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Draft Large Scale Solar Energy Guideline

NSW Minerals Council Submission – February 2018

Thank you for the opportunity to provide a submission on the Draft Large-Scale Solar Energy Guideline (Guideline). The NSW Minerals Council (NSWMC) is the peak industry association representing state's minerals industry, including mineral explorers, mine operators and associated service providers.

As the Guideline states, the NSW Government is receiving a greater number of applications for large-scale solar energy projects. Projects covering thousands of hectares of land are currently in the development assessment process. As this land use expands, there is the potential for increasing land use competition between large-scale solar energy projects and other land uses, including mineral exploration.

NSWMC is concerned that there is the potential for renewable energy projects such as large-scale solar projects to sterilise large areas of land that is highly prospective for mineral exploration and potential future mining. Economically recoverable mineral resources are relatively scarce and it is important that their discovery and development is not unnecessarily impeded.

The vast majority of mineral resources in NSW are owned by the state. Mining operations pay royalties to the NSW Government for extracting the minerals resources (totalling $1.6 billion in 2016-17) and mining operations can employ hundreds of workers directly and deliver significant flow-on economic benefits to a region. Many NSW exploration and mining projects could provide valuable inputs for renewable energy infrastructure including base metals, copper, gold, scandium, lithium, cobalt, rare earths and metallurgical coal.

The permanency of renewable energy infrastructure effectively sterilises the ground from mineral exploration and development for the long term, with the potential for large opportunity costs that may outweigh the benefits of a renewable energy project. Explorers may have also invested a considerable amount conducting exploration activities and renewable energy projects could reduce or eliminate the value of this investment. This issue requires adequate consideration during the assessment of renewable energy development applications.

To date, the consideration of mineral resource potential has not always been sufficient. NSWMC is aware of several examples where planning for renewable energy projects located within the boundaries of existing exploration licences has advanced substantially without the exploration licence holder's knowledge.

NSWMC acknowledges that the Guideline identifies the need to consult with titleholders under the section *"Areas of constraint"*:

"While the following types of land or sites are not precluded from large-scale solar energy development, they do indicate areas of constraint that should be identified as part of the constraints mapping:

...

- *prospective resources developments, including areas covered by mining leases, petroleum production and exploration licences. These titles do not prevent development on the land to which they apply, but consultation with the title holder(s) is important and the terms of access arrangements may be relevant".*

While specific reference to exploration and mining titleholders is positive, we do not believe this alone is adequate to address the issues that have been faced by explorers and miners. Based on our members' experience, there is concern that the approval of some renewable energy projects is being 'fast-tracked' and in practice genuine attempts to consult have not always been made, despite claims by renewable energy proponents that they have.

The following examples of wind energy projects impacting on exploration and mining activities are offered to demonstrate the issues our members have faced. While the examples given are not of large-scale solar projects, there is the potential for similar issues to arise with large-scale solar development as this industry expands.

Project Example 1 - Bango Wind Farm

The Bango Wind Farm project is located near Boorowa and Rye Park, north of Yass in NSW. A development application for the project was lodged with the Department of Planning in March 2011. The project has a substantial impact on the ground and consists of up to 122 wind turbines, each 200 metres tall.

The Secretary's Environmental Assessment Requirements (SEARs) were issued for the project on 31 March 2011, and included the requirement to *"include an analysis of the suitability of the project with respect to potential land use conflicts with existing and future surrounding land uses, including ...mineral resources".*

An EIS was produced for the project proponent. The EIS acknowledged that the project *"overlaps with one current mineral exploration licence and one current mineral exploration licence application"*. The EIS claimed that Ochre Resources Pty Ltd (Ochre), a subsidiary of Heron Resources, had been contacted about the project and that *"no response (was) received"*. The lack of response was interpreted as Ochre having no issues, but Ochre did not receive any communications.

Ochre did not become aware of the project until much later in the approval process. The company subsequently wrote to DPE stating that *"there are a number of proposed wind turbines that will significantly impact on the proposed exploration"*. The proponent's response to submissions acknowledged that *"the letter (advising of the project) was never received (and) a follow up was not made by the Proponent. As a result, Heron/Ochre Resources did not make a submission in response to the Environmental Impact Statement (EIS) during the exhibition period"*.

While there is now communication between the explorer and proponent, proper engagement much earlier in the process would have benefited both parties.

Project Example 2 - Jupiter Wind Farm

The Jupiter Wind Farm project area is located approximately 5 km South East of Targo in NSW. The project involves the construction of up to 100 wind turbines and supporting infrastructure. The development application was lodged in October 2016. The project lies on highly prospective exploration ground, with licences currently held by Heron Resources.

An environmental assessment has been lodged for the project. 536 submissions opposing the project have been made. The environmental assessment considers the mineral prospectivity of the ground, not under the Mining SEPP (as it should), but as part of the Goulburn Mulwaree Local Environmental Plan (LEP), which states that there are restrictions on development 'adjoining mineral resource areas' and the Tallaganda LEP that states that there are objectives of the land use that protect 'valuable deposits of minerals'. The EIS however does not attempt to address these considerations any further in the EIS document.

On 13 February 2017, Heron Resources wrote a letter expressing their concerns with respect to the project to the Department of Planning and Infrastructure. The response includes the following:

> *"(The project area) has the potential to deliver a high-grade base-metal silver deposit which could be transported to the Woodlawn mine for processing. This would have significant local economic benefits and flow-on effects.*
>
> *A number of the proposed wind turbines of the Jupiter Wind farm have the potential to significantly impact on the exploration activities of Heron at the Boro Prospect.*
>
> *Exploration activities at Boro are at an early stage and providing each stage of exploration is successful it could take a number of years before any mine would actually be developed.*
>
> *The staged approach to exploration also means that Heron can conduct the early stages over the next 12 -24 months to know whether an economic deposit is likely. It would therefore assist Heron if there was no construction of the wind turbines in the Boro area of interest in the next 24 months so this scientific assessment can be effectively undertaken.*
>
> *Go ahead of the Jupiter Wind Farm in its current proposed location will likely remove any potential social and economic benefit to the state and community that the resources within this exploration licence could provide".*

This example demonstrates the impact that large scale renewable energy projects can have on the discovery and future development of the state's mineral resources.

Conclusion and recommendations

It is critical that the mineral prospectivity and potential sterilisation of the state's mineral resources is fully addressed as part of renewable energy project assessments. NSWMC

believes this requires early and ongoing consultation with titleholders as well as with the Division of Resources and Geoscience.

NSWMC recommends:

- That a formal protocol is established for obtaining input from the Division of Resources and Geoscience on renewable energy development applications, to ensure that impacts to resources are adequately assessed as part of the project approval process.
- That the Guidelines are strengthened to require proof that large-scale solar energy project proponents have genuinely consulted with exploration and/or mining title holders on projects which may impact their exploration or mining activities. This requirement should also be extended to wind farm development.
- That DPE considers declaring 'critical mineral resource areas' to help inform renewable energy project proponents that an area is highly prospective for exploration and that this may be a constraint to renewable project development.

Should your office require further information or assistance, please contact Belinda Bird on via email at bbird@nswmining.com.au.

NSW Minerals Council

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