

## Chapter 18 - Decommissioning

This morning I read, once again, the Preliminary Decommissioning and Rehabilitation Plan (PDRP). It is an outstanding example of consultative nothingness, so I thought I would share with future wind farm consultants what ERM has kindly offered on this topic.

Decommissioning, being, theoretically, many years down the line, lends itself to unenforceable commitments, so feel free. All Department personnel should have moved on to retirement (maybe to a lifestyle property next to a wind farm). Many unassociated residents will have shuffled off this mortal coil and all hosts are similarly likely to have been decommissioned. More likely, community unrest will be so high following the first wind farm decommissioning debacle, that all the rules will have changed and anything you write now will be irrelevant.

The standard consultative rules apply of course. Take 30 pages to say what can be said in a sentence, that sentence being:

**“Whilst it is admirable to expect the then owner of the XYZ wind farm to fund and carry out decommissioning, it is naïve to think that it will happen unless there is a financial or other advantage or disincentive for doing so”**

But you can pad that out by, for instance, taking half the document to say things everyone already knows - where, how many, how big and tall;

Start off by building up the credentials of your client, about how they plan to invest, develop, construct and operate wind farms, even if it is not true.

Always call the PDRP “preliminary”, despite that word never being in the relevant section of the SEARs.. The final DRP version, not due till after the wind farm is approved can be totally different. Do you think the Department is ever going to revoke a wind farm approval? Have your lawyers deliver the final version. As the planning process doesn’t allow for community comment on the final DRP, you can be flexible and worry free. By then, the Department will have moved on to the next exciting renewable energy project.

Be careful not to include nonsense statements such as that one of the options for a wind farm at the end of its operational life is to keep operating, unchanged. That conjures up unhelpful word pictures of an unholed rusty gate flapping in the breeze. The community will be reassured by your intent to disconnect each turbine from the reticulation network prior to its decommissioning and future pasture developers will be at peace knowing that any moment they may run into an old power pole cut “flush with the ground level”

Hosts will be heartened by an assurance such as:

“Areas of pasture that require reseeding should be done so with a seed mix agreed to with involved landholders.”

(I can supply free of charge some serrated tussock seed should it be required)

Feel free to “copy” key sentences such as:

“with the PA being returned, as far as practicable, to its condition prior to the commencement of construction ” or,

“Issues raised by the community and stakeholders in relation to decommissioning works will be addressed during CCC<sup>1</sup> meetings and where required, measures discussed to address the issues raised” (be careful with this one as, for the Jupiter community, it caused instant raucous laughter) or,

“Therefore, there is no incentive for the wind farm owner at the time of decommissioning to leave wind farm components in-situ and not complete decommissioning, as they would continue to be committed to payment of licence fees to the involved landholders without receiving income generated from the wind farm”

Hopefully your community and hosts won't twig to the fact that a bankrupt wind farm owner can't pay anyone anything, not even the legal costs for removing the caveat on host properties. The Bankruptcy Administrator will, I expect, have hosts, being partners, at the bottom of the creditors queue.

Strongly point out that the contracts that you have with hosts guarantee that the owner of the wind farm will decommission it and pay for that decommissioning. The Department won't check up on you.

Throw in a few sentences that give the impression of great consultative skill such as:

“Actions for further funding will be determined and then implemented to ensure that any additional funds necessary to decommission and rehabilitate the Project are available when needed, as far as practical and to the satisfaction of the Proponent (EPYC) or any subsequent owners of the wind farm.”

For those not au fait with current consultant terminology, that roughly translates to, “in your dreams”

Paint a picture of the wind farm silently and invisibly operating for 25 years with just an occasional grease and oil change

In fact you might like to throw in a disclaimer that this PDRP only considers a wind farm at the end of its operational life ie when the mechanical machinery finally wears out. This end of operational life is far different to the end of a wind farm's useful life.

So, don't let on that the end of a wind farm's useful life is likely to be long before the end of its operational life.

Mid project refinancing may be impossible to obtain, especially from traditional sources  
Even Union super funds will eventually wake up. They surely have a limit to their investment stupidity. They will eventually realise that “\$2” companies are worth just that, and that wind farm host properties, saddled with a decommissioning expense higher than their property value are unsaleable, just like some of ours will be.

In fact, don't even mention that most NSW wind farms or approvals are owned by “\$2” companies.. Someone may ask why.

More importantly though, a wind farm will be at the end of its useful life when the subsidies dry up.

I don't need to tell you that.

Some of our political masters are raising once again the demise of the RET. With China and India already obliged to do nothing under the Paris Accords and the US about to laugh in our face, and South Australia having continuous blackouts (or load-shedding as they quaintly call it), with NSW not

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<sup>1</sup> ERM shares with their client the misapprehension that the role of the CCC is to act as a conduit of decommissioning information from the developer back to the community and relevant stakeholders.

far behind them, only surviving by closing down an aluminium smelter (how's that for a great industry strategy?). The NSW electorate will want answers when it is forced to pay an ever increasing amount for an ever decreasing service.

The game will be up when the first wind farm owner declares bankruptcy, maybe within the next decade. That is when a Decommissioning and Rehabilitation strategy will be required and the Department will be found wanting.

If you are feeling particularly generous, throw in a teaser about a decommissioning fund. Once you gain approval, it can be quietly ignored. The Department admits it can't enforce it under current legislation and will not be recommending any change to the Minister in the foreseeable future. Be careful how you word this upfront commitment (and everything else connected with decommissioning). Use plenty of "anticipateds" and "where feasibles", and repeat them. For instance, the phrase "it is anticipated that a fund to cover the cost of decommissioning....." appears three times in a 30 page document. Therefore, no-one can be under any illusion, when no fund is established, that all you committed to do was to "anticipate" it on behalf of the client. (the things I anticipated in my early youth each Saturday night never eventuated)

As in all parts of the EIS, leave as many commitments and decisions as possible till after the project has approval.

Don't be too honest.

We know it is "often difficult to accurately quantify the net cost to decommission and rehabilitate a wind farm development based on"  
the future being a long way off,  
there being little published data,  
unpredictable scrap metal values, and,  
unknown labour and materials decommissioning costs.

If you say stuff like this, your evaluators might insist on the assessment being done on the worst, but likely, case: the turbines will be valueless.

On the other hand, using this approach will enable you to avoid the whole issue of net decommissioning costs at this stage and for the foreseeable future. It has become very difficult to convince anyone that there is a financial incentive to decommission a wind farm since Epuron, in two wind farm EISs, estimated that the decommissioning cost would be \$380,000 per turbine. That will enable you to use the words "fund" and "funding", on average, once a page and not have to ever mention a dollar figure.

Remember, the main audience for this document is the hosts, so don't upset them. Don't tell them that their properties are unsaleable due to their ultimate responsibility for decommissioning should the inevitable happen and XYZ Wind Farm Pty Ltd walks away from its decommissioning responsibilities. In fact don't tell them at all of their ultimate responsibility. There is a possibility that some hosts haven't heard yet and those that have may be thinking they misheard the Department. Some of them are probably having second or third thoughts already.

It sounded such a good idea at the time.

Also, some hosts might do the sums and conclude that decommissioning will cost more than all the lease payments they expect to get over the life of the wind farm, even if it should last 25 years. That will be hard to explain. When they get concerned about the condition in which their properties will be handed back, paint a word picture of the 100,000 tonnes of concrete being left "in situ" with a thin

layer of clean fill over each one (or rock if you prefer one of the Department's current suggested options). Imagine a rolling landscape with unexplained pimples. Remember, you are providing work for third millennium archeologists.

If it all gets too difficult, you can always appeal to the Secretary. The terms of consent for the latest wind farm (Biala), allow the Secretary to leave the turbines in place should he or she desire. Oh the power.

Remember, the Department can impose "strict" decommissioning conditions but they can't enforce them.