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Senate Community Affairs Committee

Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

By email: community.affairs.sen@aph.gov.au

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To the Senate Community Affairs Committee,

Re: The Social and Economic Impact of Rural Wind Farms

TRUenergy is pleased to provide a submission to the Senate Community Affairs Committee Inquiry (Inquiry) into the social and economic impact of rural wind farms.

TRUenergy operates an electricity and gas retail business with 1.3 Million customers. Our retail business is supported by a range of assets that span the gas, electricity and renewable markets across eastern Australia. Our electricity asset mix spans coal power stations, gas fired stations, as well as a number of investments in renewable generation assets (including large scale solar, wind and geothermal) and a significant electricity and gas trading business to optimise the operations of these assets. With the recent NSW privatisation program our business will increase significantly with the addition of the Energy Australia customer base, and the Delta West generation portfolio.

Site specific nature of power plant planning

In our experience as a developer of wind farms, and other forms of power generation, we have found that each site has its own distinct characterises and requires a customised development possess. For example, a wind farm is highly dependent on terrain, and wind characteristics, even a few 100 metres can

substantially change the effectiveness of a wind resource and the impacts of the farm on surrounding communities. It is essential that planning processes are flexible enough to allow each facility to be designed to take localised issues into account.

Additionally the cultural and economic values of communities co-located with farms are also specific to the local community. Again, it is important that planning approaches allow for individual solutions to be developed that work both in terms of physical site characteristics and the needs of the local community.

TRUenergy is confident that we can work with communities to achieve acceptable wind farm project outcomes. A flexible and efficient planning approach is required to support such successful outcomes.

Potential consequences for electricity consumers

The Inquiry is aware of the renewable energy targets prescribed in the Renewable Energy (Electricity) Act 2000 and its subsequent amendments. In summary this Act requires all electricity retailers will be required to source a proportion of electricity supplied to their customers for consumption via renewable energy sources. This target will progressively increase up to a 20% by the year 2020.

Given that this Renewable Energy Target is an increasing target over the next decade, an increasing number of renewable energy sources need to be developed over this period. TRUenergy sources renewable energy from a number of sources, and is in the process of developing a number of renewable energy sites to allow its obligations under this scheme to be met. The most significant source of renewable energy is delivered via wind farms. Whilst more expensive than many traditional non-renewable fuel sources, wind farms generally are more economic compared to other forms of renewable energy sources.

As noted above wind farms are site specific in relation to the natural geography and wind characteristics. Generic limitations to wind turbine placement without consideration to specific site details is likely to reduce the number of economic wind farms. As electricity retailers are required by law to source renewable energy they then must turn to more expensive forms of renewable generation.

Ultimately, inefficiencies in planning schemes have the potential to escalate the costs of meeting the Commonwealths Renewable Energy Target. For this reason, it is important that planning arrangements allow sufficient flexibility to most efficiently use each renewable site to its full extent within local community expectations. Any inefficiencies in planning arrangements will ultimately lead to upward cost pressure on electricity tariffs directly impacting on the price consumers pay for electricity.

Please feel free to contact me on
this request.

should you wish to further discuss

Yours Sincerely,

(Submitted via email)

Mark Collette
Director, Portfolio Management and Development
TRUenergy