



# COMMUNITY CONSULTATION GROUP MEETING

Wednesday 18 March 2009, 7.00pm – 9.30pm

Venue: Lacepede Bay Motel Meeting Room

## MINUTES

### ATTENDEES:

Chairman	Grant King
Community Representatives	Peter Andrews, Darren Trotter, Peter Carslake, Keith McBride
Local Government Representative	Nil
Hybrid Energy Representatives	Don Poynton, Barry Ford and Rachael Galwey
Independent Facilitator	Georgina House, QED Pty Ltd
ETSA Utilities	John Riedel, Asset Manager, South East

**APOLOGIES:** Cr Alan Olley

### 1. WELCOME AND HOUSEKEEPING

Grant King opened the meeting and welcomed participants.

### 2. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting were accepted as a correct and accurate record of proceedings by the FuturGas CCG.

### 3. KEY ISSUES: POWER REINFORCEMENT

ETSA Utilities' Asset Manager for the SE Region, John Riedel, presented to the Group on the existing local power supply situation outlining the current network status, network constraints and upgrade plans as follows:

#### 3.1 Existing network in Kingston SE

- ETSA Utilities manages the low-voltage electricity **distribution** network (generally up to 66kV) which provides power to the general public.
- ElectraNet is responsible for the **transmission** of high-voltage power over long distances and to remote areas right across the State (generally 132kV and 275kV). ETSA Utilities is a customer of ElectraNet.
- Power to Kingston SE is supplied via an 81km radial 33kV line from the 'Kinraig' 132/33kV connection point.
- Two 11kV feeders supply the Kingston township and surrounding area via an existing Kingston SE 33/11kV substation.

#### 3.2 Customer Connections over the last two years in the South East Region

- 1.5 – 3% load growth is anticipated per annum.
- Kingston is relatively quiet in terms of growth, other than Cape Jaffa Marina.
- Wind farms near Millicent:
  - 1 connected to ETSA Utilities' electricity distribution network (Canunda).
  - 1 connected to ElectraNet's electricity transmission network (Lake Bonney).

### 3.3 Recent Network Upgrades

- Kingston SE 33/11kV substation – substation voltage regulator upgrade (completed).
- Lucindale to Kingston 33kV line – increase in thermal rating (completed).
- Extended Lacepede Bay 11kV feeder (constructed for future 33kV line) to Cape Jaffa Marina (completed).

### 3.4 Future Network Upgrades

- Install 33kV voltage regulator west of Lucindale – 2009 (50% complete).
- Extend 33kV line from Kingston SE substation towards Cape Jaffa. Convert part 11kV feeder to 33kV operating voltage – 2010 (which will take excessive load off Kingston substation).
- Install new substation near Cape Jaffa, transferring some load from the Kingston SE substation – 2010.
- New 132kV/33kV connection point (Lucindale West) – estimated 2015 at earliest.

### 3.5 Network Limitations in 2010

- Kinraig to Lucindale 33kV – 28km, approximately 90% loaded, can thermally upgrade but may blackout Lucindale and Kingston SE substation while works take place. Every attempt would be made to reduce or eliminate disruption to supply during any work required by using different work methods such as glove and barrier or live line working practices.
- 33kV voltage levels – due to long distance from Kinraig Connection Point, voltage support is required.
- Kingston 33/11kV substation - approximate 82% loaded.

### 3.6 Proposed FuturGas Project Pilot Plant Connection

- ETSA Utilities would require a formal distribution network connection request for the proposed pilot plant, detailing the size, location, etc.
- The FuturGas pilot plant would require a dedicated distribution substation for the pilot plant and distribution powerline connection (33kV/11kV) at Hybrid Energy's expense, with potential for a 132/275kV substation upgrade for the subsequent commercial operations.
- Voltage support would be required (33kV).
- Indicative maximum size (in MegaWatts) for the pilot plant would need to be advised.
- A detailed Engineering Report would be required. ETSA Utilities would be able to provide this to Hybrid Energy at cost.
- The FuturGas commercial facility operations would require a high-voltage ElectraNet 132kV connection (substation upgrade and transmission powerline) at Hybrid Energy's expense. With a new transmission powerline in place, ETSA Utilities could consider a new injection point closer to Kingston which may increase capacity/reliability near Kingston.

### 3.7 General Questions and Discussion

- In answer to Keith McBride's question regarding replacement of the local 19kV SWER (Single Wire Earth Return) powerlines – John Riedel indicated that ETSA Utilities is unable to replace these due to the unviable high cost.
- John Riedel advised that if the load from Hybrid Energy's FuturGas facility exceeds the distribution network's capacity prior to time of a transmission network reinforcement, Hybrid Energy could use their own generators onsite or in the town, but with the right notice this should not be necessary.
- Darren Trotter advised he is interested in facilitating industry to occur in Kingston.
- John Riedel indicated it is possible at short notice to service a new Industry Precinct at Kingston within 3-4 months, based on the current size of existing engineering businesses located in the South East.
- John Riedel advised that Kingston at the current growth rate, a distribution network upgrade would not be required for at least 10 years.

### 3.8 Key Comments Arising From Presentation and Discussion

- The Kingston township can sustain future growth for at least a decade.
- The existing distribution network can support the FuturGas pilot plant when and if it comes online.
- There is potential to augment the Kingston distribution network capacity and reliability in the future if the FuturGas facility becomes operational.

## 4. FUTURGAS PROGRESS REPORT

A progress report on the FuturGas Project was provided by Barry Ford (refer attached PowerPoint presentation). A similar presentation was provided to the District Council of Kingston earlier in the day. The report included:

### 4.1 Situation Analysis

- Project fundamentals are still strong.
- Strike Oil is steadfastly committed to progressing the FuturGas Project.
- Strike Oil is continuing their search for investment partner.
- Market conditions – difficult at present to attract an investor to a greenfield project.
- A strategy has been recently implemented by Strike Oil to sustain the FuturGas Project through the prolonged economic downturn, which has involved staff reductions to reduce immediate operational costs, and a focus on two key technical work streams only, ie coal gasification trials and also further groundwater modelling.

### 4.2 Strategy Implementation

- The Pre-Feasibility Study will be delayed until an investment partner is secured.
- The next phase of the coal gasification testing has commenced in Adelaide under the direction of Dr Peter Mullinger from Hybrid Energy.
- There has been a further reduction in staff numbers at Hybrid Energy and also Strike Oil.
- The next phase of groundwater modelling has commenced in Adelaide with consultants URS, and is being managed by Chris Mroczek from Hybrid Energy.
- The management oversight of the Hybrid Energy company and the FuturGas Project is moving from Adelaide to Perth.
- Strike Oil's Australian Operations Manager Don Poynton is to provide the management oversight of Hybrid Energy's Adelaide operations from Perth, Western Australia.

### 4.3 Don Poynton, Australian Operations Manager, Strike Oil

- Don provided his background and provided some history on Strike Oil's business.
- Don advised that the Managing Director of Strike Oil Simon Ashton is fully supportive of ensuring the local community are kept abreast of the company's plans and activities.
- Don indicated that the next meeting of the FuturGas CCG would potentially be end July 2009, following the next key milestones in the current testing and modelling.

### 4.4 FuturGas Gasification Program

- Commenced in January 2009 and first phase is expected to be completed in June 2009.
- Will have some results on gasification to report on at next meeting end July 2009.

### 4.5 FuturGas Groundwater Modelling

- Groundwater consultants URS, are fine-tuning the preliminary modelling work, looking at pit layout and a phased approach over 30 years.
- Peter Carslake asked about the effect be on the aquifer. Barry Ford advised that this is still being determined through applying pumping and reinjection modelling.
- Following achievement of an optimum model, actual physical testing and validations will be required.

- Community Feedback confirmed that Hybrid Energy needs to undertake practical pilot tests on the ground to check its modelling results.

## 5. **COMMUNITY ENGAGEMENT**

### 5.1 Community Information Day - Overview

- Rachael Galwey advised that 32 people had attended the company's Community Information Day held in November 2008, including a few students with their parents, and also five visitors from the broader South East region. Based on previous experience with community events in varying areas of the State, Rachael indicated that this result was particularly pleasing.
- The Feedback Sheets completed by the community members in attendance have now been assessed and the results include:
  - The community's top five main areas of interest or concern regarding the FuturGas Project were water security as the number one issue, followed by environmental protection and employment, and then biodiversity protection and public consultation.
  - When asked about the most important aspects of the FuturGas Project, the top answer was the production of domestic diesel in SA, followed by the company's Environmental Impact Statement. Continued consultation/communications and also local wetland preservation were next on the list, followed by a range of other aspects including the facility's location and construction, traffic management/maintenance of roads, the planning process, power supply, drainage/water management planning, and lastly the CO<sub>2</sub> pipeline and jobs.
  - Feedback received on the best way to keep the community informed highlighted the value of the FuturGas CCG, with the local Community Representatives listed as the preferred method due to ease of contact and local knowledge. Personal letters, followed by advertisements in the local paper were listed as the next preferred methods. Rachael noted that the company website, hard-copy newsletters and brochures were listed as the least desirable method to keep community members informed.
  - Rachael described two specific community comments received, including "all information provided was relevant and useful", and "until practical testing is proven, doubts remain".

### 5.2 Feedback from the Community

Rachael Galwey asked the Community Representatives whether they had received any feedback or advice from the Community regarding the Community Information Day, the FuturGas Project in general, or the company's communication methods to date:

- Darren Trotter mentioned he spoke to four people who were quite impressed by the information provided at the Community Information Day. They were also interested in jobs, the economy and investment in the community.
- Darren mentioned it would be interesting to analyse the Feedback Sheet results by business operator or resident etc – is there a group with more concern? Rachael Galwey reported that there had appeared to be no trend.
- Peter Carslake knew seven to eight people who attended at the Community Information Day and commented that they were from a mixed group. Peter indicated that "a lot of work was put in".
- Keith McBride has attended a meeting of a group that has reformed from the earlier Western Mining proposal; the group met after the Community Information Day. Rachael Galwey commented that this was a very positive development, and hoped that the group would communicate their advice/issues/concerns to their local FuturGas Community Representatives, or the company directly, for subsequent attention in future Feasibility studies. Rachael reiterated the company's desire to maintain an open and honest two-way

flow of communications, so the company has the opportunity to fully address all issues raised by members of the community.

- Grant reinforced the role of the CCG member is to scrutinise information and to bring issues and feedback to the table at CCG meetings.
- Darren Trotter mentioned a bike group involving diverse cross-sections of the community. General comments about the FuturGas Project included a sense of the economic downturn, more concern about jobs and growth, and finding an investor to fund the Project.

### 5.3 Posters

Rachael Galwey reported that the posters displayed at the Community Information Day are now available on Hybrid Energy Australia's website, as requested by the Community Representatives.

### 5.4 Carbon Dioxide Emissions

Rachael Galwey asked the Community Representatives whether the Letters to the Editor that had been provided regarding carbon capture and storage had adequately addressed their concerns relating to the event that occurred at Lake Nyos. It was agreed that a further detailed discussion on the complex issue of carbon capture and storage (geosequestration) was warranted. Don Poynton commented that there are a lot of misconceptions around this technique that has been in practice in the oil and gas industries for many years.

#### Action:

- Hybrid Energy Australia to invite Professor John Kaldi to present on process and examples to a future CCG meeting.

### 5.5 Landowner Satisfaction

Rachael advised that personal letters have been posted to Kingston landowners in the vicinity of the coal resource, to keep them informed of Project progress as it occurs. Rachael asked the Community Representatives present, whether any feedback has been received from landowners regarding the suitability of this method of communication?

- Keith McBride commented that no adverse feedback had been received, the community are watching, and some are negative.
- Rachael Galwey therefore suggested continuing with this method if it was currently meeting landowner expectations.

### 5.6 Project Brochure

A project brochure was recommended previously by Darren Trotter. Rachael Galwey suggested in light of the current Project delays, and also the Community Information Day results which listed brochures as a least preferred communication method – that this initiative be deferred for later discussion. Rachael suggested as a compromise for further discussion, perhaps a community newsletter be formed as a display advert in the local paper, considering that 'advertisements in the local paper' had ranked quite highly as a preferred method of communication in feedback from the community.

### 5.7 Engagement with the Kingston Community School

- Rachael Galwey reiterated that the company is keen to engage and seek feedback from the younger generation and a Community Information Day invitation had been provided to the previous Kingston Community School Principal for students, teachers, parents and friends to attend. The School was unfortunately unable to arrange a student excursion. This letter of invitation also suggested working with teachers to develop special studies or other Project opportunities that could potentially be incorporated into the School curriculum.

- The appointment of the new Principal was discussed and it was agreed that it would be important to attempt to re-engage with the School further down the track (eg: revegetation opportunities/engage with future workforce, guest lecturers).

#### 5.8 Consulting with the Wider Community and Other Local Government Areas

Rachael Galwey asked Grant King to embellish on his idea presented at the last meeting that it could be useful to convene the FuturGas CCG in alternative Council jurisdictions to fully disseminate Project information to the wider community. Grant advised that meeting in Lucindale/ Naracoorte could perhaps be considered into the future, given the wider community interest in the FuturGas Project. It was agreed to park this idea for future discussion.

#### 5.9 Lucindale Field Days

Rachael Galwey expressed her extreme disappointment and concern that unfortunately it was necessary for the company to cancel its participation in the March 2009 SE Field Days at extremely short-notice due to the current company situation and the limited time available to close the Adelaide office. Rachael advised that she has spoken to the Field Days secretary and arranged for the details of the 2010 event to be sent to Don Poynton at Strike Oil.

#### 5.10 Press Release

CCG Members discussed the opportunity for Hybrid Energy to prepare a media release around the role of the CCG going forward, as they are the eyes and ears of the community.

**Action:**

- Rachael Galwey to prepare a Media Release around the time the Minutes of this meeting are distributed, for consideration.

### **6. DISCUSSION AROUND TOP 5 KEY ISSUES**

#### 6.1 Aquifer Management/ Sodium Levels

Barry Ford advised that Hybrid Energy is continuing to work on further groundwater modelling studies, with work to date indicating positive results. Chris Mroczek will attend and present at next meeting, regarding progress in this area.

#### 6.2 Town Planning/ Development Review

Georgina House reported that DC Kingston will undertake a review of its Development Plan in the near future. Council will progress its review following receipt of the State Government regional plan for the SE. The regional strategy and subsequent local review of the Development Plan are both opportunities to highlight the coal resource and the Hybrid Energy Australia FuturGas Project.

#### 6.3 Project Integration with Drainage and Reflow Projects

No movement on this, keep topic on the list of issues.

#### 6.4 Power Reinforcement

It was agreed that the ETSA presentation provided was very informative and this issue can now be removed from the top 5 issues list.

#### 6.5 Protection of Native Vegetation

Rachael Galwey advised that the FuturGas Project objective will be to identify and avoid wherever possible any environmental impacts. Where potential impacts are unavoidable, the company will work to minimise these and will identify and pursue a range of offset benefits in conjunction with regional authorities. Potential impacts will be fully assessed in the Feasibility studies and detailed in the company's Environmental Impact Statement. Some potential offset

opportunities discussed included working with Reedy Creek Nurseries, and the opportunity to look at collection of seed and direct seeding of native plants.

#### **TOP 5 KEY ISSUES RESOLUTIONS:**

- CCG Members agreed to retain issues 6.1, 6.2, 6.3 and 6.5 on the top 5 issues list and to drop issue 6.4 (power)
- Each meeting the CCG members will review the top 5 issues.
- CCG Members agreed to add a new issue to the list around the area of health (dust/air quality). Keith McBride indicated that community members had raised this issue.
- An idea for future investigation identified by Darren Trotter was the potential use of the mine trench area as a landfill site.

#### **7. NEXT STEPS**

Key actions – Hybrid Energy/QED to organise presentations for the July CCG Meeting including:

1. CO<sub>2</sub> Emissions – potentially by Professor John Kaldi
2. Groundwater Modelling – by Chris Mroczek
3. Gasification Update – by Don Poynton

#### **8. ANY OTHER BUSINESS**

- Peter Andrews queried a Hybrid Energy Australia News Statement from late last year which mentioned groundwater modelling. He considered the statements made gave the impression that more work had been done than actually has. Peter Andrews was satisfied with the response given by Barry Ford.
- Peter Carslake added that the company has to be careful with words used. Hybrid Energy needs to ensure key messages are accurate.
- Rachael Galwey thanked all participants for their contributions to date, and hoped that many robust and fruitful discussions would be held into the future by the Group to discuss and resolve all local community issues.
- Don Poynton indicated that he was looking forward to working with the CCG in future.
- Barry Ford thanked everyone involved, for giving up their personal time. Barry hoped the Project would move forward well; he wished Don, the CCG and the Project well.
- John Riedel thanked the CCG for the invite. He mentioned if there are any questions, he is a local and is happy to receive calls anytime.
- Grant King thanked Barry Ford, Rachael Galwey and Georgina House for their work on the Project and commitment to the CCG, as not too many companies put this level of commitment into their projects. Grant looks forward to continuing to work with the FuturGas CCG and Hybrid Energy through Don Poynton.
- Georgina House thanked all for their input and indicated she was happy to take calls from the CCG members anytime.

#### **9. DATE OF NEXT MEETING**

- Tentatively scheduled for Wednesday 29 July. Date to be confirmed.
- Peter Carslake is away from 23 July until the end of August.

#### **10. MEETING CLOSURE**

The meeting was closed at 9.45pm.

ITEM NO	ACTION	RESPONSIBLE	TIMEFRAME	STATUS
1	Book meeting room and catering for next meeting in late July 2009 at 7.00pm.	GH	June '09	PENDING
2	Minutes of Meeting to approved and posted to Hybrid Energy Australia's website following distribution to Community Representatives.	RG	9 April '09	In progress
3	Community Representative comments to be considered regarding special interest areas and progress report provided at the next meeting.	GH/DP	July '09	PENDING
4	Strike Oil to organise presentations for the July 2009 CCG Meeting, including: <ul style="list-style-type: none"> <li>▪ Professor John Kaldi on process and examples relating carbon dioxide emissions</li> <li>▪ Chris Mroczek on Groundwater Modelling</li> <li>▪ Hybrid Energy Gasification update</li> </ul>	DP	July '09	PENDING
5	Hybrid Energy Australia to prepare and issue a News Release regarding the CCG Members and their role.	RG	9 April '09	In progress
6	Next agenda to include Potential Environmental Health Issues	GH	July '09	PENDING