

HUGS Pipeline Project

Regulatory Approvals

Fact Sheet April 2022



Regulatory Approvals Overview

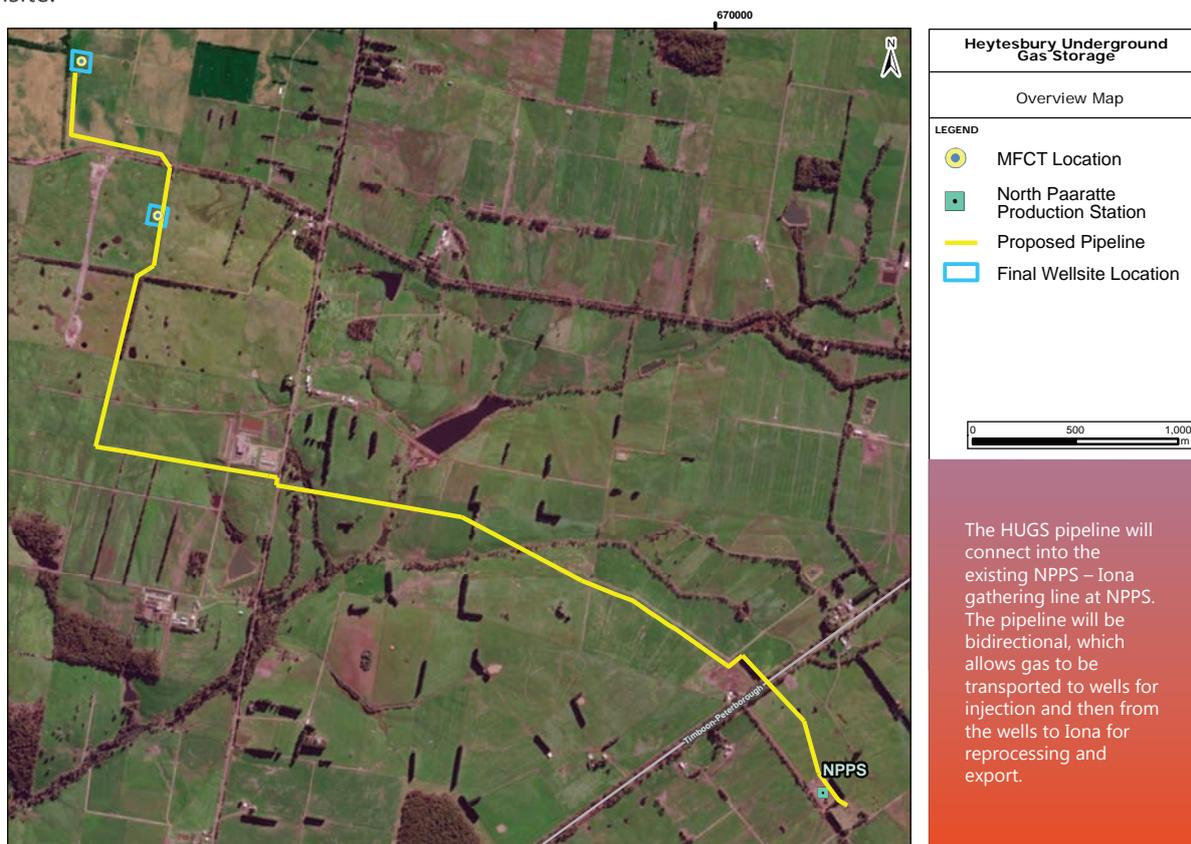
Lochard Energy is proposing to undertake the Heytesbury Underground Gas Storage (HUGS) Project to increase the underground gas storage capacity of the Iona Gas Storage Facility (Iona).

A key component of the HUGS Project is the construction of a new underground gas pipeline, referred to as the HUGS Pipeline.

This fact sheet provides an overview of the relevant regulatory approvals required for the HUGS Pipeline.

Pipeline Overview

The preferred route for the proposed HUGS Pipeline is a 5.5 – 6.5 km 250-300mm nominal diameter underground pipeline that will run from the North Paaratte Production Station (NPPS) to the Mylor, Fenton Creek and Tregony (MFCT) wellsite (refer to map below). Lochard is currently undertaking studies of the gas fields and is in discussions with landholders and other stakeholders regarding the optimal location for the MFCT wellsite.



Pipeline Approvals

The proposed HUGS Pipeline is subject to regulatory approvals prior to any works commencing.

The primary legislation governing the construction of the pipeline is the Pipelines Act 2005 (Vic) and the Pipelines Regulations 2017 (Vic).

The Pipelines Act is administered by the Victorian Department of Environment, Land, Water and Planning (DELWP) and Energy Safe Victoria (ESV). DELWP and ESV are the regulators of matters of health, safety and environment (HSE) on Victorian pipeline projects.

Other relevant approvals that are administered by the Victorian Government and required for the pipeline to proceed may include those under the:

- Aboriginal Heritage Act 2006 (Vic);
- Flora and Fauna Guarantee Act 1998 (Vic);
- Road Management Act 2004 (Vic);
- Heritage Act 2017 (Vic);
- Catchment and Land Protection Act 1994 (Vic); and
- Country Fire Authority Act 1958 (Vic).

Some of these regulatory approvals will include public notification and an opportunity for the public to review and provide comments on aspects of the Project.

Pipeline Consultation Plan (PCP)

Construction and installation of high transmission pipelines in Victoria require Ministerial approval in the form of a Licence to Construct and Operate a Pipeline. Prior to obtaining a Pipeline Licence, Lochard Energy is required to develop a Pipeline Consultation Plan (PCP) that must be approved by the Victorian Minister for Energy, Environment and Climate Change.

A PCP demonstrates how Lochard Energy will consult with landowners and occupiers about the proposed pipeline and meet the consultation requirements laid out in the legislation and regulations.

Certain consultation activities contemplated by the Pipelines Act 2005 (Vic), such as giving Notice of Intention to Enter Land for Survey and Notice of Pipeline Corridor, as well as Notice of Pipeline Licence Application, cannot commence until an approved PCP is in place.

To minimise the impact that the proposed HUGS Pipeline may have on landowners, occupiers, stakeholders and the local community, Lochard Energy must develop and comply with several impact management plans including:

- Cultural Heritage Management Plan;
- Environmental Management Plan;
- Construction Safety Management Plan; and
- Operations Safety Management Plan.

All of these plans, other than Property Management Plans, will be reviewed and monitored by Victorian regulatory authorities including DELWP and ESV. Construction and operation of the pipeline may only commence once the relevant impact management plans are approved.

Community Engagement

Lochard Energy is committed to effective communication with landowners and occupiers, stakeholders and the local community. Lochard will communicate throughout all stages of the proposed HUGS Pipeline to provide information on timeframes and activities, potential impacts, and to understand and address any questions or concerns about the pipeline.

During periods of construction, Lochard will work to minimise impacts including noise, traffic, dust or other disruptions that may arise. Relevant work methods and operations will be incorporated to reduce community impacts.

Lochard will also draw on its Community Liaison Committee (CLC), regularly convened online or at the Iona Gas Plant, for advice and feedback on community and landowner engagement for the pipeline.

Independent Advice

Landowners and occupiers impacted by the proposed HUGS Pipeline are encouraged to seek independent advice in relation to dealings with Lochard Energy, should any concerns be held regarding the legal implications of the proposed HUGS Pipeline and its potential impact on their land.

Predefined and agreed reasonable costs associated with obtaining independent advice provided by legal and professional services firms in relation to the proposed HUGS Pipeline, will be met by Lochard Energy.

Easement Agreements, Acquisition & Compensation

Lochard Energy will seek to establish agreements with landowners and occupiers for construction and operation. These agreements will have two main elements:

1. Options for temporary workspace areas and/or other licencing arrangements in order to construct the new pipeline;
2. Options for easement and/or purchase of an easement with the owner of any private land for the purposes of the pipeline installation and operations. An easement is an agreement registered on a title of the property that sets out the rights of a pipeline owner/operator to install, operate and maintain the pipeline and also defines the restrictions on the landowner or occupier in the area of the easement.

Lochard would seek to purchase easements from affected landowners and finalise agreements for temporary workspace once confirmation of the proposed HUGS Pipeline alignment has been reached.

Lochard is committed to dealing with all affected landowners and occupiers in an open and respectful manner and providing fair and equitable compensation in reaching agreement for the proposed easement and temporary workspace areas. Compensation will be negotiated in accordance with the Pipelines Act.

The Pipelines Act 2005 (Vic) includes provisions which allow a proponent to apply to the Victorian Minister for Energy, Environment and Climate Change, responsible for the Pipelines Act 2005 (Vic), to compulsorily acquire an easement required to construct and operate a pipeline, should negotiations with landowners be unsuccessful. The proponent may seek to proceed with a compulsory acquisition process six months from the initial provision of the Notice of Pipeline Corridor.

The Landowner and/or Occupier has the option to make a submission to the Minister for Environment, Energy and Climate Change regarding the proponent's application during the process of compulsory acquisition. Easement acquisition by the HUGS project will be in accordance with regulatory requirements including the Land Acquisition and Compensation Act 1986.

More Information

Should you require further information on the pipeline's regulatory approvals, please contact Lochard Energy or the relevant Victorian regulator.

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