 061 375 St Leonards NSW 2065

To Public Works Committee
Date 28 September 2020
From AGL Energy Ltd
Subject Responses to Questions on Notice – Inquiry into the costs for remediation of sites containing coal ash repositories

In respect to the NSW Public Works Committee *Inquiry into the costs for remediation of sites containing coal ash repositories*, AGL Energy Ltd (**AGL**) provides the following documents and responses to questions taken on notice.

1. Opening statement by Mr Steve Rieniets

Transcript reference – page 4

Question:

The CHAIR: Thank you, Mr Rieniets. Do you mind also emailing your statement through?

Answer:

A copy of statement is included in Annexure 1 of this document.

2. AGL Rehabilitation Report

Transcript reference – page 4

Question:

Ms ABIGAIL BOYD: Is that rehabilitation report publicly available?

Answer:

Ms ROSE: Yes, it is.

Mr RIENIETS: Yes.

AGL Rehabilitation Report, available via link – [AGL Rehabilitation Report](#)

3. Coal Ash Order Enforceable Undertaking

Transcript reference – page 17

Question:

The CHAIR: Do you mind providing us with a copy of it on notice? Off the top of your head, does it cover any other matters other than the order to pay \$100,000 to the community? Do you have to change your sampling methods or take corrective action?

Ms ROSE: I will have to take that on notice. I am just not entirely across those details and I prefer not to have a stab.

Answer:

The Enforceable Undertaking to the NSW Environment Protection Authority in relation to the Coal Ash Order 2014 Compliance Issues, as executed on 17 December 2019 (**Coal Ash Enforceable Undertaking**) is publicly available and included here : [Enforceable Undertaking Dec 2019: Coal Ash Order 2014 Compliance Issues](#).

Yes, the Coal Ash Enforceable Undertaking covers matters other than the order to pay \$100,000 to the community, as provided in clauses 4.2, 4.3, 4.4 and 4.6 to 4.12 of the Coal Ash Enforceable Undertaking.



AGL undertook corrective actions in accordance with clauses 3.1 and 3.2 of the Coal Ash Enforceable Undertaking.

4. Regulatory Record – Coal Ash-related incidents 2018-2020

Transcript reference – page 17

Question:

The CHAIR: In the last two years, is that the only regulatory order that has been made on AGL or the only fine that has been imposed? What are we talking about in terms of the regulatory record here?

Ms ROSE: Steve, did you want to answer that question?

The CHAIR: Limited only to coal ash.

Mr RIENIETS: The coal ash sampling issue—there have been several pipeline issues with our transporting coal to the Ravensworth line, which we once again self-reported to the authorities when we have had a leak in that pipeline.

The CHAIR: There have been leakages from the line that transports the ash to the mine.

Mr RIENIETS: That is correct.

Ms ROSE: Yes. I should say again we obviously take our regulatory obligations quite seriously. We do report as we are required to do so. That information is fully disclosed in our EPL annual returns. In terms of the specifics of those incidents and numbers, I am just not across that detail, but we can provide that publicly available information if that would assist.

The CHAIR: It would.

Answer:

The regulatory orders made against AGL, in relation to coal ash, in the last two years are provided in Annexure 2 of this document.



Annexure 1

OPENING STATEMENT (STEVE RIENIETS)

Good morning

My name is Steve Rieniets and I am AGL's Group General Manager for Operations. Unfortunately, I'm stuck in Victoria for the time being. I am pleased that my colleague Susan Rose, AGL's Group Counsel for Environment, Safety & Approvals can join the committee in person.

Thank you for the opportunity to address the committee today. I will make a brief opening statement before we do our best to answer your questions.

Following our submission, I will spare members a lengthy introduction to AGL, except to say that AGL was established in the decade following the inaugural NSW Parliament, and was founded in 1837. Our history is as Australia's oldest operating energy company and we currently supply gas, electricity and telecommunications to almost four million customers accounts across Australia.

As the Group General Manager for Operations I can assure you that the safety of our people, the safety of the communities in which we operate, and the safety of the environment are our number one priority.

We are very proud of the contribution we make to NSW. We have coal, gas, wind and solar generation scattered from the far west in Broken Hill and Silverton, to south-west Sydney and north-west in the Hunter Valley.

We are the largest generator in NSW., We also are Australia's largest carbon emitter, while also being the largest private investor in renewable energy.

Since 2014 we have owned and operated the Bayswater Power Station and the Liddell Power Station. These operations include a complex water, coal, rail and ash infrastructure systems that operate to produce around 23,000 GWh annually or approximately 35 per cent of NSW electricity supply.

Prior to 2014, Bayswater and Liddell were owned and operated by Macquarie Generation, a statutory corporation owned by the NSW Government.

The combined operations of the Baywater and Liddell power stations, known today as AGL Macquarie, is located between Singleton and Muswellbrook in the Upper Hunter Valley of NSW and employs approximately 600 people directly.



Bayswater and Liddell have been a major source of direct and indirect employment to the region over the last 40 years and currently contribute more than \$1.35 billion annually to the regional economy.

As I'm sure the honourable committee members are aware, we have announced the closure of the Liddell Power Station 2023, giving seven years' notice of this decision. We have also announced that Bayswater will close at the end of its life in 2035.

We are constantly investing in our environmental performance and have committed approximately \$40 million in expenditure over the next five years to further environmental improvement programs and projects.

We are committed to closing and rehabilitating Liddell and Bayswater in accordance with all regulatory requirements. We also want to be a trusted partner for our communities, to meet and exceed their rising expectations and to be making decisions that are informed by that understanding.

Our publicly available 2017 Rehabilitation report summarises our understanding of the challenges associated with closing, repurposing and rehabilitating large power generation sites.

This report outlines how AGL is approaching the challenges associated with rehabilitating large, long-lived assets and infrastructure.

The report is designed to provide an overview of processes, strategies and timelines that are considered in the development of rehabilitation plans, including the need for periodic review, stakeholder consultation and consideration of community impacts.

This work has already commenced, and the NSW Department of Planning, Industry and Environment is currently reviewing an application support enabling works to decouple shared infrastructure between Liddell and Bayswater, ensuring Bayswater's continued operations following Liddell's retirement. A further application is currently under assessment to deliver a project that will deliver a range of important water and coal ash related improvements at Bayswater, including:

- i. Augmenting the Bayswater Ash Dam to provide additional ash storage capacity to ensure Bayswater can continue to operate until its planned end of life and deliver further water management improvements within the Bayswater Ash Dam; and
- ii. increasing coal ash harvesting to up to 1,000,000 tonnes per annum during periods of peak demand to enable increased beneficial re-use of coal ash by third parties.

We hope that this will enable more coal ash to be available to third party operators for beneficial re-use in a range of applications, including as a component for the manufacture of cement.



Finally, while the terms of the Macquarie Generation 2014 Sales and Purchase Agreement remain confidential, we are pleased to inform the committee that:

- i. any potential contamination impacts associated with the Ravensworth Voids, Bayswater Ash Dam and Liddell Ash Dam are well understood; and
- ii. AGL Macquarie does not currently expect the NSW Government to incur any material expenditure as a result of the rehabilitation by AGL Macquarie of the Ravensworth Voids, Bayswater Ash Dam and Liddell Ash Dam once they reach the end of their operational lives.

Thank you again for the opportunity to address the committee today and we look forward to answering your questions.



Annexure 2

Date	Location	Event Description	AGL Actions	Regulatory Actions
1 March 2018	Liddell Power Station	Fly Ash spill	Immediate shutdown of pipeline operation, notification to the EPA and clean up.	AGL Macquarie received Penalty Notice No. 3173525520 on 14 May 2018 for alleged contravention of licence condition for an amount of \$15,000.
10 January 2019	Bayswater Power Station	Coal Ash Order non-compliance	Voluntary suspension of ash sales, notification to the EPA, publication of media releases for community (AGL suspends coal ash from sale – 17 January 2019, AGL coal ash update – 22 January 2019, AGL coal ash update – 28 February 2019), undertaking review of sampling results by independent environmental consultants and commissioning a Human Health and Ecological Risk Assessment as a precaution. This confirmed that there were no human health or ecological issues of concern.	AGL Macquarie executed an Enforceable Undertaking with the EPA on 17 December 2019 accessible via the link included below: Enforceable Undertaking Dec 2019: Coal Ash Order 2014 Compliance Issues.
4 September 2019	Bayswater Power Station	Fly ash spill/emission: Ravensworth Ash line leak	Immediate cease of transfer of flyash slurry, notification to the EPA, clean-up and rehabilitation actions in consultation with EPA, undertaking Electromagnetic Acoustic Transducer (EMAT) testing for applicable components of the pipeline to enable proactive repair and replacement of pipeline sections at risk pending approval of a Significant State Development application (SSD-9697) for the replacement of the pipeline.	AGL Macquarie executed an Enforceable Undertaking with the EPA on 2 September 2020, accessible via the link included below: Enforceable Undertaking Sept 2020: Bayswater Power Station – Ravensworth Ash Line Event
19 February 2020	Liddell Power Station	Dust emissions	Application of water, continued application of polymer-based dust suppressant, notification to the EPA. All other areas of the ash dam were either being controlled with the application of water or had been previously treated with dust suppressant or capping material. Completion of scheduled dust suppressant	AGL Macquarie received Penalty Notice No. 3173529141 on 3 July 2019 for an alleged contravention of licence condition for an amount of \$15,000.



Date	Location	Event Description	AGL Actions	Regulatory Actions
			application for the affected terrace. Daily inspections of areas previously treated with dust suppressant to ensure the control measure remains viable and ongoing capping and rehabilitation of completed areas of the ash dam.	
17 July 2020	Liddell Power Station	Fly ash spill	Ceased the discharge, notification to the EPA, investigated matter and effected repair works.	AGL Macquarie received an Official Caution No. 1598972 on 19 August 2020 for an alleged pollution of waters offence