

# Economic, Community and Environmental Benefits

## Lal Lal Wind Farm

### ECONOMIC BENEFITS

As the country continues to support greater reliance on wind energy for electricity generation, the wind industry could restore some jobs lost and create many new jobs across the value chain. The wind power value chain incorporates five main stages: materials; components; manufacture; logistics, development and operations (which includes project development, geotechnical services, transportation, construction, and operations and maintenance). Further development of the domestic wind power market will create extensive Victoria-based job opportunities in materials production, component manufacturing, wind farm construction, transportation and research and development.

In 2012, the Clean Energy Council (CEC) commissioned SKM to undertake an extensive independent study that presents an updated regional and state-based snapshot on wind farm investment and its direct and indirect influence on job creation. SKM looked at existing wind farm financial data and interviewed four companies with experience in numerous wind farm projects.

The report presented a breakdown of investment during the construction and operations phases of a major wind farm, collated from actual data provided by developers, contractors, advisers and consultants. Based on this study, the estimated direct, flow-on and total employment from regional spending and the state as a whole from construction of the Lal Lal 200 MW installed capacity wind farm is shown in the following table:

<b>Construction Employment Lal Lal Wind Farm 200 MW Installed Capacity</b>			
	<b>Local / Regional</b>	<b>State</b>	<b>Total</b>
Direct Employment	<b>192</b>	<b>588</b>	<b>780</b>
Production Induced Impact	<b>206</b>	<b>651</b>	<b>857</b>
Consumption Induced Impact	<b>243</b>	<b>776</b>	<b>1019</b>
<b>Total Employment Including Indirect Jobs</b>	<b>641</b>	<b>2015</b>	<b>2656</b>

In addition to the construction jobs, it is also important to consider the annual operational employment opportunities of the Lal Lal Wind Farm (LLWF) over its 25-year life span outlined in the following table:

<b>Annual Operations Employment Lal Lal Wind Farm 200 MW Installed Capacity</b>			
	<b>Local / Regional</b>	<b>State</b>	<b>Total</b>
Direct Employment	<b>18</b>	<b>29</b>	<b>47</b>
Production Induced Impact	<b>13</b>	<b>21</b>	<b>34</b>
Consumption Induced Impact	<b>18</b>	<b>27</b>	<b>45</b>
<b>Total Employment Including Indirect Jobs</b>	<b>49</b>	<b>77</b>	<b>126</b>

The development of the Lal Lal Wind Farm's renewable energy resources will create new direct and indirect employment opportunities in the precinct, including permanent operations and maintenance jobs, and supporting jobs during the construction and installation phase. Jobs related to wind power are a potential source of new employment opportunities. Renewable energy is a key piece of the "green economy," and wind power, which supplies thousands of jobs across the world, is one of the fastest growing sectors in renewable energy.

In addition to job creation, Moorabool Council will also receive rates in the order of \$300,000 each year, and host landholders for turbines and easements will receive in excess of \$650,000 annually in lease payments for hosting turbines for the life of the windfarm. This greatly benefits the economy in rural areas, as farmers can continue to work the land and drought proof their business with this additional income.

Neighbours that live in close proximity to the windfarm and that are directly impacted have been contacted, and also been given the option to receive an annual financial benefit by entering into voluntary participation agreements with the wind farm. The direct financial benefits in the community are also likely to give rise to a range of indirect benefits such as increased trade for local businesses.

### **COMMUNITY REFERENCE GROUP**

WWE established a Community Reference Group (CRG) in 2013 and has facilitated the group to enhance communication between WWE and the community. It has helped WWE improve its understanding of the community and will ensure the local community benefits as a result of the wind farm project.

The role of the Community Reference Group (CRG) is to:

- ensure information regarding the LLWF is made available to stakeholders;
- enhance communication between WWE and the Community;
- enhance WWE's understanding of community issues;
- encourage community partnerships; and
- ensure the local community benefits as a result of WWE projects.

Importantly the CRG has been appointed to assess all applications and determine how best to allocate funds and in-kind contributions to maximise benefits for communities within and around the wind farm.

### **COMMUNITY FUND PROGRAM**

Once the wind farm is operational, the LLWF community fund program will provide annual financial support of up to \$60,000 (\$1,000 annually per turbine) for a range of community based initiatives, projects and events that benefit local communities within 10km of the wind farm. The program targets a range of community needs including: health and social welfare, safety, environment, education and youth, sport and recreation, culture, arts and economic development.

The following guidelines are designed to assist groups and organisations who wish to apply for funding for an initiative, project or event around the LLWF.

### **Objectives of the Community Fund**

The LLWF community fund will be established when the construction of wind turbines commences to fund local projects and organisations that benefit the wider community throughout the construction and operations phase of the wind farm.

LLWF has a genuine interest in building the capacity of the communities in which it operates. The key objective of the funding is to provide financial support to not-for-profit community groups and organisations that are working to make a positive and lasting contribution to the communities within and around the wind farm.

### **What will LLWF fund?**

LLWF will consider funding locally run initiatives for incorporated or not-for-profit community groups, projects/programs or facilities that are located within, or provide a direct benefit to, the community within a 10km radius of the LLWF and that:

- provide tangible benefits for local communities
- are valued and visible in the community
- provide long-term sustainable benefits without creating ongoing dependency on LLWF
- strengthen LLWF's presence in the community
- are run by groups/organisations with suitable governance structures in place
- provide full financial and legal disclosure on the activity and be subject to independent audit, and
- do not have a detrimental or negative impact on other community facilities and services

The community fund is committed to supporting projects that benefit the community surrounding the LLWF. Preference for sponsorship will be given to programs that support the following priority focus areas:

#### ➤ Education & Training

- Advancement of education, research and analysis and the grant of scholarships
- Early childhood and youth education enhancement programs
- Tertiary education/ TAFE scholarships
- Apprenticeships and Traineeships
- Programs that promote cross sector skill development
- Work placement programs in partnership with local high schools, prizes for students
- Programs encouraging flexible learning, further education and improved employability

#### ➤ Community Development

- Promotion of industry, commerce, agriculture, culture and arts
- Community awareness of environment and sustainability
- Projects that attract government funding
- Projects that encourage local economic development and skill development

#### ➤ Health / Wellbeing

- Promotion and enhancement of community participation and social cohesion
- Promotion, enhancement and development of health, health care, child care, aged care, mental health and
- assistance to disadvantaged persons

- Programs/ initiatives that encourage medical and health professionals to practice in the region
  - Emergency services support
  - Sport and social clubs
- Environment
- Conservation, protection, restoration, preservation,
  - expansion and enhancement of the natural environment
  - Programs that support prevention of local environment degradation
  - Initiatives that enhance the natural environment of the community

### **What will not be funded by LLWF?**

LLWF will not support any programs that may breach its code of conduct policy or other regulatory, licensing or statutory commitments.

These include but are not limited to:

- political organisations or campaigns;
- religious activities;
- a direct or indirect competitor to LLWF or their Investors;
- funding for commercial enterprises;
- core funding that is the responsibility of Federal, State or Local Government;
- Endeavours for personal or commercial gain;
- Applications seeking retrospective funding i.e. for costs already incurred before approval of funding is given;
- Ongoing operational costs; or
- Applications to cover the costs of alcohol, drugs, gambling or other illegal or unethical activities.

### **How much money can groups apply for?**

LLWF has a limited budget available for the Community Fund Program. Applications can specify the amount required and LLWF will assess the cost of the initiative in relation to the outcomes achieved for the community, as part of the funding decision process. Applicants may receive less funding than specified in their application.

Successful applicants must assume all responsibility for the project, initiative or event they are running. This includes having an adequate safety system in place, public liability insurance and any other risk management strategies applicable to the organisation or activity.

### **When will applications be assessed?**

Applications will be administered on an annual basis. The application process will adhere to the following yearly timelines:

- December - February- requests for applications;
- February - March - the Community Reference Group to review and prioritise the applications;
- March - April – Prioritised applications forwarded to LLWF for ratification and endorsement;
- May – Community Reference Group approval of applications and notification of applicants; and,
- July - August - funds released.

All eligible applications, from incorporated or not-for-profit Entities meeting the selection criteria will be reviewed and considered by the CRG. The CRG will meet to discuss and determine, through consensus, the successful application(s). Given that the final funding decisions are to be endorsed by both the CRG and the LLWF, if there is a discrepancy between the CRG's and the wind farm's desires for the direction of funding, then the application will be referred back to the CRG for further discussion and resolution.

Application processing and funding allocation will also consider the funding cycle for other programs and the potential need for more than one funding opportunity each year.

### **What criteria will be used to evaluate applications?**

All applications will be assessed; however, due to the limited funds available all requests that meet the established criteria may not be approved. General selection criteria may include:

- project benefits
- direct and indirect community benefit
- quality of life/community wellness enhancement
- program/ project operational efficiencies
- demographics served
- target community need
- public safety/improved access
- provide a direct service to the community
- council/community support
- availability of funding
- prior funding to applicant
- demonstration of need for financial assistance
- project/ program viability
- background of applicant (i.e. organisation size/ representation, prior experience).
- the extent to which project or program duplicates other available facilities or programs in the area.

### **ENVIRONMENTAL BENEFITS**

Harnessing power from the wind is a clean and safe way to generate electricity as it does not produce toxic pollution or global warming emissions. Wind is also abundant, inexhaustible, and affordable, which makes it a viable and large-scale alternative to fossil fuels.

The LLWF will generate >600,000 megawatt hours of electricity each year. This is enough clean electricity to power 110,000 homes with greenhouse savings of 780,000 tonnes of carbon dioxide each year.

While a wind farm may cover a large area of land, many land uses such as agriculture are entirely compatible, as only small areas of turbine foundations and infrastructure are made unavailable for use. The ground disturbance and vegetation clearing required for wind farms is minimal. If wind farms are decommissioned, the landscape can be returned to its prior condition.

WWE undertook many environmental assessments for the wind farm to ensure that the potential impacts on the local environment is avoided or minimised. Turbine locations and operations were modified, as part of the approval process, to avoid or minimise impacts on threatened species or communities and their habitats.

