

# Development Licence assessment summary

Environment Protection Act 2017



<b>Application number</b>	APP009563
<b>Applicant name</b>	ESSO AUSTRALIA PTY LTD
<b>ACN</b>	000018566
<b>ABN</b>	49000018566
<b>Registered address</b>	Level 9, 644 Collins Street Docklands Victoria 3008 Australia
<b>Development activity, address and proposal</b>	<p>L01 (General emissions to air) and K01 (Power generation) 11 Bayview Road, Hastings, Victoria, 3915</p> <ul style="list-style-type: none"><li>Oil and gas from the Bass Strait field is sent to Longford for processing into crude oil, natural gas and other gas liquids. The natural gas liquids (ethane, propane and butane) are sent to Long Island Point Fractionation Plant (LIP) for further processing prior to LPG being exported via trucks or ships and the ethane being transported via pipeline to a downstream customer in Altona. Changing business conditions with the ethane customer will result in the current ethane transfer methods no longer being available from 2022. As a result, Esso require an alternative use for the undersubscribed ethane produced. Esso are planning to install three small, low emissions, efficient power generation units at a site, adjacent to LIP. These will be capable of converting ethane into 35-40 megawatts of electricity to power Victorian homes, while maintaining reliable supply of natural gas liquids across the east coast. As the demand for natural gas declines, so too will the quantity of ethane gas generated. It is anticipated that this facility will be in operation from 2023 to 2033.</li></ul>
<b>Decision</b>	Approved
<b>Decision date</b>	11 August 2022

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**Delegated decision  
maker**

Stephen Adamthwaite  
Manager Permissioning Unit

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## Application overview

ESSO AUSTRALIA PTY LTD (the Applicant) applied for a development licence from the Environment Protection Authority Victoria (EPA) on 17/2/2022, under Section 50(1)(c)(i) of the Environment Protection Act 2017 (the EP Act). The proposal located in Hastings (as shown in Figure 1) is to construct and commission 3 Solar Titan 130 generators that will be burning ethane to generate up to 40 megawatts of electricity to operate between 2023 and 2033 (10 years). Connecting pipes from the adjacent LIP (as seen immediately to south in Figure 2) and electrical infrastructure to enable power to be exported to the grid is also proposed. Once built and commissioned the plant would operate 24 hours per day.

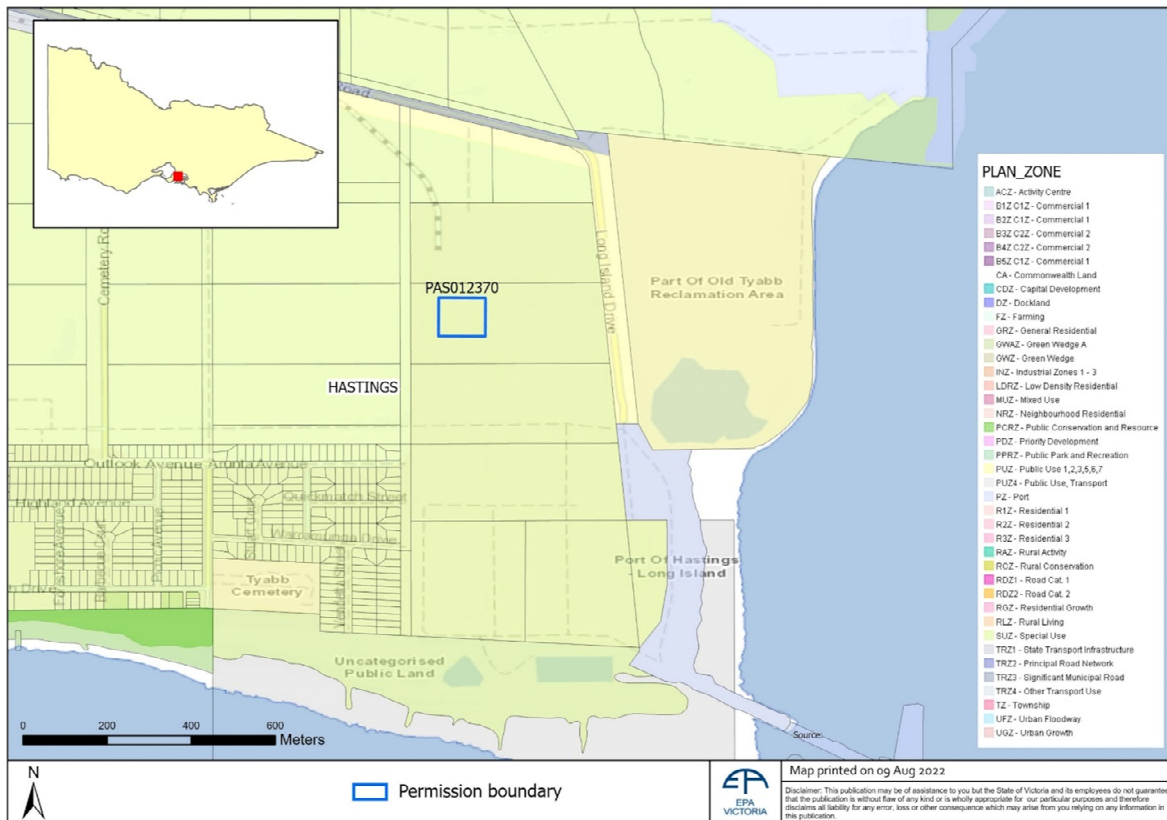


Figure 1 showing the location of the proposed project

The Applicant has submitted that the current arrangements for supplying ethane gas, via pipeline, to a customer in Altona will no longer be available from 2022. The Applicant put forward a proposal to combust the surplus ethane gas to generate electricity. The alternative,

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the Applicant submits, is to continuously burn the ethane in the flare at the Long Island Point Fractionation Plant.

The amount of ethane combusted in the proposal ranges from an average maximum of 189 tonnes per day (2026) to an average minimum of 8 tonnes per day (2033).

### Community consultation and submissions

Under section 52 of the Act, a notice of application for the development licence was published on EPA's website and advertised in the Western Port News (23 March 2022) and the Herald Sun (16 March 2022). The development licence application was open for submissions between 16 March 2022 and 13 April 2022.

During this period, 9 submissions were received from the public. All submissions were considered during the assessment of the application. Key issues raised by submitters included:

- Flaring at the Long Island Point Fractionation plant;
- Emissions of greenhouse gases; and
- Lack of community consultation.

EPA additionally invited submitters to make submissions between 21 June 2022 and 4 July 2022 to additional information provided by the Applicant. Key issues raised by submitters included:

- Air emissions;
- Lack of community consultation; and
- Emissions of greenhouse gases.

A total of 16 submissions were during the community consultation period.

### Assessment and decision

EPA assessed the application against all requirements under section 69(3) of the Act and other relevant requirements:

- The Applicant, is as a consequence of conviction (in 2012) for an offence under the Environment Protection Act 1970, a prohibited person for the purposes of section 88 of the EP Act. EPA reviewed the relevant conviction in line with current guidelines and requirements under section 66 (2) of the EP Act. EPA determines that it is not contrary to the public interest for the applicant to be considered a fit and proper person and thus a development licence may be granted.
- The proposal will primarily generate air and noise impacts. EPA reviewed air and noise information, including modelling of impacts at the sensitive receptor locations shown in Figure 2, concluding risks of impacts to environment and human health have been understood and can be managed through conditions. EPA considers that the proposal does not pose an unacceptable risk to human health or the environment.

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**Figure 2 showing the location of the proposed project, Esso's adjacent Long Island Plant and sensitive receptors considered within the assessment**

- EPA assessed the measures taken or proposed to be taken, relevant to the activity, to comply with the general environmental duty. EPA's conclusion confirms that smoke suppression in flare relating to ethane, the Volatile Organic Compounds (VOCs) reduction, Open Cycle Gas Turbine (OCGT), noise mitigation measures and other measures proposed by the applicant are acceptable, subject to conditions. EPA has taken into account the information provided by the applicant and concludes that a development licence may be granted.
- EPA assessed the impact on human health and the environment, including relevant Environmental Reference Standards. Based on the information provided, there are some outstanding risks that need to be addressed prior to commencing construction, specifically relating to noise. EPA has reviewed the risks and conclude that the risks of impact to human health and the environment are acceptable and can be addressed by conditions of the development licence.

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- EPA has reviewed the information provided and public submissions in relation to the principles of environmental protection. Based on its assessment, the EPA concludes that the Application aligns with the principles, subject to conditions.
- EPA reviewed the proposal in the context of Best Available Techniques or Technologies (BATT). EPA concludes that BATT would be to install better flare smoke suppression technologies, Combined Cycle Gas Turbines (CCGT) and an oxidation catalyst. In stating that, EPA has further reviewed the risks associated with the proposal and determined that whilst BATT is preferred, the applicant installing measures to further reduce risks would not be reasonably practicable in relation to this project. EPA has taken into account BATT as part of its assessment and concludes that a development licence may be granted.
- EPA reviewed the Application and its consistency with the Act and the regulations. EPA concludes that the Application aligns with the Act and the regulation and that a development licence may be granted.
- EPA received comments from referral authorities during the development licence process. EPA has reviewed the responses and conclude that an approval may be granted subject to conditions.
- EPA received 15 submissions over two public submission periods. EPA has also responded to community emails, phone enquiries and attended an information session. EPA has taken into account community submissions as part of this assessment and concludes that a development licence may be granted.
- Prescribed matters – there are no prescribed matters under the regulations.
- EPA has given consideration to relevant human rights.
- EPA has considered section 17 of the *Climate Change Act 2017*. Based on the information in the Application and EPA's assessment, a development licence may be granted.

On 11 August 2022, the development licence was issued under section 69(1)(a) of the Act. The development licence is subject to conditions. The L01 (General emissions to air) and K01 (Power generation), is proposed to be undertaken in a way that meets environmental standards.

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