

DALTON POWER PROJECT

Submission from Ann & Douglas Darbyshire

Our submission to the PAC before the approval was given to AGL for the Dalton Power Project still stands. We do not resile from any part of it, choosing not to re-prosecute that case.

Our comments on the proposed “modification” of this project follow.

CHANGED LANDSCAPE

Energy:

The AGL proposal notes that “energy market conditions have changed”.

The changed energy landscape is not just affecting AGL but affects all the other players in the energy market. There has also been renewed interest from both State and Federal Governments in what is happening combined with a signal of their playing an increased role in the market.

This places doubt on the AGL claim that its DPP “...is consistent with government policy favouring private sector investment in electricity generation...” Consider South Australia’s intention for direct investment as well as the Prime Minister’s proposed Snowy Mountain project that encompasses Federal and State investment.

Community

During the long period of almost 5 years when the AGL DPP remained moribund, new people have moved to the district of Dalton and Gunning with new or revived organisations springing up such as the Dalton Hall Trust and the Gunning District Association. These people and organisations have not had an opportunity to make formal responses to the original proposal and its being touted as a Part 3A transition **that** appears to deny them such a right.

Statistics from the Upper Lachlan Shire Council website show that this part of our shire is poised to be the driver of growth for the shire. This information did not form part of previous consultations.

SAME OR DIFFERENT DEVELOPMENT?

It is hard to avoid the impression that AGL is attempting to use a 'grandfather' opportunity to present what appears likely to be a completely different proposal as merely a "modification" of the originally approved DP. A couple of points to support our contention:

In the previous consultation period the community was eventually informed after persistent questioning, that on completion, local employment would consist of a part-time cleaner. The letter to Department of Planning & Environment (DPE) of 2 March 2017, quotes "...approximately 5 – 10 employees once operational." The AGL representative at the Upper Lachlan Shire Council Extraordinary meeting on 10 April 2017 stated that there would be 10 employees from the local area, post construction.

This certainly signals a significantly different type of development.

In a significant disclosure, the AGL representative under questioning, noted to Councillors (and the packed public gallery) at the Extraordinary Council meeting on 10 April 2017 that he could not say what the "modified" AGL plan on the drawing board would be but that it could indeed not include utilisation of gas at all.

This certainly flags much more than a "modification" of the original DP.

PEAKING STATION NOT THE WAY OF THE FUTURE

The AGL DP approved in 2012 is for a gas-fired power station that AGL representatives advised during those earlier community consultations, would be switched on for only about 20 days per annum – peak power.

This raises interesting points from the AGL letter to DPE where AGL notes "...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."

The newly appointed head of the Australian Energy Market Operator (AEMO), Audrey Zibelman has stated that peaking plants are not the way of the future. Here is a quote from a John Menadue post of 30 March 2017 from an article by Giles Parkinson "How AEMO's new boss will reform Australia's energy vision":

"Be very clear about this. This marks a fundamental change in thinking about the management of Australia's grid, which has previously been

based around the idea of all grid problems should be solved by shovelling yet more energy down the poles and wires.

*Zibelman is signalling an end to this. She is, in effect, signalling an end for the need of those peaking plants that operate for just a few hours of the year, yet conspire to push Australia's wholesale electricity prices to **stratospheric levels** (my emphasis).*

She is signalling that the business case of the generators – for so long based around getting 30 percent of their revenue from 30 hours of pricing parties a year – will no longer be valid.”

Informed commentary suggests that a blind eye has been turned to the effects of contracts in the domestic and export gas markets that have stifled domestic supply and caused extreme upward pressure on prices.

Furthermore, amongst the findings from the East Coast Gas review, Rod Simms, Chairman of the Australian Competition and Consumer Commission noted that there were “...very few constraints on monopoly pricing by pipeline operators.” AGL holds significant ownership of gas pipelines.

So much for keeping downward pressure on prices! It is important to note that like any other corporation, AGL's directors' primary responsibility should be to its shareholders. The profit motive trumps altruism which is merely an inconvenient cost of doing business.

Is AGL about to ignore the stated direction of AEMO, a pre-eminent presence in the energy space? If not then either AGL is apparently not acting in the best interests of its shareholders or a completely different proposition is in train for Dalton and requires a completely new Development Application under the new laws.

IMPROVED COMMUNITY CONSULTATION?

The claim in its letter to DPE that “...AGL's approach to community consultation has improved in effectiveness and sophistication” has been universally met with snorts of disbelief from community members.

AGL fell at the first hurdle in community consultation through the short notice about its applications to DPE for a two year extension to be followed by a modified proposal. There was widespread incredulity on the few short weeks offered for the community to respond.

It is educative to visit some of meanings of “sophistication” = “deprived of natural simplicity”, “pretentiously wise”, “possessing superficial information”.

Questioned at the Extraordinary Council meeting on 10 April 2017 on why the community was not advised earlier of AGL’s change of plans, the AGL representative would have those there believe that a major corporation like AGL would in a matter of weeks make such a decision on a major infrastructure facility. Frankly this beggars belief. It is difficult to escape the conclusion that there was a deliberate ambush of the community with some key stakeholders only aware of change through local media.

We understand that communication with our local NSW state representative has been through her official ministerial address, instead of through her electoral office. This seems to show little appreciation of the democratic importance where a local member is first and foremost accountable to their local electorate. It would appear that AGL just doesn’t get it.

Nigel Bean, General Manager – Power Development for AGL in his letter to DPE notes, AGL seeks to “...be a trusted and respected member of the communities in which we operate.”

In the immortal words of Darryl Kerrigan in “The Castle”:
“Tell him he’s dreaming”.

PART 3A TRANSITION

AGL is attempting to use the discredited and repealed Part IIIA re ‘transition’ to sneak in with a 2 staged Modification process. It is hard to conclude other than AGL has concocted an underhand strategy to avoid any meaningful formal consultation with the affected community and get a significantly different project approved.

Should this patently new proposal be approved under Part3A, this would send a strong signal that the revolving doors between the body politic and the corporate world; the undue influence and cronyism of the past which spawned Part IIIA are still permitting deceptive and potentially unethical practices by some who have connections with discredited individuals, to continue to favour the big end of town.

In this context, it is concerning to note that AGL was fined recently for non-disclosure of political donations.

An on-going issue with this attempt to continue with the Part 3A Transition six years after it was repealed, is the potential impact in our local electorate in the next NSW election set down for 23 March 2019. One only has to look to the public disgust of those caught rorting the system and claiming what they did was “within the rules”.

This sort of behaviour fails the highly regarded “pub test”.

CONCLUSIONS

We need a clean slate not just using regulatory white-out to then re-write the proposal and pretend it is the same development.

This alleged modification should not be approved as it seems patently obvious to an ordinary member of the public, that it is an attempt to use sleight of hand to sneak a new proposal through on old, discredited parts of the NSW planning process.

As such we absolutely oppose it and urge the Minister to exercise his consent authority to refuse this application.