

SUBMISSION RE: MODIFICATION REQUEST FOR GLEN INNES WIND FARM
MP07_0036 MOD 3 – MODIFICATION REQUEST BEING THE SECOND 12 MONTH
EXTENSION TO THE LAPSE DATE OF THE APPROVED APPLICATION

As per our August 2013 submission, in relation to the initial 12 month extension request to the Development Approval for the Glen Innes Wind Farm, we restate our view that in our opinion the Development Approval has already lapsed, therefore, we object to any extension consideration and approval to the second 12 month extension request.

As stated in our August 2013 submission upon becoming aware of Glen Innes Wind Power Pty Ltd's (GIWP) request for a 1 year extension to their approval for the Glen Innes Wind Farm, legal advice was sought which advised that the approval for the Glen Innes Wind Farm has lapsed (lapsed on or about 2nd October 2012 – approximately 10 months prior to the extension request) and therefore the Director has no power or authority to grant the extension requested of 1 year, and accordingly, we objected.

GIWP in their first and current extension request confirm that they have not complied with their original Development Approval conditions – a very unsatisfactory situation.

For the benefit of the Minister / Director Infrastructure Projects, we also provide the following comments on GIWP's second extension request.

- i) It is nearly 5 years since the Minister's Development Approval and GIWP has:
 - a) Confirmed in its letters of 23rd May 2014 and 26th July 2013 that it has not complied with the conditions of the Development Approval,
 - b) Not commenced construction of the Wind Farm,
 - c) Not ordered any Wind Turbines, and
 - d) Not entered into any Electricity supply agreements.

In Summary, 5 years has elapsed and nothing has occurred - no major work has been completed or financial commitments entered into. It is unreasonable to grant GIWP further time to their Development Approval as the project is clearly not viable. If this project was viable, work would have been completed and agreements entered into.

- ii) The Development Approval granted on 2nd October, 2009 does not comply with the requirements of the December 2011 NSW Planning Guidelines Windfarms (Draft), in particular the 2 km setback to residences.
- iii) This Wind Farm does not have the support of the Glen Innes Severn Council as the Development Approval of 2nd October 2009 did not, and still does not, comply with the Glen Innes Severn Council's DCP for Windfarms.
- iv) Wind turbines, which are within 2 km of residences which are not involved with the Wind Farm and have not consented to them, should be removed or relocated so that they are not within 2 km of these residences.
- v) The Wind Farm does not have strong community support (as claimed by GIWP) as attested by the petition of over 600 signatures objecting to the Windfarm tabled in the NSW Parliament. Also, parts of the Approval for this project were challenged in the Land and Environment Court.

vi) GIWP in their first 12 month extension request letter of 26th July 2013 outlining the reasons to support their request, they stated:

- They do not envisage requiring another extension - GIWP have now requested another 12 month extension.
- They are in final negotiations with a reputable European Turbine manufacturer to supply turbines on a turn key basis – 12 months later, no agreement has been signed by GIWP.
- The pending federal election has delayed signing of a Power Purchase Agreement as the contracting part wishes to see the outcome of the election prior to signing - The election result is known, it is 12 months later and no Power Purchase Agreement has been signed by GIWP.
- Construction will start in the next 6 months - 12 months have elapsed and no construction has commenced by GIWP.
- Debt funding is available in the local market - 12 months have elapsed and no debt funding has been arranged by GIWP. Twelve months is more than enough time to finalise the debt funding arrangements.
- The current project is valid and justified under the current renewables climate. If this statement is correct, why haven't the turbines been ordered and construction commenced.

The question which needs to be asked and answered and goes to the creditability of GIWP is – Did GIWP really believe in the reasons advanced for the initial 12 month extension request when none have come to fruition. Such a situation puts the Director in a very difficult position.

Clearly the project was not viable in July 2013 and still remains unviable.

vii) In GIWP letter of 29th July 2013 supporting their first extension request, they stated that they do not envisage any changes to the scope and content of approved windfarm. This statement was incorrect – as you are aware GIWP have lodged Modification 2 requesting approval to replace the existing approved Turbines with new ones that have substantially increased sweep area and height. A major modification which has been strongly objected to.

Further credibility issues for GIWP.

viii) Comments on the NSW Government Department of Planning & Infrastructure (Department) Development Assessment dated 16th August 2013 in relation to GIWP request for a development extension of 12 months for the Glen Innes Wind Farm.

- It is clear upon reading this assessment by the Department, that the extension was granted based upon the following undertakings made by GIWP in their 12 month development extension request:
 - a) GIWP was currently in negotiation with a turbine manufacturer, and

- b) The contracting party for the Power Purchase Agreement wishes to wait until after the federal election before signing the agreement.

The Department then concluded, based on the undertakings made by GIWP, that as the above negotiations would be completed during the balance of Calendar 2013, it would not be unreasonable to give the extension requested - as everyone is aware GIWP have not adhered to their undertakings which now means that the reasons used to grant the 12 month extension didn't exist.

The initial one year extension was more than enough time to complete these negotiations if the details as stated were correct and all the parties were genuine in their objectives and desires at that time.

Clearly the project is not viable.

- A once only extension of 1 year by the Department is not inconsistent with the Departments actions in relation to major projects,
- The Department acknowledged that an extension of 12 months would provide an additional year of uncertainty for the community. However, the Department clearly believed that the outstanding contracts would be completed within calendar 2013,

A further 12 month extension would be unconscionable,

- The Department considered that as the development extension request was only for a 12 month period, it does not propose to consider any changes to the layout of the approved windfarm at this time, and
- The Department acknowledges that Wind Farms can have a negative impact on some property values.

It is extremely unfortunate that the Department, in making their decision to grant a 12 month extension, have relied upon undertakings made by GIWP which have not been adhered to by GIWP.

ix) In relation to GIWP letter of 23rd May 2014, the following comments are made:

- GIWP has confirmed in this letter that they have not complied with the Conditions of the Development Approval: 5 years after the Ministers approval.
- It is 5 years since the Minister approved the Glen Innes Wind Farm (which is already two years past the original approval time period) which is more than enough time to comply with the Approval Conditions which are not onerous.

In this 5 year time period, GIWP have not undertaken any construction work or ordered the wind turbines. If this project was economically viable, as claimed by GIWP, during this 5 year period the directors in fulfilling their statutory obligations and acting in the best interests of the company and its shareholders would have at least ordered the Wind Turbines and commenced construction even though the windfarm may not be completely operational.

- GIWP have now demonstrated (which has always been suspected) that the Glen Innes Wind Farm is not economically viable – which is in contradiction of their statement in their letter of 26th July 2013.
- Debt funding has still not been arranged for the Glen Innes Wind Farm, although it was stated to be close to finalisation in GIWP letter of 26th July 2013. History would indicate that GIWP statement in their letter of 26th July 2013 was not true. If debt funding was available it could have been finalised in the last 12 months – clearly debt funding is not available for such high risk projects.
- GIWP demonstrated that the Glen Innes Wind Farm is only viable if it is subsidised (by taxpayers) under the Federal Governments Renewable Energy Target (RET) scheme. Australian taxpayers' appetite to provide subsidies to industries no longer exists.
- GIWP acknowledge (which everyone already knows) that further development of the Wind Power Electricity Generation Industry will only occur if the renewable energy target is increased or at least maintained at its current level – all indications from the current review is that this will not occur, therefore this project is not viable.
- GIWP are inferring that once the outcome of the governments RET review is known, the project will proceed.

We struggle with this statement. Clearly a level of RET will be maintained, so why is the RET review used as a reason for the delay of this project and to request a further extension. All evidence points to a reduction in the benefits of the RET scheme resulting from the Government's current review. GIWP want us to believe that even if the RET is abolished or substantially reduced, the project will proceed – we don't believe this to be the case.

- In our view, the statement by GIWP that:
 "An ongoing renewables target allows Glen Innes Wind Power (GIWP) to achieve a suitable price for the sale of electricity, and to attract funding to complete the \$150 million (approx.) project"
 is misleading.

There has been a RET scheme in place for a substantial period of time, and everyone knows that the Government Review of the RET will retain a RET scheme, therefore this cannot be a reason advanced by GIWP for the additional 12 months extension.

Also, it is obvious that what GIWP are really saying is that unless the RET is increased or maintained at a level acceptable to them, the project will not proceed – further delay and uncertainty.

It is not “a outcome” of the RET review that is important to GIWP (as they state), but rather the particular outcome of the RET review,

- GIWP are saying that the project will only proceed if:
 - i) A suitable price is achieved for the sale of electricity, and
 - ii) Debt funding is secured.

GIWP have had 5 years to arrange these matters which is more than enough time – if the project was viable these matters would have been finalised a long time ago. The project is clearly not viable.

- In response to the Department enquiry in relation to ongoing impacts of the Wind Farm uncertainty on the surrounding neighbours and community, GIWP state:

“the project remains a certainty to proceed”, and the
“delay in the project does not fundamentally affect our neighbours action”.

We believe this statement is misleading as GIWP then go on to qualify this statement by saying:

“Given a positive response to the review (RET) later in 2014, combined with the expected approval of our wind turbine size modification”.

As the Department is aware there are substantial objections to the proposed increased size of the Wind Turbines and our expectation is that the Department will not approve this Modification.

Accordingly, the project still remains uncertain, not certain as stated by GIWP.

Also, for GIWP, what does a positive response to the RET review mean, viz:

- Retain a RET of some sort: certainty to happen
- Increase the RET: impossible to happen
- Decrease the RET: likely to happen

Clarity is required from GIWP on this vital matter.

It has always been, and continues to remain so, a major concern of non windfarm landowners who live in close proximity to the Wind Farm the continued uncertainty about its eventual construction – a doctor and school deputy principal have already left the area due to this uncertainty.

- GIWP state that the local community continues to be consulted – this is not correct.

The local community was not advised of, or consulted in relation to, by GIWP of their current request for a further development approval of 12 months for the

Wind Farm. Also GIWP has not written directly to local residents in relation to this additional 12 month extension request to the development approval. As a minimum, if GIWP maintain they are consulting with the local community, these actions should have been undertaken.

Notwithstanding that the Department inserted a new provision in relation to Community Consultation in the Development Approval for Modification 1 Community Consultation has not improved as required by this modification.

- GIWP state that the local community will benefit from increased rates. This will not occur. The development of the windfarm will not increase land values. As stated by the Department in their decision for Modification 1 in some instances the windfarm will have a negative effect on Property Values. Accordingly, rate revenue will go down, not up.
- x) A big problem currently being experienced in this country is the unfortunate fact that various industries want “subsidies from the taxpayers” to survive e.g. the Car Industry and Renewable Energy Industries. These industries are either viable in their own right without subsidies by pricing their product appropriately or they shouldn't exist. The hard decisions have been taken in relation to the car industry. If Australians are not prepared to pay for the actual cost of “Green Power” (without subsidies) which is the case, then both the Green Power Industry and the Government have not sold the need for such.
- xi) As GIWP is aware, the owners of Highfields (viz: Deputy School Principal), being a non windfarm residence within 2 km of the Wind Farm, have sold their property due to the effects of the windfarm and the continued uncertainty surrounding its construction.

In summary, no further extension should be granted to GIWP as:

- a) It is 5 years since the Minister's approval for this project which is more than enough time for GIWP to comply with the Development Approval Conditions which would not necessitate a extension request.
- b) It is 5 years since the Minister's approval for this project and:
 - No wind turbines have been ordered,
 - No construction has commenced,
 - No Power Supply Agreements have been entered into, and
 - No debt funding has been arranged.

In summary, nothing has happened over 5 years as the project is clearly not viable.

- c) None of the reasons given by GIWP for their first extension request, and relied up by the Department in arriving at their decision to grant the 1 year extension, have been met / adhered to by GIWP. This clearly raises a credibility issue for GIWP.
- d) There is still very strong opposition to turbine's within 2 km of non windfarm residences who have not consulted to them.
- e) The continued uncertainty for the local community for this project.
- f) Adequate community consultation is still not occurring.

- g) Contradictory statements made in GIWP letter of 23rd May 2014.
- h) The project is clearly not viable now or when it was approved by the Minister in October 2009.

Although GIWP's extension request is invalid, it is very disappointing that it was made at short notice. Clearly GIWP, based upon the reasons outlined in their letter of 23rd May 2014, knew well prior to the 23rd May 2014 that they were intending to seek an extension. This late request by GIWP has unreasonably forced the Department of Planning and Infrastructure to only allow a short submission period (when over one week of this time can occur for mail to be received by local residents) and has left local residents with an unreasonably short period of time to consult with their advisers to legally assess the merits of GIWP's request for an extension and to prepare and lodge submissions.