

Biala Wind Farm Project SSD 13_6039

19th October 2015

Submission

To Whom It May Concern:

This submission is made in response to the EIS SSD 13_6039 submitted by a company, Newtricity and prepared by another company ERM. It is an objection to the continued work on the development of a proposed "Wind Farm" in the Biala region of the Upper Lachlan Council.

Qualifications

As a landowner in the immediate vicinity of the project I have a significant interest in the issue. Prior to my retirement I was the Group Executive responsible for Institutional Banking at the Commonwealth Bank of Australia. In this role I was responsible for some of the largest infrastructure projects in Australia including the M5, the M4 and Brisbane Airport. In previous roles I have advised the Hong Kong government on the financing of their Airport and other major projects.

My objections are as follows;

1. Standing of the Proponent

The Proponent, Newtricity, does not appear to have the substance to deliver a State Significant Development. The EIS suggests that the company is owned by residents of Australia, they are not identified in the EIS. It is further backed by unknown Irish Investors. There is no information as to the actual financial capacity of the Proponent.

Does the Proponent have the necessary capital to truly develop a project which they have identified as having a value of \$192million.? What evidence is provided that any capital which they may have is unencumbered by other projects? Surely, if they are not able to deliver the project they should not have access to the provisions of the State Significant Development process.

If they intend to "on-sell" any project which might be approved they should have to show that the project is bankable. This would imply that they have access to a Power Purchase Agreement of some description. Again there is no evidence of a valid Power Purchase Agreement.

2. Structure of the Proposal

The project has been split. The Application for Development of a Power Line from the Project to the grid is not joined to this application. This is unacceptable. The project has no value without a connection to the grid. Without treating the totality of the Project, generation and distribution, the application is meaningless. It would seem to be an attempt to divide and conquer. The two components should be treated as a single project which they technically are.

3. State Significant Development?

This project has been submitted as a State Significant Development. My understanding is that if approved and if a power line is approved, it is highly likely that any renewable power which is generated would be delivered to the ACT. This clearly limits the significance of the project for NSW.

To be genuinely accepted and treated as SSD the Proponent should be required to demonstrate that it has the financial resources to complete. It is unacceptable that what appears to be a “wildcat” windfarm should be able to get this far without demonstrating significant financial resources. Opponents such as ourselves are required to deploy significant time, effort and cash to combat this. Once again there is a financial discontinuity in the system.

4. “Project Benefits”

On page 17 of the EIS summary there is a section, Project Benefits. This section talks about the supposed public policy benefits. There is no coverage in the EIS of Project Public Policy Costs.

In particular the Proponents should have to model the specific marginal increase in the price of electricity expected to be incurred across NSW if this project is allowed to go ahead. Nor is there any discussion of the impact across the system of the need to add further peak load capacity to cover the regular periods where wind power is not available in our region. Again, the Proponents should be required to explain this if they wish to claim Public Policy benefits.

A proper analysis of costs and benefits should be required from the Proponent so that the project can be properly evaluated.

5. Foreign Exchange Costs

The so called “benefits” outlined in Project Benefits section are relatively modest. It is claimed that, “..the Project is expected to contribute approximately \$70 million in direct investment into the local and regional economy over the two year construction period.” Given the stated project cost of \$192 million the vast majority of the project spend (\$122 Million) will therefore be spent overseas. This is supported by observation of other

windfarms in the region where all high value equipment such as towers, blades and nacelles are imported.

Given that these figures were first issued several years ago, when the Australian dollar was much stronger, current numbers would almost certainly show approximately a 30% increase in the overseas cost of the project. That is a further \$40 million dollars being spent on external capital equipment, licensing and dividends. This takes the total international spend to approximately \$160million.

This is adding to the long term indebtedness of our country.

6. Site Analysis

The section on page 18, Site Analysis, is unsatisfactory. It provides an historical description of the area. It describes the "...broader region consists of large and extensively cleared rural land parcels for the purpose of agricultural grazing." This is not relevant. What needs to be done is to look at the medium term future usage and potential of the area.

A dynamic forward looking description of the region would be;

"A rapidly growing community adjacent to major transport networks including the Hume Highway and the Very Fast Train. Providing low density housing for Tree Changers and other environmentalists. Less than 100 kms from Canberra and 3 hours from the centre of Sydney."

This vision for the area is highly unlikely to eventuate if this and other wind farm projects are allowed to proceed. The area is an obvious expansion valve for the increasing population pressure on the Sydney Basin. It has immense natural beauty with incomparable views of the western slopes and the Brindabella ranges.

The potential for this area to develop into a highly attractive low density housing environment will be destroyed should further windfarms be permitted in the region.

The economic implications of this are potentially much larger than the minimal benefits of the windfarm. If the land devoted to the windfarm was rezoned for residential it could be worth some billions of dollars. Ten Hectare parcels of land are being sold in the region for a minimum of \$250,000 each, if they are not obstructed by or adjacent to Windfarms.

7. Section E5 Community and Stakeholder Engagement

This section discusses the attempts by the Proponent to engage with the community. While attempts to contact neighbours and interested parties may have been made there has been no attempt to adjust the project to any concerns which may have arisen. I have been contacted to discuss potentially routing the power line through my property. There has been no follow up whatsoever.

At no stage have the landowners who have agreed to lease tracts of their land for this project had to deal with the neighbours who have to live with looking at the eventual WTG and suffer the decrease in property values which come from the existence of any project. This will eventually occur and once again result in major community tension and ill feeling. The authorities should take this into consideration when assessing this project.

8. Section E7 Noise and Vibration

This section is based on additional studies prepared on behalf of the proponent. They have little or no value as they are all paid for the proponent.

We are located next to another windfarm and notice that in normal operation the noise is significant but usually somewhat masked by the background noise of the wind in the trees. We are aware of the issues which arise when there are mechanical problems. These machines are extremely large and involve huge stresses on machinery. There are regularly issues with the maintenance of the turbines. Extreme noise is generated with older turbines in situations where;

- a. Bearings begin to wear and come out of alignment. It takes as little as two millimetres of wear to cause persistent shrieking of the bearing.
- b. Nuts and bolts which come loose inside the actual blade can begin to be tossed though the blade. This results in regular drum beat of great intensity.

These noises are not normally recognised or measured in the evaluation stage of the project. They are extremely disturbing and a feature of the operation of these machines. Studies of noise generated by Wind Turbines are normally based on near new, well maintained machines. There are many machines which are neither new, or well maintained. These machines present a very different picture of the noise pollution produced. This has to be assessed along with the standard assessment of the machines in the studies presented.

Until the Proponent provides proper independent studies of the noise of broken machines the project should be suspended.

9. Section E10 Traffic and Transport

A more detailed study has been prepared under this heading. More time will be required to analyse and critique this work. In the meantime the common factor which all NSW Wind Farms share is that they do not pay any local rates. Our system continues to rate both the landholders earning significant lease payments from the windfarm and adjacent properties suffering from the windfarm on the same basis. The windfarm itself pays no rates.

The problem is that while there may be some compensation to the local Council for the significant damage done to the road network during the construction phase, the ongoing maintenance work also generates significant road traffic, from both light and heavy vehicles.

The Council is not compensated for these costs. Therefore, the substantial road damage done over time is once again for the account of the broader community.

At the very least the landholders leasing their land to the Windfarm should be charged rates commensurate with the increased revenue they earn from the windfarm. This would more fairly distribute costs and benefits. It would also allow local Councils to maintain roads damaged by the extra traffic generated by the Windfarm.

10. The Power Line

This has been mentioned above but needs to be more fully addressed. Several versions of the Power Line have been suggested. None seems to have been well received by interested parties. The proponents have provided information which suggests that an Electric Power distribution company may be interested in taking over this asset if it was ever built. There is great confusion in the community about the existence, veracity and importance of this. It is essential for the Government, which has allowed this state of affairs to emerge, to clarify the exact status of the power line. Approval should be re-joined with the approval for the Windfarm. If either fails then neither should go ahead.

11. Section E14. Cumulative Impacts

The associated study, commissioned by the Proponent, unsurprisingly suggests that there are no cumulative impacts from the huge number of WTG now in existence and proposed for our region. It is believed that there could be over 1500 WTG in the area if all proposals were approved and built. To suggest that this has no cumulative impact is nonsense.

12. Remediation

The EIS has a special Report on Decommissioning prepared over the period from December 2014 to July 2015. This may well have been in response to the strong arguments mounted by the community on this subject.

Section 5.1 page 14 of the report attempts to address the issue of Responsibility. It suggests that,

“..it is the responsibility of Newtricity or the wind farm owner at the time of decommissioning to fund and execute the decommissioning of the Project.”

This is a key paragraph. It clearly sets out that that Newtricity has a significant financial liability should the project be approved. This adds to the need for the Proponent to justify that it has the financial resources to undertake and remediate this project.

Given that lack of any evidence of Newtricity having significant financial resources this part of the responsibility statement is clearly of little value. The responsibility of a new owner

can be voided easily by contracting out of this responsibility at the time of purchase. The whole claim on responsibility is therefore meaningless.

There is an excellent suggestion for the establishment of a Decommissioning Fund. Unfortunately it lacks any teeth in the absence of contractual or legislative support. If the Authority approves the project notwithstanding the arguments, it is essential that it be conditional on Newtricity lodging a bond or bank guarantee for an amount of at least \$25million to cover remediation

The total area of land which is occupied by the Project Area is stated as 42.4hectares. This is an enormous area. It is the equivalent of approximately 8400 suburban house blocks. Given that the proponents hope to leave the foundations and access roads in place it is likely that this area would remain unsuitable for subsequent development. While it may be possible to cover the foundations with topsoil they will still represent permanent reminders of this unhappy experiment with alternative energy for future generations. They will be analogous but more numerous than the block houses which litter Europe following WW2

Summary

In summary you are urged to reject the Proponents Application as unsuitable for this area, unhelpful to the community, expensive in both the short and long term and badly presented by the Proponent.

The landowners leasing land to the proponent should be charged additional rates to cover the cost of additional use of community resources during the operation phase.

The application for the Power line needs to be rejoined to this application to allow proper consideration of the total system.

Truly independent studies of noise, including broken machines, cumulative impact and impact on neighbours land values need to be commissioned. Perhaps this could be done by the so called Community Consultative Committee with funds supplied by the Proponent.

The Proponent should be required to reveal it's true financial capacity to pay for a project of this kind before being allowed to sponsor this Proposal.

The responsibility for remediation needs to be clarified. A condition of approval should an approval be given, should be that a remediation Escrow account is established on behalf of the local community. A sensible size might be an initial amount of \$25million.

Thank you for your consideration of these comments

Michael Katz