

Collector Wind Farm: Progress Report.

Renewable energy industry uncertainty means no firm timetable for construction has yet been established

In our last newsletter we outlined RATCH Australia's ("RATCH") plans to finalise all outstanding design, engineering and environmental issues for the Collector Wind Farm necessary to enable commencement of construction by the end of last year.

Much of this was achieved but there remain some key development activities that we have not yet been able to conclude.

One of the main reasons that we have not been able to conclude all of our development activities is the state of policy uncertainty that is currently influencing the entire renewable energy industry. Until there is a resolution of the political impasse in Canberra concerning the Renewable Energy Target ("RET") Scheme* it is very difficult for us to say with any certainty when we will be able to commence construction. An overview of the RET Scheme is provided on page 2 of this newsletter.

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Many of the factors that influence the timing of our project are out of our control.

When all of these factors are taken into account, our current view is that it is unlikely that construction will commence this year.

Key matters that are outstanding include:

1. Completion of our construction tendering process, which is currently on hold due to the RET uncertainty and absence of an off-take agreement to sell our electricity.
2. The completion of the necessary development activities (detailed on page 3 of this newsletter), much of which cannot be finalised until we have completed our construction tendering process.

We will update the Collector community periodically as we gain greater confidence about the expected construction timetable, using our regular discussions with the Community Consultative Committee, via website updates and the publication of further newsletters. Please do not hesitate to contact us at any time if you would like more information or if you have any questions or concerns.

*At the time of publication no decision in relation to an amended RET had been announced by the Federal Government. However, by the time you receive this Newsletter such an announcement may have been made.

RET Scheme

Background to the current RET Scheme policy uncertainty

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The Renewable Energy Target Scheme mandates that at least 20% of Australia's electricity is to be generated from renewable sources by 2020.

The RET Scheme is a Federal Government policy that underpins investment in renewable energy such as solar power, wind farms, hydro power and bioenergy projects in Australia.

Under the RET Scheme, accredited renewable energy generation facilities are entitled to create renewable energy certificates (known as "LGCs"), and the sale of these LGCs is an important part of the business case for any wind farm. The policy was initiated by the Howard Government in 2001 and has been supported by all major political parties since then.

Last year the Abbott Government commissioned an Expert Panel to review the RET Scheme and the Panel's recommendations were published in August. However the Government has made no decision in relation to the recommendations, and this ongoing and unnecessary uncertainty has had a significant impact on renewable energy projects nationwide.

Investment in large-scale renewable energy projects in Australia has fallen by almost 90%, and some of the renewable energy sector's 21,000 employees have already lost their jobs.

We understand that this political impasse is currently being discussed by both the Government and opposition, and a resolution may occur soon. Greater clarity on the future of the RET Scheme is essential before RATCH will be in a position to finalise the commercial off-take arrangements relating to the sale of the electricity and LGCs the wind farm generate.

RATCH was not successful in the ACT's wind farm Feed in Tariff (FIT) auction:

RATCH prepared a submission that was lodged as part of the ACT Government's wind farm FIT auction. This submission was not successful. No projects from the NSW southern tablelands region were successful.

The winning projects were:

- the Hornsdale Wind Farm (South Australia),
- Ararat Wind Farm (Victoria) and
- Coonooer Bridge Wind Farm (Victoria).

More information about these projects and about the ACT Government's FIT auction can be found on the ACT Government's website at: www.environment.act.gov.au/energy/wind_power

Ongoing development activities

RATCH's ongoing commitment to the Collector project is evidenced by our continuing work on a number of important preliminary activities that must be completed before construction can commence. These include:

- **Refinement of site design:**
Additional site survey work, geotechnical studies and civil and electrical engineering analysis means that we are able to further refine the site design, potentially realigning site roads and electrical cabling to reduce use of the existing Lerida Road South and enable us to deliver the project with greater safety and efficiency.
- **Undertaking a background noise monitoring program:**
We will undertake a monitoring program to allow us to assess the level of existing background noise (also known as environmental noise) at key locations close to the site and at one location near the Collector village. At times of high wind there is a significant level of background noise; for example caused by leaves rustling or wind rushing through trees and grass etc. Assessing the typical level of background noise before the wind farm has been built will allow us to demonstrate the noise that is actually generated by the wind farm, which will enable us to prove our compliance with the noise limits that have been defined in our planning consent. It is likely that this background noise monitoring program will be completed during the middle of the year and we will release more information at that time so you can review the findings of the assessment.
- **Post-approval management plans and consents:**
The NSW Planning Assessment Commission's (PAC's) approval document includes a number of conditions attached to the consent. We are working our way through these to ensure we comply with all of the PAC's conditions. This includes site work further investigating bird and bat activity in the area, and refining details of how the bio-diversity offset package will work (see below).
- **Bio-diversity offset:**
Our liaison with various NSW State government agencies continues as we seek to finalise our "bio-diversity offset package". This package will establish a significant area of land with high quality native vegetation in one corner of the site as a permanent reserve to protect the biodiversity values of the site as a whole.
- **Access to Lerida Road South:**
We are preparing an application to be submitted to Upper Lachlan Shire Council in relation to the use of the public road (Lerida Road South) that crosses the site.
- **Community Enhancement Fund:**
RATCH is working with the Collector Wind Farm Forum and Upper Lachlan Shire Council to agree a structure for managing the Community Enhancement Fund of \$200,000 p.a. that will begin to operate once the wind turbines start generating power.

Five Years of Pumpkin Festival Sponsorship

RATCH is proud to be the sponsor, for the fifth consecutive year, of the Collector Village Pumpkin Festival to be held in May. The Festival is one of the district's major annual community events and we are pleased to offer our ongoing support. Information on the festival can be found at: www.facebook.com/CollectorVillagePumpkinFestival



BUSHRANGER THEME. This year the Pumpkin Festival will have a bushranger theme. "ANT 1" - THE MUSICIAN will be back this year to perform TWO FREE concerts for the kids.



Join the Collector Wind Farm Forum

The Collector Wind Farm Forum is the name for the Community Consultative Committee. The Forum is looking for new members, so if you are interested in applying to be a member please contact the Forum's chair Deborah Cameron by email at: D.Cameron@kjassoc.com.au

The Forum operates in accordance with the draft NSW Planning Guidelines: Wind Farms. These draft guidelines set out the committee selection principles. "In selecting the community representatives, preference will be given to candidates who can represent the concerns of a variety of interest groups. Selection criteria are:

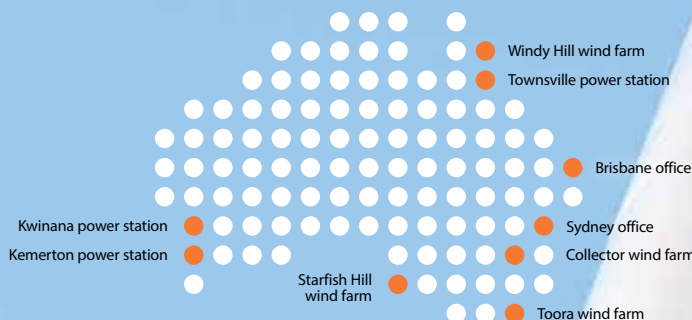
- willingness to contribute constructively
- experience and ability to provide feedback to the community and stakeholder groups
- current residence in the local area and/or awareness of local and other relevant issues."

A new website for the Collector Wind Farm Forum

We have now established a stand-alone website to host all the material relating to the activities of our consultative committee, the Collector Wind Farm Forum. www.collectorwindfarmforum.com.au

About RATCH-Australia

RATCH-Australia is an independent power producer in Australia and owns a portfolio of power generation assets, with an installed capacity of 635 MW. This portfolio includes gas fired power stations and wind farms around Australia. RATCH-Australia's operating wind farms are Toora Wind Farm (Victoria), Windy Hill Wind Farm (Queensland) and Starfish Wind Farm (South Australia). RATCH-Australia has its head office in Sydney with a regional office located in Brisbane.



For more information

www.ratchaustralia.com/collector
www.collectorwindfarmforum.com.au

RATCH's project managers for this development are:

Anthony Yeates, phone 02 8913 9407
Neil Weston, phone 02 8913 9431

Or contact us by email at: collector@ratchaustralia.com.au