

MPO5_0170 MOD2

14 May 2010

Mr N Osborne NSW Department of Planning GPO Box 39 SYDNEY NSW 2001

Dear Mr Osborne

Request to Modify a Major Project - Conroy's Gap Wind Farm

Origin wishes to request an extension of time to the Major Project Development Approval granted for the proposed Conroys Gap Wind Farm in accordance with Section 75W of the NSW Environmental Planning & Assessment Act (1979). Specifically, Origin requests that the currency period be extended for a further three (3) years. To that end, this letter is accompanied by a NSW Department of Planning 'Request to modify a major project form' and a 'Political Donations Disclosure Statement'.

The Minister's Approval for the Conroy's Gap Wind Farm was originally provided to Epuron Pty Ltd on 31 May 2007. Epuron successfully sought to modify that approval in November 2007 to correct a parcel of land incorrectly reported as a part of the site of the proposed wind farm. On 1 November 2007, Origin acquired the rights to develop Conroy's Gap wind farm, along with two other wind farms:

- Cullerin Range; and
- Snowy Plains.

Since then, Origin has focussed on construction of the Cullerin Range wind farm, 30km to the west of Goulburn. This project was successfully completed in July 2009.

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The proposed Conroy's Gap wind farm has not subsequently proceeded to the construction stage due a number of commercial factors including:

- Origin wind farm engineering resources being fully committed to construction of Cullerin Range wind farm;
- The recent low value of Renewable Energy Certificates (RECs) which significantly impacted the revenue return on wind farms. The Federal Government is yet to legislate changes to the Renewable Energy Act (Electricity) Act, 2000 to remedy this situation.

The Importance of the Conroys Gap Wind Farm

Conroy's Gap wind farm has the potential to generate more than 90 000MWh per year and reduce greenhouse gas emissions by up to 80 000 tonnes per year for the life of the project. This represents up to 5% of the Origin's current renewable energy requirements.

This project provides access to a high quality site in terms of accessibility, proximity to facilities (transportation), with a wind resource which is in the top quartile of sites in NSW. It is very close to the existing electricity transmission network, enabling all of the energy to be transmitted into the National Electricity Market without the need to build extensive lengths of new transmission lines.

There is significant potential for this project to be constructed concurrent to the Yass Valley Wind Farm (if approved) providing significant benefit.

Origin's Commitment

As the leading Australasian integrated energy company focused on gas and oil exploration and production, power generation and energy retailing, Origin is the largest green energy retailer in Australia and a leading wholesaler and retailer of energy. The company has investments in renewable energy and a strong focus on ensuring the sustainability of its operations. In accordance with the Federal Government's Renewable Energy (Electricity) Act 2000, Origin is committed to sourcing at least 20% of electrical energy sold in the retail market from renewable sources by 2020. Conroy's Gap and the proposed Yass Valley wind farm are an critical part of our renewable energy portfolio.

No change to project scope

There have been no changes to the project scope which would alter the environmental and community impact upon which the approval was based.

Environmental management systems and controls for the construction and operation of the facility will reflect best practice at the time of commissioning and will be regularly updated to include emerging international innovations in wind farm environmental management. Additionally, the project will benefit from the learnings and local relationships developed during construction of Cullerin Range Wind Farm.

3 year extension sought

As noted above, it is most likely that, if Yass Valley Wind Farm is approved by the end of 2010, Origin aims to consider the investment decision for both projects in 2012, once the transmission connection details have been finalised with Transgrid and any further approvals obtained.

Conclusion

Origin is committed to the delivery of the Conroy's Gap Wind Farm to contribute to Origin meeting our liabilities under the Renewable Energy (Electricity) Act 2000.

The project has been subject to a rigorous Environmental Assessment process and the project scope is unchanged from the original proposal that was the basis of the NSW Planning Minister's approval.

Accordingly, we request a three (3) year extension of the currency period of the Approval (to May 2013).

Should you have any queries regarding our request please contact Ric Darley (Origin) on (08) 8217 5661 or <u>Ric.Darley@originenergy.com.au</u>

Yours sincerely

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