

For Public Notice via Internet**REASONS FOR DECISION UNDER *ENVIRONMENT EFFECTS ACT 1978*****Title of Proposal:** Longford Gas Conditioning Plant**Proponent:** Esso Australia Pty Ltd ('Esso')**Description of Project:**

Esso proposes to develop a gas conditioning plant to process 10 million m³/day of natural gas from Bass Strait, which contains up to 14% carbon dioxide (CO₂). Works include construction of a gas processing plant (consisting of a building to house an amine plant, power generation and utilities), as well as connections to the existing offshore pipelines (to receive gas from offshore gas fields) and connections to the existing Longford Gas Plants (to deliver conditioned gas for further processing).

The plant would be located on flat land currently used for grazing, to the immediate east of the existing Longford Gas Plants. The site is within Wellington Shire and is zoned Industrial Zone 1.

Decision:

The Minister for Planning has determined that an Environment Effects Statement is not required for the proposed gas conditioning plant.

Reasons for Decision:

- Greenhouse gas emissions from different sources within the proposed plant can be readily estimated once the proposed plant design is confirmed.
- An EES would not provide a useful assessment of best practice options for carbon capture and storage to inform decision-making, as such technologies are:
 - (a) neither required nor specifically provided for under applicable legislation and policy;
 - (b) not evidently within the current capacity of commercial proponents to implement in Victoria, including through the use of either their own or third-party infrastructure.
- Applicable legislation and subordinate instruments would require the proponent to apply "practicable" best practice to the design and operation of the proposed plant. More specifically, relevant opportunities to reduce greenhouse gas emissions will be assessed as part of the decision-making process under the *Environment Protection Act 1970* for the plant.
- Even in the absence of an EES, the proposed plant is likely to be subject to both a future obligation to monitor and report greenhouse gas emissions and incentives to abate these emissions within a legislated framework for emissions trading.
- The proposed site for the proposed plant consists of cleared agricultural land with no landscape, biodiversity, cultural heritage or water body features of established environmental significance.
- The proposed plant site is zoned Industrial under the Wellington Planning Scheme and adjoins the existing Longford Gas Plant. It is within a sparsely populated area and its development is unlikely to significantly increase hazards affecting residents in the surrounding area.

Date of Decision: 22 August 2007