

The Department of Planning and the Environment
320 Pitt Street, Sydney, NSW 200

11 April 2017

Dear Sir/Madam,

I am writing in reference to the Dalton Power Project (DPP) and AGL's application to extend the lapse date of 19 July 2017, for a further two years.

First I want to acknowledge and thank the NSW Department of Planning and the Environment (DPE) for granting an extension to the lodgement date for submissions.

I object to the approval of any extension to the DPP lapse date of 19 July 2017. The grounds for my objection are detailed below.

Importance of the project- change in market conditions

AGL state that the original justification for the DPP remains the same, i.e., *'that it will contribute to ensuring adequate, reliable and consistent supply of electricity during times of peak demand in NSW, and help keep downward pressure on price'*.

1. If this is true, why has AGL not commenced work on the DPP over the course of the last five years (given the lead-time required for the DPP to be operational)?
2. In November 2016, the Australian Energy Regulator (AER) found that re-bidding by Origin Energy and AGL in the South Australia electricity market in August and September that year caused spikes that loaded more than \$17 million of additional costs onto consumers and other generators.
3. Further as evidenced by the March 9 2017 Reputex report, *The Energy Trilemma: A cost curve for emission reductions & energy storage in the Australian electricity sector*, solar with storage is now cheaper than gas as a source of on-demand energy.
4. It was reported in the news, March 16 2017 that Grattan Institute energy programme director Tony Wood had told the gas industry that he is unsure whether gas can be a transition fuel as the market moves from coal-power generation to low emission renewables such as solar, wind and hydropower and that's because the gas market is inefficient, with prices failing to transparently reflect supply and demand.
5. Burning fossil fuels is not sustainable, economically or environmentally. There is only a finite supply of gas and given the declining availability of, and the rising price for, domestic supply, it is unclear how a gas-fired power plant, such as that proposed for Dalton, will contribute to ensuring electricity supply during *'times of peak demand'* and *'help keep downward pressure on price.'* The failure to turn on gas power generation during the recent power shortages in SA suggests that the opposite is true.
6. Given the above, I question AGL's commitment to *'ensuring adequate, reliable and consistent supply of electricity during times of peak demand in NSW, and help keep downward pressure on price'*.

Improved efficiency, flexibility and greater community consultation.

AGL state that, *'Extending the lapse date will allow adequate time for AGL to review and up-date the DPP in line with current technology and market circumstances.'*

1. AGL has had five years to consider changed market conditions and new technologies. This is something that they can do continually without the need for an extension to the lapse date on the DPP approval.
2. A valid DPE development application approval is not necessary for AGL to undertake a review of market conditions and new technologies, so I can only assume that AGL want to maintain their approval under the repelled Part 3A legislation rather than lodge their *'more substantive project approval modification (MOD 2)'* as a new development application under the current, more rigorous planning and environment legislation and approval processes?
3. Since the suspension of the DPP in 2012, AGL has failed to maintain engagement with the Dalton community and residents have been left uniformed with regards their intentions.
4. AGL failed to inform the community about their MOD 1 application. There was nothing on their website and I only found out about their application by word of mouth, two weeks before the original lodgement date for submissions was due to close.
5. As a land owner in Dalton, AGL has failed to undertake basic and routine land care activities. They have failed to control serrated tussock weed infestations and the invasion of this noxious weed threatens neighbouring properties.
6. AGL are promoting that they have purchased a large buffer area of land and that the plant itself will occupy only a very small area of the whole. What value is that buffer given the plant itself will be situated on the side of the buffer zone closest to Dalton?
7. AGL were fined \$124 00.00 in January for failing to disclose political donations which related directly to a number of projects, including the Dalton Power Project.
8. Such behaviour is hardly in keeping with AGL's claim that wish to be *'a trusted and respected member of the communities in which it operates'* and to *'engage beyond baseline regulatory requirements'*.
9. AGL does not require and extension to the lapse date of 19 July 2017 to recommence community, landowner and stakeholder engagement. At any time during the past five years AGL could have maintained engagement, or re-engaged, with the community and other stakeholders.

Increased private sector investment consistent with government policy

AGL state that, *'The DPP is consistent with government policy favouring private sector investments in electricity generation, which is projected to increase competition in the energy market and restrain costs for the whole economy'* and that *'Extending the lapse date will ensure that the DPP remains a potentially viable project, which creates an opportunity to further Government policy by facilitating investment in flexible capacity which can place downward pressure on electricity prices and increase competitiveness'*.

1. If the DPP was a *'viable project'* for AGL, construction could have commenced anytime during the past five years.
2. Rather than helping to put downward pressure on electricity prices and increase competitiveness, AGL and Origin Energy caused spikes in the South Australia electricity market in 2016 that loaded more than \$17 million of additional costs onto consumers and other generators.
3. The independent energy market analysts Reputex reported that *'new renewables with energy storage are now competitive with new gas in providing flexible generation services. This is because of recent declines in capital costs of both wind and solar, coupled with rises in electricity and gas prices, resulting in a re-balancing of the least-cost technologies'* (2017).
4. It was reported in the news, March 16 2017, that Grattan Institute Energy Programme Director Tony Wood had told the gas industry that he is unsure whether gas can be a transition fuel as the market moves from coal-power generation to low emission renewables such as solar, wind and hydropower because the gas market is inefficient, with prices failing to transparently reflect supply and demand.
5. The failure to turn on gas power generation at Pelican Point during the recent power shortages in SA while 90,00 homes and businesses had their power black-out during load shedding as it was *'...commercially unviable to occasionally switch on the gas-fired power plant to meet requirements for a few high-demand days across the year'* (ENGIE Mar 2017).
6. Extending the DPP lapse date will not result in flexible capacity which can *place downward pressure on electricity prices and increase competitiveness* as claimed by AGL.

Socio-economic benefits

AGL state that *'Extending the lapse date would not change the positive socio-economic benefits of the DPP, rather would enable the positive employment and other socio-economic benefits of the DPP to be realised'*.

1. I fail to understand how extending the lapse date will achieve any of these aims. Any benefits that might arise from the DPP requires commencement of its construction; something AGL has failed to do since the approval was granted five years ago.
2. AGL state that they *'will seek to source as many construction workers and facility operators from the local region as possible'* and this will *'generate positive social impacts for the Dalton population and the wider population within the ULLGA and neighbouring LGAs'*. Dalton and surrounding communities are agricultural-based. Those not directly employed on-farm run small local businesses or commute to places like Goulburn and Canberra to work. So where will AGL source its construction workers and facility operators from?
3. The reality is AGL will engage specialist contractors Leightons to undertake construction and the facility is likely to be operated remotely. In the Summary of Social Impacts the EA states that, *'the local population is not expected to be impacted by the project as employment numbers during the operation are not significant'*.

4. There are no socio-economic or employment benefits to be had by the communities of Dalton and Gunning from the DPP. We will however bear significant environmental, social and economic costs if the project were to go ahead.
5. The main benefactor from the DPP is AGL itself. In the EA it states that, *'In order to reduce its exposure to electricity volatility, AGL seeks to construct and operate a gas fired power station to mitigate against substantial losses during times of high prices'*.
6. Given the experience of the much smaller Uranquinty gas fired power plant where AGL has failed to meet EA noise regulations and where local families been forced from their homes due to noise and vibration, and calls by the NSW Deputy for an urgent review into Wellington's proposed gas fired power station, is it fair that Dalton suffer the same fate just so AGL can protect their retail profit margins?

No change to the scope as a result of extending the lapse date

1. Rather than extending the uncertainty to the local communities of Dalton and Gunning, if there is no change to the scope of the DDP, there is little point in extending the lapse date until 19 July 2019.
2. AGL should either commence building the DPP and start paying the Upper Lachlan Shire Council new development fees or submit a new development application under the current legislative framework.

Changes to the surrounding environment

AGL claims that *'an extension to of the lapse date will result in negligible environmental impacts and that as part of any substantial modification (MOD 2), AGL would assess any changes in the local environment in addition to changes in the DPP.'*

1. AGL's original application was assessed and approved under Part 3A of the EP&A Act. Even though this legislation was repealed in 2011, the MOD 1 application and if granted, any future MOD 2 application will also be assessed under this obsolete and superseded legislation.
2. It is approximately 7 years since the original environmental assessment was conducted and 5 years since the DDP approval was granted. Much has changed in the local and surrounding district (new residents have settled here, two endangered animal species have been identified, aboriginal artefacts have been found etc.) rendering previous assessments redundant. As a private citizen, any council approvals to build on my land have a finite approval life. Once that approval lapses, a new submission, subject to the current planning requirements, must be made. Why should exceptions be made for big business?
3. Given the scope of the DDP and its impact on the environment and communities of Dalton and surrounding districts, the lapse date should remain at 19 July 2017 and AGL should be required to submit any substantive modification(s) to the current approval as a new development application under the full requirements of the current, more rigorous planning legislation and environmental assessment approval legislative framework.

Conclusions

1. I submit that AGL has failed to justify their MOD 1 application to extend the DPP lapse date from 19 July 2017 until 19 July 2019.
2. An extension to the DPP lapse date is not required for AGL to review the DPP in-line with current technologies and energy requirements; neither is an extension required for AGL to engage with the local community and other stakeholders.
3. If AGL decide to that substantive changes to the DPP proposal are required, they should submit a new planning application under the current legislative framework and not seek to extend the current approval under the Part 3A transitional arrangements.

I respectfully request that The NSW Department of Planning and the Environment refuse AGL's request for a 2 year extension to the DPP lapse date of 19 July 2017.

Yours sincerely



DALTON NSW 2581