

Hills of Gold wind farm application (SSD-9679) Independent Planning Commission

14 July 2024

Dear Chair and Committee Members,

We seek to submit commentary on the additional material provided in respect HoG WF application. ReD4NE is an alliance of eleven (11) community groups representing the New England.

The current status of the HoG WF as highlighted by the additional material is a **disturbing reflection** on the energy transition – on the paucity and unprofessionalism of wind development practices – lack of adherence to what we envisaged were in the **public interest planning guidelines** and the **flaccidity of the planning institutions** to stand up to political and investor pressure.

The additional documentation confirms based on market-based evidence, which has been building for last 18-24 months, wind projects are increasingly less and less economically viable. The Federal Government's reliance on the **ISP least cost GenCost** approach has been found to be widely economically criticized -it lacks financial reality. This is evidenced by a lack of financial closure - particularly in NE REZ – the cost of capital, the capex and opex cost structures and the decreasing offtake opportunities highlight some **serious viability hurdles**. Governments and Planning institutions have been 'asleep at the wheel' as turbine prices have escalated to **\$3m/MW** (supply and install), the price of build out has been similarly rising (34%) with labour and materials spiralling upwards and offtake revenue has been decreasing to **\$85-90/MWh**. This of course spells out an unbankable -unviable outlook. With due respect to the Government appointed experts **IEAPET** they have potentially understated the lack viability of HoGWF by some \$140M on Capex alone -and considerably more across CSRIO GenCost calculations. – **It would be demonstrably against the public interest if the IPC didn't call out this discrepancy** in the IEAPET benchmarks, the modelled ROI and NPV calculations.

As a minimum ReD4NE would require a much stronger independent and a more robust light shone on this financial viability assessment. This project appears to be underwater even at the 62 WTG configuration. A second and more galling **public interest concern** we highlight – is how does this International Developer and their various second-string developers get to sit on the **economic unviability** for nearly 6 years before putting their hand up. They in doing so with the expectation its **now all of a sudden, it's in the public interest to fix this self-created mess?** The DPHI allude to this - unfortunately they don't have the political bandwidth to call it for what it is -a politically enforced rollover.

This leads ReD4NE to the **second** disturbing reflection. We had assumed the planning system was based on evolving planning principles – **derivative in guidelines**. Well that what we tell our communities because that what the bureaucracy tells us. **So, the obvious question for the IPC how is it in the public interest to jettison these guidelines and planning principles in favour of a poorly selected and poorly developed site.** Both these issues are front and centre in the 2016 and 2022 and Draft 2023 Guidelines. Site selection has developed more and **more as science** -this is highlighted at some length in Draft 2023 Guidelines which the DPHI and the Developer in approaching this matter drift in and out of at their interpretation on a whim. That's ok as we spent quite a bit time and sweat

with the DPHI getting more balance in the 2023 guidelines. **We think we on behalf of the Communities we are perfectly entitled to inquire where are these Draft Guidelines up to and if the IPC is contemplating any references they should assure the Public Interest as to their status?**

In terms of the Developer additional documentation – it's seems the DPHI have adequately dealt with the validity of the CDC application against the prevailing SEPP. As to the relevance of Taralga Decision -we think it's a nonsense to rely on the outcome as if it of relevance as a precedence today – it was a message the L&E Court offered back in the day when there was **little installed capacity and no guidelines**. We are reliably informed that the Taragla project has never been economically viable - so any viability assistance the decision thought it was offering – never materialized. All to the detriment of the landscape of village of quaint village of Taragla.

Two residual matters which are very much in the public interest. Firstly, the intention of the Developer and DPHI to flick the switch to what they loosely call '**voluntary acquisition**' -this is never going to be acceptable to rural and regional communities. There is not a shred of evidence that Developers or Government could be let loose on such an injustice. Should the IPC see this approach as an escape hatch then it should in the public interest **set out the reasons and rationale**. Suffice to say it will become a major issue for regional and rural NSW.

That leaves us to the final point – the Federal Government undertook a wide-ranging review of **Community Engagement** by Andrew Dyer in late 2023. The Review tabled six (6) themes drawn from a very publicly engaged process – **we think that means public interest was an obvious centre of importance (500 Submissions -250 Survey Responses)**. All of the themes call into question the performance of the HoG WF Developers. This HoG development process addresses none of the themes. The Report recommendations were all accepted by the Federal Government with a commitment to work with the State Planning Authorities to implement. **We ask the IPC to take leadership and reflect on the meaning and intent of the Review in making its consent decision.**

ReD4NE Seeks from the IPC;

1. Confirmation that the DPHI needs to be more accountable and transparent when it is considering and making recommendations based on Energy Planning Guideline. The facts suggested by the DPHI suggest a reversal of some magnitude from Implemented Guidelines to Draft Guidelines. This has eroded completely community confidence in Planning Governance and in its lack of consistency. If the IPC disagrees with the Communities interpretation, then it should clearly set out its reasons.
2. If the IPC is persuaded as to the 'burden' of making a decision on voluntary acquisition then it should clearly set out the basis of its decision and absolute clarity as to any conditions that might prevail
3. ReD4NE is not dissuading the IPC from deploying appropriate 'cost v benefit' analysis in assisting assessment -providing its robust and not just 'project economic performance 101' as was deployed in the Expert Panel Report. We say if good decision making is the ambition - it is incumbent on the Commission to set out fully the terms of reference for such **costing - viability** analysis, including any justification for preferred methodology or baseline as should have been the case with the IEAPET adoption of the AEMO GenCost assumptions. It is ReD4NE's view that such analysis should be subject to peer review.

4. ReD4NE, in relation to **benefits** assessments, needs to understand what IPC interpretation of **public interest** in the context used by DPHI – by the Applicant in the Taralga matter and what **private disbenefits** mean – in a socio-economic and environmental context; and
5. ReD4NE believes that the conclusions and recommendations the Federal Community Engagement Review introduce into planning consideration and decisions -requisite of the important elements of ‘care and balance’. ReD4NE would like to understand how the IPC considers the implications of Review in determining an outcome on this Application.
6. This Project and its Development process remains at the very lower end of the spectrum of acceptability to the objects of the NSW Environmental Planning and Assessment Act 1979.

Accordingly, we ask the IPC not to give Consent – we ask the IPC to set out its decision with full reasons as requested above.

Office Bearer of ReD4NE

