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TRANSCRIPT OF PROCEEDINGS

TRANSCRIPT IN CONFIDENCE

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INDEPENDENT PLANNING COMMISSION

MEETING WITH APPLICANT

RE: CRUDINE RIDGE WIND FARM MOD 1

PANEL: PETER DUNCAN
PETER COCHRANE

ASSISTING PANEL: DAVID KOPPERS

APPLICANT: ED MOUNSEY
GRAHAM DENTON
PATRIC MILLAR
TIM MICHALAS
KALYA ABBEY
CHERYL O'DWYER

LOCATION: IPC OFFICES
LEVEL 3, 201 ELIZABETH STREET
SYDNEY, NEW SOUTH WALES

DATE: 12.33 PM, WEDNESDAY, 5 JUNE 2019

MR P. DUNCAN: All right. Thank you. Good afternoon and thanks for coming in. We will start recording. Before we begin, I would like to acknowledge the traditional owners of the land on which we meet today, the Gadigal people. I would like to pay my respects to elders past and present. Welcome to the meeting today on
5 the proposal whereby CWP Renewables, you the applicant, is seeking to modify the approval for the Crudine Ridge Wind Farm to reduce the maximum number of wind turbines from 77 to 37, to align the development consent with the Commonwealth approval under the Environmental Planning and Biodiversity Conservation Act and
10 revise the road design for Aarons Pass Road and associated increase in vegetation clearing by approximately 5.05 hectares.

My name is Peter Duncan. I am chair of the IPC panel. Joining me is my fellow commissioner Peter Cochrane, and also with me today is David Koppers from the Commission. As I said before, at the end of this introduction, I will ask you to
15 introduce yourself and your respective roles on the project. In the interest of openness and transparency and to ensure the full capture of information, today's meeting is being recorded, and a full transcript will be provided and made available on the Commission's website. This meeting is one part of the Commission's decision-making process. It is taking place at the preliminary stage of the process
20 from the Commission's point of view and will form one of several sources of information upon which the Commission will base its decision.

It is important for the Commission to ask questions of attendees and to clarify issues whenever we consider it appropriate. If you're asked a question and are not in a
25 position to answer today, please feel free to take the question on notice and provide the additional information in writing, which we will then put on the website. Could I also request that all members here today introduce themselves before speaking for the first time and for all members to ensure that they do not speak over the top of other members, to ensure the accuracy of the transcript. Could I ask at this stage, for
30 the recording, if you could introduce yourself and your role on the project.

MR E. MOUNSEY: Yes. So Ed Mounsey. I'm the chief operating officer and head of development with CWP Renewables. I've been involved with the project since 2007: so very start of prospecting for sites in New South Wales - - -
35

MR DUNCAN: Okay.

MR MOUNSEY: - - - and identifying the project as potential

40 MR DUNCAN: Thank you.

MR P. MILLAR: I'm Patric Millar. I'm the environmental adviser for the project, and I've got previous experience on Sapphire Wind Farm and also an environmental rep for other wind farm projects.
45

MR DUNCAN: Okay.

MR T. MICHALAS: I'm Tim Michalas. I'm with Partners Group, who is the majority investor in the project through a holding company called Grassroots Renewable Energy. Partners Group is a Swiss investment manager. In addition to my role at Partners Group, where I'm a senior vice-president, I'm also one of the board members of the Crudine Ridge Wind Farm entities.

MR DUNCAN: Thank you.

MS K. ABBEY: Kalya Abbey with Eco Logical Australia. We prepared the environmental assessment for the modification, including the biodiversity development assessment report.

MR DUNCAN: Thank you.

MS C. O'DWYER: Cheryl O'Dwyer, Eco Logical Australia. I'm the ecologist that prepared the biodiversity development assessment report, and I'm an accredited assessor

MR DUNCAN: Thank you. We will now begin. We have about approximately an hour, and I will let you do the presentation, and if we've got questions, we will ask those at the end. Thank you.

MR MOUNSEY: Okay so we've got handouts of the presentation, and it's in line with the agenda that David sent around. So I will just sort of step through my turn.

MR DUNCAN: Right. Thank you.

MR MOUNSEY: So I guess what we would like to go through is – we've done personal introductions. We will do a bit more of an introduction as to who CWP Renewables are, and Partners Group, and our partnership in investing and developing renewable projects in New South Wales, go through what the project is, a bit of the background, and the circumstances that led us to the modification. Then we will go into the modification, and I will sort of perhaps pass through to Kalya and Cheryl to talk a little bit about the biodiversity report at that point - - -

MR DUNCAN: Good.

MR MOUNSEY: - - - and then bring it back to the recommended conditions that have been put forward by the DPE. So, as I mentioned – so CWP Renewables, we've been developing projects in New South Wales now since 2007. We did a prospecting exercise back then looking for potential renewable energy sites across the whole state. The Crudine Ridge site was identified as one of those potential sites from 2007 off the back of a range of criteria, but, obviously, resource was one.

Planning considerations around proximity of dwellings, access to the ridge, proximity to the transmission line and biodiversity, heritage impacts are also key in

that assessment finding. Along with other projects, we've developed the projects through to approval and through to – through financing and into construction.

5 So with our New South Wales focus, we've brought through 383 megawatts of project into operation. Put an asterisk there because, of that 383, 113 is separate to our relationship with Partners Group, but it was a project that CWP Renewables has brought through. The 134-megawatt project that's in construction is the project we're talking about today. That's Crudine Ridge Wind Farm, and we're in the process and hopefully in the matter of four to six weeks away from financing our next project in New South Wales, which is a project just north of Yass called the Bango Wind Farm.

15 Beyond that, we've got a mix of advanced wind and solar developments that we're bringing through, and they're at various stages of assessment or identification, and then a pipeline of projects that we're again looking to bring through, and our partnership with Partners Group has sort of ring-fenced a number of those projects, including the Sapphire Wind Farm, the Crudine Ridge Wind Farm, the Bango Wind Farm, and our next project after this will hopefully be the Sapphire solar project. Tim, did you want to talk somewhat about Partners Group?

20 MR MICHALAS: Yes. I thought I would actually just give you a bit of background about our approach to environmental, social and governance issues.

25 MR DUNCAN: Sure.

MR MICHALAS: So ESG is a – actually a sort of key pillar of investment strategy across all our investments: so not just infrastructure but investments, real estate investments and debt investments, and we look at everything through the overall screen that all of our assets have to present a net benefit to society. Otherwise, we're not interested in investing, and that's a kind of a pretty fundamental part of our investment approach.

35 We're signatories to the UN Principles of Responsible Investment, and, as a matter of fact, Sapphire, which was the other project we've done with CWP, is a case study on matters like community management which is presented in – by the UNPRI. So that's something we've very proud of internally. On top of that, actually, we have a very particular product called PG Life, which is a – an investment product that is centred around the UN Sustainable Development Goals, and I'm actually really proud to say that Grassroots, which is the parent company of Crudine, was actually the first investment in that product.

45 So I guess the message I would like to leave you with, besides the fact that we're kind of a global, sophisticated investment manager who kind of invests in a lot of infrastructure projects, is we do take ESG issues very seriously; we do take community engagement issues very seriously, and we sort of view ourselves as holding ourselves to the highest possible standards of community engagement and, you know, compliance with planning and codes of conduct, and I think that's

something which is, you know, very fundamental to our investment approach, and no different for this project.

MR DUNCAN: Good. Thank you.

5

MR MOUNSEY: Thanks, Tim. Just moving on to the next slide. So let's talk a little bit about the project and somewhat of the time line as well. So, as I mentioned, it's a 134-megawatt project that was financed in May last year, and construction commenced in July-August the same year. Reason we're developing our renewable projects is (1) to meet the national targets and the renewable energy target. New South Wales also has targets under the renewable energy action plan and the New South Wales 2021 plan to meet a 20 per cent renewable target for the state.

10

The project has been developed against the frameworks for assessment at both the New South Wales and Commonwealth level and has been assessed under both of those and been granted development consent under the EP&A Act and approval under the EPBC Act, and, as mentioned in the opening slide, we do have a proven track record of delivery and delivery against a high standard – environmental compliance standard, community engagement standards as well, and we do like to hold ourselves to those bars. So in terms of, again, the background to the project, the site was identified in 2007. Around that time, there was a lot of focus around finding sites that are going to hold the course of time, so that the project sites where the turbines are to be located are not in close proximity to surrounding dwellings.

15

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So that was one of the key considerations, as well as the resource assessment. So in 2008, we installed our first monitoring mast on the site. That allows us to gather on-site data. In early 2011, we commenced the planning process, submitted a preliminary environmental assessment to the department. At that time, the technology around, it was varied, but it was much smaller turbines than we have today. So we began the assessment phase with a project that had 106 turbine locations in it, and that formed the basis for our impact assessment thereafter: so all the hardstands, the roads, the foundation for 106 turbines. As we moved through the assessment phase, we did make changes. You can see that the planning commenced in 2011, but consent wasn't granted till 2016.

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Over that period of time, not only did we see sort of a quantum leap in technology change, which allowed us to reduce the number of turbines to 77, we also modified the project in terms of the access routes to the site. So, initially, we had an access route that would have come via the Hill End Road north of Mudgee to the project site, but the correspondence received during the public exhibition phase of the environmental impact statement encouraged us to look at alternate routes. So that's how Aarons Pass Road came to be the preferred route to the site. The clearing envelope that was associated with the 106 turbines remained the sort of the clearing envelope that we have provision to offset for, for the project as well, and I think that's around about 104 hectares of impact that was assessed initially.

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The EPBC Act approval came in 2017, and with it came a removal of 20 turbine locations, with a requirement to only build 37 of the remaining 57 turbine sites, and the reasons for the removal of those 20 turbine sites was largely related to impacts on surrounding residences. In December 2017, there were two main events. The – I
5 guess, following the EPBC Act approval, we were ramping up our activity around firming up the site design that we would take forward into construction. That involved a tendering and more detailed design of access routes. So we engaged with a civil contractor to evaluate the road upgrades required for Aarons Pass Road.

10 Involved a lot of consultation with Mid-Western Regional Council to inform the road design that was ultimately put forward into the transport management plan, and also, in December 2017, we secured a PPA, a power purchase agreement, with Meridian Energy, and that allowed us to really underpin the financing process, allow us to move forward with confidence. Through that process of financing, there's a great
15 deal of legal and technical due diligence. I will come back to it a little bit later, but, ultimately, it led to financial closure of the project in May last year and an investment – for an investment of that 270 million. Then we moved into construction in August last year.

20 MR DUNCAN: Okay.

MR MOUNSEY: So, in August, we commenced work, and so we started to – our contractors started to clear vegetation along Aarons Pass Road in readiness for the upgrade works that had been included in the design package for the transport
25 management plan. An area of approximately 3.6 hectares had been cleared over the course of the first three kilometres or thereabouts, and that started to raise the concern of the community, and those concerns were brought to the attention of the Department of Planning and Environment's compliance team, which ultimately led to a number of discussions that we had with the Department of Planning around
30 whether or not we were in accordance with the approval that was granted under the development consent.

The nature of those conversations were around the interpretation of the clearing and whether we were permitted to clear the amount that we were intending to clear at that
35 time on the road, interpretations around some of the language in the consent, such as the generally in accordance with provisions versus the fixed limits that are in the consent for certain vegetation types. Ultimately – and there was also discussions around the concurrency of works. We had again, through our negotiations and dealings with Mid-Western Regional Council, agreed a scope of works whereby we
40 could concurrently upgrade Aarons Pass Road and commence with construction activity on the wind farm site, primarily to reduce the construction period, to run the two in parallel and to have the construction activity reduced in time in totality.

So those conversations with the Department of Planning at the time were around
45 interpretation largely of the generally in accordance with provisions. We had held a view that, whilst there are set maximums for clearing for certain vegetation types within the development consent itself – and the development consent required us to

not exceed those limits. The generally in accordance with provisions referred back to the environmental impact statement, and the environmental impact statement at large assessed an impact of 104 hectares of impact, for which we were offsetting, and there wasn't a clear allocation, if you like, of where that impact would be. It was –
5 again, we were operating under the generally in accordance with provisions. That mindset, if you like – that penetrated everything that we did. It penetrated the way that we engaged with Mid-Western Regional Council from mid-2016 and going forward, in terms of our road designs and an agreement of those road designs with Mid-Western Regional Council.

10 That fed through into our designs that were in the transport management plan. There's a discussion about that consultation activity in the transport management plan and ultimately, in December '17, a sign-off of that transport management plan, which again reinforced our – what we understood to be our understanding of the
15 generally in accordance with provisions, and then, off the back off receiving the power purchase agreement from Meridian Energy, we entered that financing process, and there's a high degree of technical due diligence from an independent consultant on behalf of the lending group, legal due diligence as well, which again reinforced our mindset that this was okay to do because we had an overall clearance for the
20 project that wasn't exceeded.

MR MICHALAS: I might just add to that.

25 MR MOUNSEY: Sure.

MR MICHALAS: So we, obviously, relied on the exact same suite of due diligence documents, and, not being planning experts as such, one thing that was very attractive about this project is there were no kind of red flags with issues like this identified. So I think, from our point of view, we obviously – I guess what I would
30 like to leave you with is this message that we as an investor and, I think, CWP as a partner are culturally aligned. We're not in the business of trying to push the boundaries of planning consents or anything of that nature. We generally felt that what we were doing under the previous approval regime was adequate for all the reasons Ed has gone through, and, obviously, we find ourselves in this situation
35 because there's a difference of opinion there, but I think just one thing I would like to leave you with is that we certainly did not go into this project at all with the mindset of trying to push the boundaries on planning consents at all. It's simply not the way we operate as an investor.

40 MR MOUNSEY: Yes. And I think that's demonstrated through the inclusion of a discussion in the transport management plan as to how we came to believe that, you know, through that negotiation with Mid-Western Regional Council – that we had satisfied their concerns or their design requirements into the road design. So, look, we found ourselves in this position where there was a misalignment in terms of the
45 interpretation of what we thought we could do and what the Department of Planning's compliance team thought we could do in terms of the clearing activity, and, really, we looked at that, and our options narrowed in terms of how to proceed.

So we looked at two or three options, a couple whereby we could stay within the more narrow interpretation of the clearance limits along Aarons Pass Road.

5 One of those options, as outlined in the modification, was the use of a javelin trailer,
and avoid the need for larger swathes of the road design and corner but it would
have created a significant amount of tree lopping through the vertical alignment of
the corridor. So that was ultimately put to one side. We also looked at could we
10 helicopter blades onto the site because there's a – underlying all of this is a, you
know, commercial imperative as well.

We had commenced construction. Funding had flowed to the project, and suddenly
we were faced with a delay. Those scenarios were – those options were put to one
side too. So it really did leave us in a position of re-assessing the project through a
15 revised road design. So we did reduce the proposed road clearing in the revised road
design and entered the assessment phase of the modification. I might pause there,
and I might – Tim, I might pass to you to talk a little bit about some of the
commercial circumstances of where we find ourselves before going back to the
modification.

20 MR MICHALAS: Yes. Sure. So, I mean, I think it's – as outlined here, there's a
pretty significant financial consequence from stopping the project. So there's
obviously debt finance that has already flowed, and there's interest and principal
costs that need to be serviced in the meantime. There's site maintenance cost.
25 There's modifications that are being agreed between ourselves and a builder.
There's also a lot of stakeholders that need to be managed, particularly our lenders,
who are sort of faced with a project that doesn't – has a degree of uncertainty about
what the funding envelope is, firstly, and then secondly does require additional
costs, and so we've had to make additional funds available for the project.

30 So I think just one other message I would like to leave you with is that, as opposed to
a lot of other projects, where pre-planning and modification – they're not yet – have
not yet reached financial close, we've closed, and, as a result, we've kind of got a
train that's already in motion and particularly a finance package that needs to be
35 managed, and so that is likely to create a pretty significant cost overrun to ourselves
and sort of discussion with our builder about how we best manage that, but it is
something which has led to a pretty significant financial consequence to ourselves,
and I think the numbers mentioned here of around \$22 million of cost and up to a
kind of 294-day delay are still very indicative and moving around and could actually
40 be quite a lot more onerous.

MR DUNCAN: Okay.

45 MR MOUNSEY: So we turn the page. So the modification as outlined at the start,
Peter, is – it addresses two points. One is the re-alignment of the development
consent to the EPBC Act approval, which came subsequent to the initial development
consent from the State. So that's to reduce the approval from 77 down to 37, and a

defined 37. The EPBC Act approval granted 37 locations from 57. So we've further defined that and – with a view to aligning the documents but also to give certainty to stakeholders, but, fundamentally, the core of the modification is around the revised road design, with a view to, you know, avoiding where we can, but also minimising, impacts but making the road passable for turbines that we've selected for this project. That has involved working with our civil contractor, a group called and our builder, a lot more engagement, or continued engagement, with the community and council. You know, we had agreed a design with council.

10 We went back and continued to work with council to revise that, and that has included consideration of passing bays, etcetera, and I think that's reflected in the recommended conditions of consent, where there's a revised schedule at the back of the consent, engagement with the OEH and the Commonwealth Department of Energy and Environment over the – how the modification affects the existing approval and then ultimately the impact assessment and the biodiversity development assessment report, which is, I guess, central to the modification, and maybe, with that, I might maybe pass to Kalya or Cheryl to talk a little bit about the methodology applied in the BDAR to – and some of the questions that arose in the consultations with OEH in particular over clarifications of the classifications.

20 MS O'DWYER: Okay. Cheryl O'Dwyer. So I prepared the biodiversity development assessment report, and so Aarons Pass Road is 20 kilometres long. So the initial step was to go out and map all the vegetation type across Aarons Pass Road, so to get an idea of what vegetation communities we have along that length. So we had the development footprint, the clearing indications of what was going to be cleared, so we could have a look at what the impact was going to be, but ultimately – and we've prepared a map book, which Ed has, if you would like to just have a glance at that.

30 So, basically, it just identifies the plant community types, which predominantly is 290, red stringybark, and 277 down on the western end, which is an endangered ecosystem of white box grassy woodland. So, being a road, obviously, you know, there's lot of sections along that road that are quite weedy. There was sections of just phalaris. There was some really nice stands of native vegetation, but there was also a lot of disturbance at ground level.

40 So it has been mapped based on whether the condition of the vegetation was in good condition or poor condition. So we've got it mapped as high and low, and, when we work out the BDAR, we put the amount of vegetations into a calculator, and that gives us an indication of what impact they're having in terms of their credits. So one of the concerns, I guess, and the issues was raised by OEH – was the mapping. So when you actually look at the map, there are sections in there that are pink, which indicate exotic vegetation, but there's clearly native vegetation in the area. So the areal is actually quite an old areal, and that – but that is predominantly canopy from trees that aren't going to be impacted. So they're either on private property, and they hang over the road, or they're on the edge of the road that's not going to be impacted anyway by the development footprint.

So OEH came out just to clarify it, to make sure that they were happy with the way that the vegetation communities had been mapped, and we do have a letter in support to say that they were quite happy with the way that mapping has been produced, that, yes, it is definitely either cleared sections where either actually road verges or exotic
5 vegetation and the PCTs were mapped accordingly as well. So we also then went along and did some fauna surveys. We know that there have been incidents of koalas being located along that road. So, under the BC Act and the EPBC Act, koalas are listed as a vulnerable species, and there are specific tools that we can use to determine whether the koalas are going to be impacted and how they're going to be
10 impacted or whether referral to the federal government is required.

So, using those tools, we decided and determined – I decided and determined that there was no need to have a referral to the federal government. It wasn't considered prime koala habitat or considered breeding habitat because of the very few feed trees.
15 So there is a list of specific eucalypt trees that are required, and there is a percentage cover of eucalypt trees that are required to determine whether it is deemed to be suitable habitat. There's no doubt that koalas probably migrate and travel through the area as a corridor, but it's probably not going to have a huge impact on the population of koalas as a whole. Having said that, they are still listed in the BDAR,
20 and they have been impacted again. So credits have been calculated for the koala in this BDAR. Similarly for other fauna that was surveyed across the Aarons Pass Road – some powerful owls – we did lots of surveys through pretty much – think about seven nights, looking at - - -

25 MS ABBEY: Extensive fauna survey

MS O'DWYER: Yes. It was extensive fauna surveys. We did – we used camera trapping, rather than Elliott trapping, because there's now a lot more research that suggests that, particularly on a linear vegetation strip – that using cameras is a better
30 indication of fauna that's going to be there, and it's less intrusive to the animal as well, rather than being trapped and handled in little cages. So we were able to use those cameras to verify that there were sugar gliders, not squirrel gliders. So we have documented evidence to support that, and they were sent off to some of our colleagues, other ecologists in the ELA, who have verified that they are definitely
35 sugar gliders, which are not considered endangered, as opposed to squirrel gliders. Now, they are very similar looking. So we did seek to make sure that they were correctly identified. There is also a number of hollow-bearing trees along Aarons Pass Road, which is considered suitable habitat for a number of bird species.

40 So whilst we did a lot of survey – bird surveys across the whole length, there was a few ecosystem credit species that were found, such as diamond firetails, but they are covered under the ecosystem credits, not the species credit species. So what we're, in fact, left with is a couple of species that we couldn't survey for because it was outside the required survey period, as designated by OEH. So we've just had to
45 assume that they are present because we can't discredit that they're not there, and we also included the koala because of the historical records that have been found in that location. We also found a couple of scratches on trees which could be koalas or

could be goannas, but we're erring on the side of caution and assuming that they are koalas.

5 So they have also been – credits have been calculated for those – and glossy black cockatoos, which, due to the hollows, we couldn't assume that they weren't present. There were also two species of threatened fauna which were found along –
10 threatened flora which were found along Aarons Pass Road, *Acacia meiantha* and *Pomaderris cotoneaster*. So, initially, when we did the survey, the pomaderris and acacia – if they're not flowering, it's very difficult to determine which particular species your looking at. So I think, in the – in 2011, those particular species were probably missed and not known to occur there, but when we've come along, we've found that those species are there, and, initially, we thought that the pomaderris, which is very similar to *reperta*, which is critically endangered – we erred on the side of caution and wrote the very first initial BDAR based on it being *Pomaderris reperta*.
15

We did send a sample off to the herbarium here in New South Wales, and the specialist at the herbarium wrote a letter stating that, yes, it was *Pomaderris reperta*, but they didn't actually have full flowering material. So they were still erring on the
20 side of caution. Yes. It possibly could be *Pomaderris reperta*. So we left it at that until we got some flowering material, and then we sent it off to experts who are actually revising the whole *Pomaderris* taxonomy, and we sent that off to Neville Walsh, who works at the National Herbarium in Melbourne, who's the expert in pomaderris, and he came back and said, "No. This is definitely *Pomaderris cotoneaster*," which – it is not listed as critically endangered. It is listed as endangered. So that reduced the credit calculations for that particular species, based on the – being critically versus not critically endangered.
25

30 So I guess some of the mitigation measures that we – so even though – so the impact on those particular species, we've tried to avoid as many as we can because, particularly for both of those, it was not known to occur outside this particular range. So it is a very isolated population. We weren't aware that they occur there. By all accounts, on all the mapping that you look at, they shouldn't even be there. So we wanted to make sure that we can protect as many individuals as we can. So we
35 spoke with Ed and the team and said, "Look, we need to actually try to avoid as many of these as possible." There are a couple – well, there's one pomaderris that we're – that's not going to be able to be avoided. So that has also been included in the credit calculations.

40 MR P. COCHRANE: It's one individual.

MS O'DWYER: One individual, but because of the credit calculations and way the BAM is set up and the calculator is set up, no credits are required for that individual because it was less than one credit. So they've rounded it down in the calculator, and
45 it's – no credits are required for that one individual. However, what are we going to do is we're going to look and use this as an opportunity for the individuals that will be impacted – is to translocate and try and take cuttings and try and establish some –

5 a research protocol, I guess, to see whether there's some way that we can actually increase the population. So we have come up – so this is in addition to the credits that are required for the offset. So for the 47 individual Acacia meianthas and the one pomaderris, we're going to try and retain as much vegetation as possible and use that as an opportunity to increase our knowledge on that particular species. So we have a translocation plan which we've written and supplied CWP of how they should actually go about that.

10 MR DUNCAN: And will you do that within the road reserve, in the corridor?

MS O'DWYER: So that's where we're going to collect the plants from. Our experience is that we're better off actually collecting the material whilst they're doing the - - -

15 MR DUNCAN: Yes.

MS O'DWYER: - - - work there and taking it off site and striking them in a nursery situation - - -

20 MR DUNCAN: Sure.

MS O'DWYER: - - - and growing them in a nursery situation and then looking at, in the future, where can we actually repute these particular individuals.

25 MR DUNCAN: Back in this area.

MS O'DWYER: Back into the habitat.

30 MR DUNCAN: Okay.

MS O'DWYER: Into a suitable habitat.

MS ABBEY: Or potential

35 MR DUNCAN: Okay.

MS O'DWYER: Yes. Yes.

40 MR DUNCAN: All right.

MR MOUNSEY: Thanks, Cheryl. So I guess – so the modification we put on exhibition in December and – for a period of two weeks – and I just thought I would sort of step through some of the submissions or some of the statistics from the submissions. So around about 230 submissions, of which 113 support, 100 objected. So a large number of submissions, and, as we exceeded the 25 submissions, that's sort of why we're here with the IPC today, but, drilling into the detail, there are 10 residences along Aarons Pass Road, which is the focus for this modification. Of

5 those 10 residents, eight wrote in support of the modification. One wrote a – what I would call a pretty light-on objection, which was very much focused on dust emanating from the road construction, and one was more of a comment. Regionally, the road is located within Mid-Western Regional Council, but the project is – straddles across into Bathurst Regional Council area as well.

10 So within the region, we had 72 support within Mid-Western region for the modification, largely citing a focus on the safer road as a result but an economic stimulus for the region too, and Bathurst Regional Council, a high support again, 86 per cent, again citing economic and environmental reasons for support not only of the road but the project at large. On the other side of the coin, we saw 75 per cent of the opposition to the modification come from an area that was greater than 50 kilometres away from the project and, you know, with high concentrations in the Southern Tablelands and southern part of Sydney.

15 So I guess, over the course of the last four or five months, the department has been assessing the modification and the submissions that have come in and provided the recommended conditions to the IPC mid to late May, and our review of those conditions sort of really focuses in on around four key areas, and it's around updates to the biodiversity management plan, particularly around methodology of calculating and verifying and reporting on the clearance activity proposed along Aarons Pass Road, and that entwines itself with one of the themes that came through in the submissions of distrust towards the developer and development around, "We said we were going to do one thing, but we actually acted to do another."

20 And that relates to the – I guess the interpretation, again, of clearance activities on Aarons Pass Road, which we talked about before, updates to the transport management plan to ensure that the sequencing of works is not carried out concurrently and ensure that safety is paramount, as I mentioned, the community updates and the methodology for articulating before during and after what it is that we're proposing to do and confirming that we've done it as we said we were going to do and also the compliance with the additional offset provisions that we committed to in the modification which has come through into the recommended consent.

25 So, looking at all of those items that come through in green text in the modified development consent – recommended development consent, they are – they're pretty light on in terms of detail. It's – you know, it's one bullet point here or, you know, a point here or a revision to a condition. What we thought we would do ahead of this meeting – we've brought examples with us, and I might pass you to Patric in a moment – is to talk through how we've looked at some of these key agencies and have already started to develop draft plans and revisions that would be put forward into any revised biodiversity management plan that we would subsequently submit to the department following determination. So we've grown upon the, you know – the green text already. So can maybe share some of this information.

40 MR MILLAR: So, basically, what we've done to start with within the biodiversity management plan is break out separate sections for Aarons Pass Road. Previously, it

- was sort of lumped into this is how the clearing is going to be done. So we've – mindful of what Ed has just been saying about impartiality and those sorts of things, we've worked on a process for identifying the clearing, how we're going to measure it, how it reflects the material you've got in front of you that comes straight out of the BDAR, straight out of the assessment process, and we will develop a clearing –
- 5 just a site disturbance map. That map will then go out into the field and be physically located with surveyors and ecologists, and that will form the basis of a daily – of a chainage table.
- 10 So I'm standing at chainage 100. I know I can clear from 100 to 150, and there's this many trees to come out. That I get done at the beginning of the day, and I get ticked off at the end of the day. At the end of each week, that then gets subject to an inspection by an ecologist and myself, or a representative of the company, to make sure we haven't overstepped the boundaries in terms of the – it's the mark-up, the
- 15 physical clearing and then the reporting. We've had discussions with DPE about the process, and their compliance staff are happy with it, but then, at the end of the clearing – we're looking at the clearing – the contract is looking at the clearing in a short period of time, a two to three-week period, but when the clearing is done, the clearing is done.
- 20 There's no more clearing. And that reporting gets rolled up into a report, which gets submitted to DPE, to OEHL and so on. We're looking to have weekly updates on our webpage, on our Facebook page of this is what we're going to do and this is what we've done, so a week look ahead and a week look behind, and also articulate to the
- 25 community via both the webpage and the Facebook page what clearing is, how we've marked it out, how we're accounting for it and so on. At the end of the process, it then goes to independent audit, which is one of the consent conditions, and they will be arbiters of whether we've done the right thing or the wrong thing.
- 30 One of the things that has come up a few times is we've got all these great processes in place, but you still have issues like Albion Park where everything in place cleared. We look at that and say what can we learn from that process? And the thing – the key thing is, starting from the beginning with the contracts, there will be a very – there will be a separate Aarons Pass Road site induction, which will – and the key
- 35 theme on that is if it's not marked for clearing, you don't clear it. It's that simple. And then talking about how it's marked up, how it's cleared, how we account.
- There will be a daily walk down with the plant team, like, the plant operators identifying what's to be cleared, what's not to be cleared, issues such as stockpiling
- 40 of material can only be done in cleared areas, can't be pushed off to one side. If we're stockpiling mulch material, same thing. It will get stockpiled initially in a cleared area, either cleared as per the consent, or previously cleared as per the pink on the maps you've got in front of you, and then it will be – where it gets used, if it gets used on the Aarons Pass Road for soil stabilisation, that will get signed off by
- 45 the ecologist and by the site representative from our company.

And at the end of the day, everyone is accountable. We've sat down with the contractor and worked through is this achievable. I suppose we can draw the best of plans, best of conditions, and if it's not achievable in the paddock, it's not achievable. So there's a whole deal of handholding with the contractor. These two ladies will be out on site probably every day along with myself during the clearing process, making sure they don't overstep the bounds. Clearing looks a lot worse than it usually is, having done vegetation consent and compliance in a former life - - -

MR DUNCAN: Yes.

MR MILLAR: - - - from a state government perspective. You know, it can look a lot worse.

MR DUNCAN: Yes.

MR MILLAR: In terms of – Ed mentioned the community engagement. We've already been talking to our neighbours, talking to the community. We've had two sets of updates via our quarterly newsletters. We've pasted on our Facebook page wording that the IPC meeting was happening, and we just regurgitate exactly off your webpage, and we've had I think six comments on that saying the maintenance works that were done in the last six weeks are great. It's a fantastic road to drive on now. It could be better. And we've had no negative feedback from that process, and we all know that, you know, Facebook is a place for keyboard warriors to stick the knife in and hide behind anonymity. So that's the clearing process and post-clearing.

In terms of part of the – just on the – part of the issue is what is to be cleared and what isn't to be cleared, and as Cheryl said, there was some discussion from OEH initially about the canopy cover, and we're looking to map out exactly this is where the road is, this is to be cleared, this isn't to be cleared. There will be some pruning involved, some trimming, and that will all grow back. The clearing that has been done so far, and we've back out on site eight months later, it's really suckering back up again now as well. It's a fairly resilient landscape in a lot of respects.

MS O'DWYER: Can I also just jump in and add that as part of the BDAR, even though we know that sections need to be pruned, we've actually in the BDAR used it as that section was going to be cleared, just because we don't know how much pruning an individual can tolerate and whether it's going to cause death in the future, so we took the conservative approach and said that any activity to any vegetation is going to be cleared, but as Patric has said, that some of the vegetation is just going to be pruned and locked.

MS ABBEY: That's right. So we've probably overstated the amount of clearing to an extent.

MR COCHRANE: Is the clearing – it's not really associated with widening the road surface, is it? It's actually widening the available space for the turbine blades to go through. Is that right? Or are you actually widening the - - -

- MR MILLAR: It's a bit of both.
- MR COCHRANE: Okay. There's road widening as well.
- 5 MR MILLAR: In some areas, the road is not wide enough to allow the trailer to swing.
- MR COCHRANE: Yes.
- 10 MR MILLAR: So we've had to widen – physically widen the road.
- MR COCHRANE: Yes.
- MR MILLAR: In other areas, it's to allow the blade to sweep out behind it.
- 15 MR DUNCAN: So they will all be relating to curve in some way, either the radius, the outside or the inside of the curve.
- MR MILLAR: Yes. All that stuff. And when Cheryl was talking about the
- 20 translocation plan for the acacia and also removal of the pomaderris, we've been backwards and forwards looking for design in that place. Can we move half a metre this way? How does that affect the side slopes and all that sort of stuff? So there has been a lot of thought gone into the engineering side of it to get to where we are now.
- 25 MS ABBEY: That's an important point there, Patric. We did the vegetation mapping originally in September, October last year, and following that we worked really closely with Icubed to reduce the amount of vegetation clearing as much as possible, and we made some significant reductions there, looking at the road design.
- 30 MR COCHRANE: I guess in part the intent of my question was how much is going to be permanently cleared and how much would be just cleared to allow that sweep of blades, and some of it would be – may well recover - - -
- MS ABBEY: I think the - - -
- 35 MR COCHRANE: - - - unless it's actually part of a wider road surface?
- MS ABBEY: The object of it is that it is all, like, a permanent disturbance.
- 40 MR COCHRANE: Permanent. Okay.
- MS ABBEY: And I think you need to – the road needs to remain upon, doesn't it, for future maintenance and things?
- 45 MR MILLAR: We need to be able to get blades back down at a later date. However, if that involves going around and lopping at the tops of suckers that are that high, that's what needs to happen.

MR COCHRANE: Yes.

MR MILLAR: Clearing – we had this discussion. What’s temporary clearing?
What’s permanent clearing?

5 MR COCHRANE: Yes.

MR MILLAR: Clearing as defined under the Local Land Services Act is black and
white now. It’s remove, kill, knock over.

10 MR COCHRANE: Yes.

MS ABBEY: Yes.

15 MR MILLAR: That’s clearing, so - - -

MS ABBEY: Yes.

MR MILLAR: There is some temporary clearing to get the swing.

20 MS ABBEY: Yes.

MR MILLAR: But – yes.

25 MR DUNCAN: But the tree lopping is not - - -

MR MILLAR: Tree lopping is out.

MS ABBEY: Yes.

30 MR MILLAR: It used to be in, now it’s out.

MR COCHRANE: Yes.

35 MS ABBEY: But we have considered it as clearing anyway.

MR COCHRANE: Yes.

40 MS ABBEY: Because we’re being conservative there on that approach. We did
actually take an arborist out to site to review the vegetation and get their professional
opinion on whether they thought that it would regenerate or would cause, you know,
long-term decrease to the health of the vegetation leading to the death of the
vegetation, which then meets that Local Land Services Act, and it was unable to
make a call either way. You can’t predict what’s going to happen, how a tree is
45 going to respond - - -

MR DUNCAN: Yes.

MS ABBEY: - - - down the track, so - - -

MR DUNCAN: Climate and other issues.

5 MS ABBEY: Exactly. Conservative approach.

MR COCHRANE: How recent are these aerial photos?

MS ABBEY: 2016 is the most recent I could get.

10 MR COCHRANE: So it's even drier now, isn't it?

MS ABBEY: Yes.

15 MS O'DWYER: Yes.

MS ABBEY: Yes. It's also - - -

MS O'DWYER: It has been quite window out there too, so there's - - -

20 MS ABBEY: It's a windy spot.

MS O'DWYER: A lot of the canopy is probably not there either.

25 MR COCHRANE: More damaged. Yes.

MS O'DWYER: On the day that we were out there with the arborist, there were branches coming down everywhere, so I think that highlighted the change in nature of the vegetation almost on a daily basis out there.

30 MR DUNCAN: All right.

MR COCHRANE: Is all the clearing without the road reserve, it does it – it doesn't extend into any private lands?

35 MR MOUNSEY: Yes.

MR COCHRANE: As often roads aren't necessarily in road reserves.

40 MS ABBEY: Yes.

MR MOUNSEY: No, it does. There's – I think there's – I think it's nine. It's in the modification. I think it's nine freehold landowners that we – their properties are affected.

45 MR COCHRANE: There would be some impact. Yes.

MR MOUNSEY: And we have agreements. So going back to mid-2016 when we ramped up our activity around the detailed design for the road, it was highlighted to us then that we were going to exceed the existing corridor.

5 MR COCHRANE: Yes.

MR MOUNSEY: So we engaged with landowners to understand could we encroach on that land.

10 MR COCHRANE: Yes.

MR MOUNSEY: So we have agreements in place.

MR COCHRANE: Okay. Great.

15

MR DUNCAN: All right.

MR COCHRANE: I was going to ask about the turbine blades.

20 MR DUNCAN: Yes.

MR COCHRANE: The length of the turbine blades, because I think originally they were 63 metres and they may now be 67; is that correct?

25 MR MOUNSEY: I think that's right. It's 135 metre roads, are they? Trying to think what they are.

MR DUNCAN: Okay.

30 MR MOUNSEY: Yes.

MR DUNCAN: So the increase in blade length doesn't – is factored into your no clearing requirements?

35 MR MOUNSEY: Yes. Absolutely. It's factored in.

MR DUNCAN: Okay.

40 MR MOUNSEY: Yes. That's right. And it's primarily because of the increase in blade length, which allows each turbine itself to have a greater install capacity per machine.

MR DUNCAN: Yes.

45 MR MOUNSEY: That allows us to have 37 rather than 106 as originally proposed.

MR DUNCAN: Yes. Yes.

MR MOUNSEY: So that brings us down from 104 hectares of clearing - - -

MR DUNCAN: Yes.

5 MR MOUNSEY: - - - to where we are, including the modification impacts to around about 80 hectares of clearing.

MR DUNCAN: And 37 turbines will still deliver you the 134 megawatt

10 MR MOUNSEY: Yes.

MR DUNCAN: Okay.

MR MOUNSEY: Yes.

15

MR DUNCAN: And that's partly large blades and change of technology, presumably.

20 MR MOUNSEY: Large blades. Change in blade design, but each turbine is a 3.6 machine turbine. And – designed for moderate to low wind sites, which, predominantly, is what New South Wales is. It's not a high wind location. Parts of Tasmania, South Australia. High wind locations. New Zealand is. But as technology has sort of – well, as the projects in those areas have been saturated there has been a movement towards moderate wind sites and the low to moderate wind sites. And the technology has evolved. And larger rotors is a way to capture more energy.

25

MR DUNCAN: Okay.

30 MR MOUNSEY: Just to come back one of the comments that Patrick was making around the community. In the package information provided we've drafted a new page for the website as well. And there's a template in that package, which will go live at the time of all of the clearing activity along Erin's Pass Road, and that will be regularly updated with the works as proposed, and then the works as completed, and keep the community informed every step of the way.

35

MR MILLAR: And, again, on that there's how to get involved and how to make a complaint.

40 MR DUNCAN: Yes.

MR MOUNSEY: Yes.

45 MR MILLAR: We've beefed up and reiterated our community complaints process that will be dealt within 24 hours of receipt. There's a one-eight – 1300 number. There's a website, Facebook, in person. We will address them straightaway. If it's

an I don't know like windfarms complaint then we address it. If it's you've cleared too much we can go through and physically monitor on the day.

MR DUNCAN: All right, Peter. Anything else?

5

MR COCHRANE: In your view, the major issues that are raised by – let's say the roughly quarter of the people who commented from the mid-western regional household area – what – their substantive objections – that would be mostly landowners and visual impacts? Their amenity issues. Are there any more - - -

10

MR MOUNSEY: Yes. That - - -

MR COCHRANE: - - - issues that they raise?

15

MR MOUNSEY: Yes. So in the – I haven't brought it with me, but in the front page or pages of the response to submission document - - -

MR COCHRANE: Yes. You've summarised

20

MR MOUNSEY: There is a summary per – there is a summary of – per issues.

MR COCHRANE: Yes.

25

MR MOUNSEY: And the issues related to the modification, being removal of turbines and the - - -

MR COCHRANE: Yes.

30

MR MOUNSEY: - - - the road. The – they have the majority of the favourable responses.

MR COCHRANE: Yes.

35

MR MOUNSEY: The balance of issues relating to aspects largely relate to the windfarm was the majority of the negative submissions.

MR COCHRANE: Who had objected in the past to

40

MR MOUNSEY: Who had objected in the past. Correct. Yes. So that's within the preamble of the response to submissions document.

MR COCHRANE: But they're the more substantive issues, I guess, that have been raised – changed from before your modifications really haven't made much objection - - -

45

MR MOUNSEY: No.

MR COCHRANE: - - - change to those fundamental objectives.

MR MOUNSEY: No. I mean, fundamentally, there's sort of key milestones in the project's development. As I said from the start, I've been involved from day 1 in –
5 you know, conversations with some of the key objectors in there – you know, around their kitchen table. And the – you know, the key concerns along the way were around, you know, the visual impact and the property value.

MR COCHRANE: Yes.
10

MR MOUNSEY: That's a common concern for wind farms. Which then led to, you know, looking at the project from the prospective of do we want this project to go ahead? So, you know, the initial feedback around the EIS for the hill and road entrance – that was met with objection, even though the – even though the road itself
15 would be of net benefit to the community. So, in our response, we've moved to Aarons Pass Road. And that was off the back of further consultations with the like of Downer Group and Icubed.

But those same objections applied there, despite at the time the commentary being,
20 “Well, why don't you upgrade this road? It's a terrible road.” You know? So – and then we move to the point where we've got – we're granted the development consent from the New South Wales Government. And we've made reductions around the turbine numbers at that time, moving them further away from some of the localised objectives to the process of being evaluated against the EPBC Act. And
25 fundamentally, the impacts relating to the EPBC Act, at least the vegetation impacts, were located midway along the transmission line - - -

MR COCHRANE: Yes.

MR MOUNSEY: - - - and within the final three or four kilometres of Aarons Pass Road. There was actually no EPBC Act impacts within the wind farm site itself. Yet again the consultation activity resulted in certain turbines being moved from certain viewpoints. So it's been a – it's largely – it's quite a binary discussion.
30

MR COCHRANE: Okay. Thank you. I've got no more questions.
35

MR DUNCAN: Okay. I don't have anything further I think we're there.

MR COCHRANE: Okay.
40

MR DUNCAN: Is there anything else you want to say to wrap up?

MR MOUNSEY: Well, look, I guess it's in the summary page of the presentation. I mean, we've sort of found ourselves in this circumstance unintentionally. You
45 know? We've followed a path where we and the industry and everyone that participated in all the due diligence along the way and all the consultation activity along the way believed that we were on the right path.

It's through compliance and, I guess, hindsight valuation of our approach where we've come unstuck, if you like. But we were of the mind and everyone else involved in the project was of the mind that we had the permits in place to go ahead and construct the project; otherwise, Partners Group wouldn't have funded, the banks wouldn't have funded. And we would – and the EPC contract, it wouldn't have signed the contract.

So we find ourselves in a circumstance that we're trying to get ourselves out of as quickly as possible. We are suffering through the delay. And that has a commercial impact, but it's also having an impact on those in the immediate area that aren't necessarily benefiting from the project. I think generally there is a consensus that the upgrade to the road will bring about benefit, particularly a much safer road in the long run. And that's recognised by council. And I think that's adopted by us through our approach to construction as well.

You know, we won't be constructing the road concurrently with the wind project. We will build the road. We will have the road signed off. Then we will move into the construction of the wind farm. So there are wider economic benefits to the region. And I think broadly as well, hopefully if you get the opportunity to digest the package of information we've provided today, which, again, it's in a draft format, so welcome feedback. But hopefully it goes to demonstrate that we are ready to recommence the work. We're wanting to recommence the work. We're wanting to put in place those safeguards. Hopefully it goes towards providing you guys with assurance that we are responsible and we can deliver this project in accordance with the development concern.

MR DUNCAN: Thank you. Well, we note your comments today and we will be out on site next week and a public meeting and meet with council and actually look at the site as well. And I assume you will be there at the site meeting as well.

MR COCHRANE: Well, someone from - - -

MR MOUNSEY: Well, I will ask David if you would like us to be.

MR D. KOPPERS: At the public meeting.

MR DUNCAN: Okay. Well, and we will deal with it as appropriately and as efficiently as we can.

MR MOUNSEY: Okay.

MR DUNCAN: Thank you.

MR MOUNSEY: Appreciate it. Thank you very much.

MR DUNCAN: Thank you. Okay.

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[1.32 pm]