



16th September 2016

Mr Mike Young
Director Resource Assessments
Department of Planning and Environment
23-33 Bridge Street, Sydney NSW 2000

Dear Mr Young,

Re: Capital 2 Wind Farm – Modification 4 - Request for Extension to Lapse Date

Capital Wind Farm 2
Pty Limited
Level 22, 56 Pitt Street
Sydney NSW 2000
Australia
T +61 2 8031 9900
F +61 2 9247 6086
www.infigenenergy.com

Capital Wind Farm 2 Pty Ltd (**CWF2PL**), the proponent of the approved Capital 2 Wind Farm, forms part of the Infigen Group (**Infigen**).

Infigen is focused on continuing to invest in new and existing renewable energy projects to extend its current development pipeline. Infigen supports the Australian Government's commitment to work towards a global agreement to limit global warming to less than 2 degrees. A key component of this goal is the Australian Government's Renewable Energy Target, which sets targets for large-scale generation of 33,000 GWh in 2020. Achieving this target will mean that about 23.5 per cent of Australia's electricity generation in 2020 will be from renewable sources.

Infigen's current operating wind and solar farms generate enough power to meet the needs of over 250,000 homes and represents a saving of approximately over a million tonnes of carbon dioxide a year. Infigen's development pipeline comprises approximately 1,200 megawatts of large-scale wind and solar projects in Australia, including the Capital 2 Wind Farm. The approved Capital 2 Wind has a generating capacity of up to approximately 143.5 megawatts of renewable energy and remains an integral part of Infigen's development pipeline.

Project approval MP 10_0135 (**Project Approval**) granted for the Capital 2 Wind Farm will lapse on 1 November 2016 (being 5 years after the date on which the Project Approval was granted as contemplated by condition A4) unless works the subject of the Project Approval have commenced before that time. CWF2PL seeks a modification to condition A4 of the Project Approval (**Modification 4**) so as to extend the lapsing date by a further 5 years, until 1 November 2021. This extension to the lapsing date is required to allow CWF2PL sufficient time to review the approved Capital 2 Wind Farm in line with improvements in turbine technology and market circumstances.

Other than the proposed administrative amendment to the lapsing date in condition A4, no other changes are proposed to be made to the approved Capital 2 Wind Farm as part of this Modification.

Project History

The approved Capital 2 Wind Farm is located in the NSW Southern Tablelands, approximately 17km north-east of the Bungendore township. The Capital 2 Wind Farm will include up to 41 wind turbines, each with up to 3.5MW capacity, and associated infrastructure. The approved Capital 2 Wind Farm is in close proximity to the existing Capital and Woodlawn Wind Farms.

Project Approval for the Capital 2 Wind Farm was granted to CWF2PL on 1 November 2011 under Part 3A of the *NSW Environmental Planning and Assessment Act 1979* (**EP&A Act**). Since the grant date, the Project Approval has been modified on 3 occasions:

- Modification 1 was approved on 4 July 2013 and increased the turbine capacity from 'up to 3.0MW' to 'up to 3.5MW';
- Modification 3 was approved on 17 March 2015 and primarily authorised an option to replace a section of underground cabling with an extension to the approved overhead transmission line.; and



- Modification 2 was approved on 29 June 2015 and increased the maximum turbine blade length to 126m.

Justification for the Modification

Since the Project Approval was granted, there have been significant changes to both turbine technology and the Australian Government's Renewable Energy Target. These changes have prevented construction of the Capital 2 Wind Farm from commencing prior to the current lapsing date of 1 November 2016. The proposed extension of the lapsing date will enable CWF2PL sufficient time to undertake a review of the approved Capital 2 Wind Farm to ensure that it remains in line with current technology and energy market circumstances.

CWF2PL considers that this modification is justified for the following reasons:

Policy uncertainty

The uncertainty created by the Renewable Energy Target (RET) policy review was the most significant factor to freeze the large-scale renewable energy investment from 2013-2015. However, investor confidence in the renewable energy industry has significantly increased since the previous modification (Mod 3), due to:

- the revised Renewable Energy Target adopted in June 2015;
- the signing of the Paris Climate Agreement in December 2015; and
- the decision of the Australian Government's Clean Energy Finance Corporation to continue to invest in wind farm projects.

This reduces the uncertainty which might otherwise arise from the proposed extension of the lapsing date.

Public Interest in Renewable Energy Projects

As outlined above, the approved Capital 2 Wind Farm will generate up to approximately 143.5 megawatts of renewable energy. This amount of energy is sufficient for the average consumption of approximately 60,600 homes, which equates to a reduction of approximately 400,000 tonnes of CO₂ per annum for the life of the project.

There is a significant public interest in ensuring an extension to the lapsing date for the approved Capital 2 Wind Farm so as to preserve the important renewable energy benefits of the project.

Economic Benefits

The approved Capital 2 Wind Farm represents a potential direct investment of approximately \$240 million in NSW. It would deliver the equivalent of up to 120 full time jobs during construction and up to 6 full time ongoing local based jobs during operation.

In addition, the project also continues to directly support the local community via the Capital Community Committee. The Capital Community Committee turns three in September 2016 and, to date, has approved over \$130,000 in funding for local projects for the benefit of the Bungendore and Tarago communities including \$12,500 towards the Weereewa Festival in 2014 and \$5,000 towards the Bungendore Spring Ball in 2015.

Again, extending the lapsing date for the project will preserve these significant economic benefits for NSW and the local community.

Improvements in Technology

As outlined above Modification 4 would allow time for CWF2PL to conduct a review of the approved Capital 2 Wind Farm including to consider the newer, more efficient turbine technologies now available which are capable of achieving a more efficient output per wind turbine. This review will identify the optimal turbine technology for the project and make it more competitive.

Project and impacts remains unchanged

Other than the proposed administrative amendment to the lapsing date in condition A4, no other changes are proposed to be made to the approved Capital 2 Wind Farm as part of Modification 4.



Accordingly, Modification 4 will not result in any increase to the environmental impacts of the approved Capital 2 Wind Farm.

Community Engagement

Since the Project Approval was granted, CWF2PL has continued its engagement with the local community via:

- Capital 2 Wind Farm Community Consultative Committee meetings as part of the Capital Energy Renewable Precinct CCC; and
- regular meetings with the land owners and the local community.

In particular, community consultation has been undertaken to update community members, address issues of concern to the community and provide an opportunity to incorporate community feedback.

CWF2PL will continue to undertake community consultation in the Capital Energy Renewable Precinct. This includes advising landowners and relevant stakeholders about the proposed Modification 4, followed by consultation with the broader community.

Conclusion

Modification 4 seeks approval to an administrative amendment to condition A4 of the Project Approval so as to extend the lapsing date by 5 years. In a policy secured renewable energy market, this extension will preserve the renewable energy and economic benefits of the approved Capital 2 Wind Farm and allow sufficient time for CWF2PL to review the approved Capital 2 Wind Farm in line with changing turbine technology and market circumstances. We hope that the DPE considers this request favourably and is agreeable to granting the extension.

Please contact Frank Boland, Development Team Leader on (02) 8031 9914 if you would like any further information.

A handwritten signature in black ink, appearing to read "Frank Boland".

Frank Boland
Development Team Leader

