

9 December 2022

Responsible Officer: MMC

Johanna Murphy
johanna.murphy@neoen.com

Dear Johanna,

RE. THUNDERBOLT WIND FARM: BENEFIT SHARING AND VOLUNTARY PLANNING AGREEMENT

Thank you for your correspondence dated 5 December 2022.

Council rejects the Voluntary Planning agreement terms proposed by Neoen on the basis that:

- Payments to adjoining land holders are a commercial matter for Neoen.
- A community benefit fund as proposed is grossly inadequate for the social, environmental and economic impact that the proposed development will have on the Uralla Shire Community.
- A community benefit fund as proposed that creates a governance burden to administer and essentially requires community groups to beg for miserly allocations each year is offensive and unreasonable.

Council rejects Neoen's assessment that its project will have negligible impact on the community for the following reasons:

- Negative impact on visual amenity;
- Significant quantities of gravel haulage for construction, and resultant damage to local roads;
- Heavy haulage impacts for wind turbine construction;
- Housing market stress;
- Waste management impost;
- Fauna, flora and habitat destruction; and
- Effect on agricultural land.

Council reaffirms the minimum terms it will seek when the proposal is presented to the independent planning commission and will strongly advocate for are as previously advised to Neoen:

To offset the financial and social burden associated with the NE REZ projects and gain the support of the NE REZ Councils, the NE REZ Councils require the State Government to mandate the following (as conditions precedent or subsequent) to the initial conditional approval and the final approval of any energy project:

Essential

- 1. Community Contribution Fee – Developers of energy projects to provide a community benefit contribution to a common fund established and solely managed by the individual Councils. This community benefit contribution would be in the region of 1.5% of build cost of the project (as detailed in the Capital Investment Value Report) or circ. \$800 per MW (AC) per year over the life of the project.*
- 2. Decommissioning Bond – Prior to the commencement of any works, a bond for decommissioning is to be provided to the relevant department of the NSW Government to be held on trust for the relevant NE Council. Where a threshold balance sheet or other financial due diligence has been met, this bond could be ‘tail-ended’ so that it becomes payable over the last five years of the life of a project. The bond will not discharged without consultation with the relevant Council.*
- 3. Local Engagement - Developers of energy projects are to demonstrate authentic community engagement that seeks to actively involve community members in the design and decision-making process of new developments. This includes liaising with Council as to appropriate sites. (Certification by the local council that this requirement has been met, is to accompany any project application).*

Desirable

- 4. Power Purchase Agreement (PPA) – Developers of energy projects are open to entering into a Power Purchase Agreement with Councils and Council aligned businesses. This requirement is met if the Developer does not reject a Council PPA proposal, or a revised PPA proposal, where the Developer can demonstrate that the proposal would commercially compromise the project.*
- 5. Carbon offset purchase from local market - 75% of the carbon offsets required for the individual project in the NE REZ are to be sourced from the local government area (LGA) in which the project is being developed. Where the supply in that LGA is exhausted, then the supply can come from another LGA in the NE REZ Council area. Where that supply is demonstrably exhausted, the developer will be exempted from this requirement to the extent of the lack of supply. (Certification by the local council, and or the NE REZ Councils as relevant that this requirement has been met, is to accompany any project application).*

Neoen's outright dismissal of Council's reasonable proposition, given the conservative estimated \$2.2 million in income each wind turbine can generate in a year, is completely unacceptable.

As a corporate citizen Neoen stands to make a substantial profit from this project and Council expects a reasonable contribution to the wellbeing of the local community hosting the project.

Council will be advocating in the strongest terms for a fair and just voluntary planning agreement with each and every renewable energy developer in the NEREZ consistent with the position of the five respective councils.

We invite you to meet jointly with us and Tamworth Regional Council to discuss the above proposed terms of the voluntary planning agreement. We will send a meeting invite to you for this to occur in late January in Tamworth.

Yours sincerely,



Robert Bell
Mayor

Yours sincerely,



Kate Jessep
General Manager

CC:

Local Member Northern Tablelands
Team Leader Energy Assessments, Department of Planning
Mayor and General Manager Tamworth Regional Council
Mayor and General Manager Armidale Regional Council
Mayor and General Manager Glen Innes Severn Council
Mayor and General Manager Inverell Shire Council
Mayor and General Manager Walcha Council