



5 December 2022

Matt Clarkson, Manager Development and Planning
Uralla Shire Council

Sent via email: council@uralla.nsw.gov.au; mclarkson@uralla.nsw.gov.au

Thunderbolt Wind Farm: Benefit Sharing and Voluntary Planning Agreement

Dear Matt,

Thank you for your time so far in considering the planning permit application for Thunderbolt Energy Hub and meeting with myself and Neoen team members on 5 October 2022 to discuss Neoen's Benefit Sharing. Uralla Shire Council is a central stakeholder and as a long-term owner and operator Neoen wishes to establish a positive long-term partnership.

Neoen is volunteering to implement an industry-leading Benefit Sharing Program for Thunderbolt Energy Hub, which consists of two components:

1. Neighbour Benefit Sharing; and
2. Community Benefit Fund.

The Neighbour Benefit Sharing is a voluntary program that Neoen has proposed to ensure neighbours within 3.5km of Thunderbolt Energy Hub wind turbines will also receive benefits as a result of the project. The program will benefit approximately 16 neighbours and comes to a total of \$220,000 per year (not indexed) throughout the operations phase of the project.

The Community Benefit Fund is proposed to be \$100,000 per annum. This fund will be delivered throughout the operations phase of the project and is designed to benefit communities living in close proximity to the project, such as the town of Kentucky. In response to community feedback Neoen have agreed that the Community Benefit Fund will be CPI indexed.

Community Feedback on Benefit Sharing

Neoen's community feedback survey for Thunderbolt Energy Hub includes a question asking the community how they would like the Community Benefit Sharing Program to be delivered. Of 68 responses received to date, the majority (69.12%) would like a Community Benefit Fund to be established that provides grants for local community groups. Respondents could select multiple options.

Question: 'We will establish a Community Benefit Sharing Program to deliver benefits to the local community and we're interested in your thoughts on this. Here are some initial ideas - tick your favourites and/or add your own suggestion.'

Table 1 Community Benefit Sharing Survey Responses

Response	Percentage of Responses
Community Benefit Fund providing grants for local community groups	69.12 %
Discounted electricity bills for local households	54.41 %
Solar and/or battery storage subsidies for local households	50 %
An opportunity for community members to invest directly in the project	33.82 %
Biodiversity funding & opportunities	38.24 %
Explore ways to support local eco-tourism	22.06 %
Suggestion (please specify)	33.82 %

Some of the responses received from people who selected 'Suggestion (please specify)' include:

- Local electric car fast-charging stations
- Community Future Fund
- Ambulance station for improved outcomes for the community
- Sponsorship of the local show
- Profit sharing in wind turbines that impact neighbours
- Telecommunications improvement, including improved mobile phone signal and internet coverage
- Funding for Kentucky Hall, School and fire brigade
- RFS training on roads within wind farm
- Educational scholarships, traineeships, cadetships, trade skills
- Making the wind farm partially community-owned
- Indoor sports centre
- Energy efficiency program and support for low-income households
- Help local shires to prosper

During the one-on-one meetings, the most common idea that community members had in relation to the Community Benefit Fund was that they would like to see improved telecommunications in the area (mobile and internet reception) as they perceived it to be poor at present. Other ideas suggested include:

- Providing cheaper power
- A viewing platform for the wind farm
- Funding for local community groups such as the Kentucky Hall, School, RFS and Progress Association to make Kentucky more appealing
- Create more recreational areas such as camping grounds
- A community centre where programs are held all the time, such as pottery and crafts
- A community sports centre



- A swimming pool/tennis court/cricket pitch
- Tree corridors near turbine roads and next to the solar farm to prevent erosion and screen view of the solar farm
- Potable water trucks for times of drought
- Lights at railway crossing in Kentucky village
- Wildlife conservation
- Local tourism opportunities

Neoen will continue to seek feedback from neighbours and community members about their ideas for the Community Benefits Fund throughout the approvals process.

Industry-Leading Community Benefit Sharing

The Community Benefit Fund of \$100,000 is equivalent to \$3,125 per wind turbine per year (for a 32 wind turbine project) or approximately \$520 per MW (for a 192MW project size). Together with the Neighbour Benefit Sharing amount of \$220,000 per annum, the total value of the Benefit Sharing Program is \$320,000. This amount is equivalent to \$10,000 per wind turbine or \$1,667 per MW.

The amounts offered as part of the Thunderbolt Energy Hub Benefit Sharing Program are voluntary and industry-leading. They are significantly higher than the amounts offered by other wind farm projects to date. A comparison of the amount offered by Neoen for Thunderbolt Energy Hub compared to other projects¹ is shown in Table 2.

¹ Amounts shown in the table are based on available published data on wind farm project websites.

Table 2 Benefit Sharing comparison

Project Name	Capacity MW	# Turbines	Project Status	Voluntary Planning Agreement	Community Benefit Fund	Other Community Benefits	Total Benefits	Total \$ per MW	Total \$ per turbine
Thunderbolt Energy Hub	192	32	DA in assessment	-	\$100,000 p.a.	\$220,000 p.a. neighbour benefit scheme	320,000 p.a.	1,667	10,000
Crudine Ridge Wind Farm	134	37	Operating	\$1,250 per MW	none	Community sponsorship program- amount unknown	\$167,200 p.a.	1,248	4,519
Copabella Wind Farm	268.6	79	DA approved	\$2,500 per turbine	\$100,000 p.a.		\$297,500 p.a.	1,108	3,766
Biala Wind Farm	110	31	Operating	\$2,500 per turbine	none		\$93,000 p.a.	845	3,000
Uungula Wind Farm	414	93	Construction	\$3,309 per turbine	none	General CWP community grants	\$307,737 up to \$320,973	775	3,451
Crookwell 3 Wind Farm	58	16	DA approved	\$2,500 per turbine	none		\$40,000 p.a.	690	2,500
Rye Park Wind Farm	396	66	Construction	\$2,500 per turbine	none	Tilt revegetation grant	\$230,000 p.a.	581	3,485
Bango Wind Farm	244	46	Construction	\$2,825 per turbine	none	Community sponsorship program- no set amount	\$129,950 p.a.	533	2,825
Liverpool Range Wind Farm	1320	220	DA approved	\$3,000 per turbine	TBC		\$660,000 p.a.	500	3,000
Bowman's Creek Wind Farm	347	56	DA in assessment	TBC	\$3,400 per turbine	Neighbour Benefit Fund – total amount unknown	\$190,400 p.a.	484	3,000
Hills of Gold Wind Farm	420	65	DA in assessment	\$3,000 per turbine	none	Community Sponsorship Program; one-off \$150,000	\$168,000	464	3,000



The governance and administration for the Thunderbolt Energy Hub Community Benefit Fund is proposed to be with the Community Enterprise Foundation (philanthropic arm of Bendigo and Adelaide Bank), which has expertise in community fund administration. Applications from the community are submitted via an online portal. An Advisory Committee reviews eligible submissions and decides on grants. The committee would consist of a Neoen representative, community members and Council representatives. There will be a Terms of Reference, which will set out the eligibility criteria for the grants (proximity to the project and agreed focus areas).

Neoen would like to invite Uralla Shire Council to have a representative on the Advisory Committee.

Voluntary Planning Agreement (VPA)

Neoen understands that the rationale for a VPA (or other contribution instrument if decided by the Minister for Planning) is to support Council in responding to an increase in demand on public amenities, services, or infrastructure that will eventuate as a direct result of a project. We look forward to working with the Council in respect of any such impacts but should note that our understanding is that for State Significant Developments there is actually no legal requirement for the parties to enter into a VPA, and that any development contribution or levy may be determined by the consent authority based on the expected increased demand for public amenities and public services and infrastructure from the development.

During operation, Thunderbolt Energy Hub is unlikely to result in any meaningful increase in demand on public amenities, services, or infrastructure. The project will have a modest full-time staff of 5-10 people. These staff are likely to be spread across several local Council regions. These staff numbers, spread across multiple Council LGAs, will not create a meaningful demand on public amenities, services, or infrastructure.

With respect to construction, impacts associated with the project will be dealt with under the conditions of consent. This includes for example repairs to roads that are utilised for the transport of wind turbines and construction materials where the damage occurs as a result of the wind farm construction process.

We expect Thunderbolt Energy Hub will have a negligible increase in long term demand on public amenities, services and infrastructure.

However, we also understand that Uralla Shire Council's position is that it would like to enter into a Voluntary Planning Agreement with Neoen for the Thunderbolt Energy Hub project. Neoen is happy to consider a Voluntary Planning Agreement and proposes the following :

- Amount that is proportional to the number of wind turbines that will be operating within the Uralla Shire Council LGA as part of Thunderbolt Energy Hub (remainder will be in Tamworth LGA).
- The VPA will be a proportional amount of the total Community Benefit Fund of \$100,000 (given the benefits already committed to are at the highest end no additional funds are proposed and Neoen will not revoke commitments to project neighbours or the local community).
- The VPA amount offered will be indexed in line with CPI from the commencement of operations of Thunderbolt Energy Hub.
- The VPA amount offered to Uralla Shire Council will be carved out of the existing Community Benefit Fund.

VPA Payment Options

Neoen would like to offer Uralla Shire Council two payment options for the VPA. The options are:

1. An annual payment indexed at CPI, starting at the commencement of operations of Thunderbolt Energy Hub, for the lifetime of the project (~30 years); or
2. One lump sum payment at the commencement of construction.

Example Calculation – Option 1 Annual Payment

Currently there are 3 out of 32 turbines proposed within the Uralla Shire LGA. If all wind turbines are approved by NSW Government and built as part of the project, the annual VPA amount offered to Uralla Shire Council would be:

Annual VPA amount = $(3/32) \times \$100,000 = \$9,375$ p.a.

This amount would be CPI indexed and commence at the start of the project's operations phase.

Example Calculation – Option 2 Lump Sum Payment

Currently there are 3 out of a total of 32 turbines proposed within the Uralla Shire LGA.

One-off VPA amount = $\$9,375 \times 30 = \$281,250$ – rounded up to \$300,000

This amount would be paid at the start of the project's construction phase.

If you would like to accept this offer, please let us know by contacting me via email. Upon confirmation, we will prepare a draft VPA term sheet for your review.

Yours sincerely,



Joanna Murphy
Project Manager for Thunderbolt Energy Hub
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