

HUGS PIPELINE REGULATORY APPROVALS FACT SHEET



HUGS PIPELINE

REGULATORY APPROVALS OVERVIEW

Lochard Energy is developing the Heytesbury Underground Gas Storage (HUGS) Project to increase the storage capacity of the Iona Gas Storage Facility (IGSF). A key component of the HUGS Project is the construction of a new underground gas pipeline, referred to as the HUGS Pipeline.

In the future, the HUGS Project could become an underground hydrogen storage project. The HUGS Pipeline is being designed to safely convey both natural gas and hydrogen, or a blend of both.

This fact sheet provides an information about the relevant regulatory approvals required for the HUGS Pipeline.

HUGS Pipeline Overview

PIPELINE ROUTE

The selected route for the proposed HUGS Pipeline is a 5.3km 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).

The HUGS Pipeline will connect into the existing NPPS and IGSF gathering line. The pipeline will be bidirectional, which allows gas to be transported to the wells for injection and then from the wells to the IGSF for reprocessing and export.



PIPELINE APPROVALS

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

The primary legislation governing 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 Energy, Environment and Climate Action (DEECA) and Energy Safe Victoria (ESV). DEECA 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 will 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);
- Country Fire Authority Act 1958 (Vic); and
- Land Acquisition and Compensation Act 1986 (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-pressure transmission pipelines in Victoria requires Ministerial approval. This approval takes form over several steps:

1. Obtaining a Pipeline Licence
2. Obtaining a Licence to Construct Pipeline
3. Obtaining a Licence Operate a Pipeline

In accordance with regulatory requirements Lochard Energy has developed a Pipeline Consultation Plan (PCP) that has been approved by the Victorian Minister for Energy and Resources and is available to read [here](#).

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 are required by the Pipelines Act 2005 (Vic), such as giving Notice of Intention to Enter Land for Survey and Notice of a Pipeline Corridor, as well as Notice of Pipeline Licence Application, none of which can commence until an approved PCP is in place.

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

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

All of these plans will be reviewed and monitored by Victorian regulatory authorities including DEECA and ESV. Construction and operation of the pipeline may only commence once the relevant management plans are approved.

COMMUNITY ENGAGEMENT

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

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

Lochard Energy will also draw on the established Community Liaison Committee (CLC) regularly for advice and feedback on community and landowner concerns regarding 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 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 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 the construction and operation of the HUGS Pipeline. 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 Energy would seek to purchase easements from affected landowners and finalise agreements for temporary workspace on ROW (Right of Way).

Lochard Energy is committed to dealing with all affected landowners and occupiers in an open and respectful manner, providing fair and equitable compensation in reaching agreement for the proposed easement and temporary workspace areas. Compensation will be negotiated in accordance with the relevant legislation. It should be noted that it is Lochard Energy's strong preference to reach mutual agreement and

compulsory acquisition would only be considered in the event that negotiations have been undertaken as far as reasonably possible and agreement is still not reached.

The Pipelines Act 2005 (Vic) includes provisions which allow a proponent to apply to the Victorian Minister for Energy and Resources, whom is 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. Landowners and occupiers will be provided advance notice of any such activity commencing.

The Landowner and/or Occupier has the option to make a submission to the Minister for Energy and Resources 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 should compulsory acquisition be required.

More information

Should you require further information, please contact Lochard Energy or the relevant Victorian regulator.

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