



Hon Albert Jacob MLA
Minister for Environment; Heritage

Our Ref: 195/14

Mr V Puccio & Mr M McDonald
Community Alliance for Positive Solutions Inc.
PO Box 69
YARLOOP WA 6218

Dear Messrs Puccio and McDonald

**APPEAL AGAINST CONDITIONS OF LICENCE L8174/2007/4 – WAGERUP
COGENERATION PLANT, WILLOWDALE ROAD, WAGERUP**

Thank you for the appeal by Community Alliance for Positive Solutions Inc (CAPS) in objection to the conditions of Licence L8174/2007/4 issued by the Department of Environment Regulation (DER) to Alcoa of Australia Pty Ltd (licence holder) for the Wagerup Cogeneration Plant (the plant).

Pursuant to section 106 of the *Environmental Protection Act 1986* (the Act), a report was obtained from DER and the licence holder on the matters raised in the appeal. I am advised that representatives of the Office of the Appeals Convenor discussed the appeal with CAPS.

After considering the appeal, the Appeals Committee reported to me under section 109(3) of the Act. This report sets out the background and other matters relevant to the appeal, and a copy is attached for your information.

Your appeal relates to emissions to air and water from the plant site, and also raised concerns about the buffer zone, and referral to the Environmental Protection Authority (EPA).

By the first ground of appeal, you raised concerns about impacts to health associated with emissions from the cogeneration plant, including volatile organic compounds (VOC), particulate matter 2.5 (PM_{2.5}), and emissions from the use of diesel fuel. You noted that under the EPA Guidance Statement No. 3 *Separation Distances between Industrial and Sensitive Land Uses* (EPA Guidance Statement No. 3), any power generation plant that exceeds 20 MW requires a buffer of 3 to 5 kilometres (km). You also queried whether limits apply to the use of diesel in the plant and specific concerns around the use of diesel during the Varanus Island Gas Pipeline shutdown.

DER advised that the establishment of buffers is a land use planning matter, and suggested that queries in relation to planning decisions be directed to either the Department of Planning or the relevant local government.

In relation to diesel operating hours, DER noted that these are the subject of conditions under Ministerial Statement 729, and are therefore not controlled under the conditions of licence. DER advised, however, that Ministerial Statement 729 permitted the plant to operate on diesel in 2008, and for a maximum of 100 hours per year from 2009 onwards. On the advice of the licence holder, the plant operated on diesel for a total of 54 minutes in the 2013/14 operating year.

Referring to its earlier advice on Appeal Numbers 331-337 of 2012, the DER confirmed that verification monitoring conducted during commissioning indicated that air emissions were not greater than those predicted prior to construction. In this regard DER advised that the operation of the plant has not changed since commissioning in 2007 and that air emissions continue to be regulated by Ministerial Statement 729 and the current licence.

Given these factors and noting the EPA's initial assessment of the plant, along with requirements under Ministerial Statement 729, I consider that the current licence conditions are justified. Accordingly, I agree with the Appeals Committee's recommendation that this ground of appeal be dismissed.

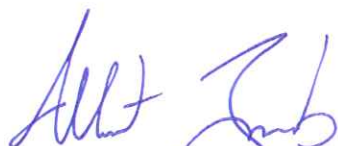
By the second ground of appeal, you raised concerns about emissions to water from the operation of the cogeneration plant. I note in this regard DER's advice that the environmental risk of wastewater produced by the operation of gas turbines is low and its discharge to the residual storage areas is regulated by licence L6217. DER noted that storing wastewater produced by the plant in the residual storage areas does not significantly increase the potential for additional emissions above the risks associated with the operation of the refinery. Taking this information into account, I do not consider that conditions should be added to the current licence in respect to emissions to water.

Your appeal also queried why the licence renewal was not referred to the EPA. I note that the plant was referred to the EPA in 2006 and was subject to assessment. Ministerial Statement 729 was subsequently issued on 27 September 2006. The proposal is therefore already subject to conditions following assessment by the EPA, and it is not possible to refer the same proposal to the EPA more than once.

Should the licence holder seek to implement Stage 2 of the plant, this application would be subject to further review by DER.

Thank you for bringing your concerns to my attention.

Yours sincerely



Albert Jacob/MLA
MINISTER FOR ENVIRONMENT; HERITAGE

encl.

6 MAR 2015