

Secretary McNally

Department's apparent inability to find my past submissions on the effect of intermittent generators on electricity security and prices

My objections

I recently objected to a number of solar farm projects (Limondale, Coleambally, Beryl, Gilgandra, Metz) on the grounds of potential adverse impact on NSW electricity security and prices.

The Department has since approved three (Limondale, Gilgandra, Metz) of those solar farms. In the Department's assessment in each case it noted objections on the grounds of adverse impact on energy security and prices. The assessment in each case then claims:

“These concerns were expressed at a high level, and were not supported by any detailed evidence showing how intermittent energy in general could affect energy security and/or electricity prices, or how this project in particular would do that.”

In fact, my objections included the statement:

“I have previously brought to the attention of the Department and the PAC the way in which intermittent electricity generators subsidised under the LRET make on-demand baseload thermal plants uneconomic and drive them out of the electricity system creating electricity insecurity (since by definition intermittent power generators such as this proposal do not produce power 24/7) and forcing up electricity prices damaging the whole NSW economy, destroying jobs, destroying assets and harming millions of NSW citizens, particularly the least affluent.

You have the information in my previous submissions on a number of wind farm proposals, though diligence in the planning task would require that the Department sourced the information independently.”

It appears that retrieving my relevant submission to the Department:

- *On the Critical Strategic Matter of Grid Security*, Jupiter wind farm submission, Feb 4th 2017

and submissions to the PAC:

- Biala PAC submission, 1/2/17, pp. 1 – 4, which I presented on behalf of RAJwt
- Capital 2 PAC submission, 26/4/17, pp 6 – 10, which I presented on behalf of RAJwt

was beyond the ability of the Department. Given the responsibility of the consent authority, under the *Environmental Planning and Assessment Act 1979* and general administrative law to make an informed decision and to consider all submissions, if they were unable to locate my previous submissions on the matter they reasonably should have asked me for them.

I wrote an open letter to Dr Alan Finkel on June 23rd this year. In that letter I provided an even more detailed explanation of the processes through which intermittent electricity generators cause electricity insecurity and increased electricity prices (pp. 2 – 5). I uploaded that letter to the NSW Minister for Energy and Utilities within a few days of sending it to Dr Finkel.

I believe your Department also serves that Minister and so the letter would have been in the hands of staff within your Department well before consent was granted on the Gilgandra, Metz and Limondale solar farms.

Incidentally, I distributed that letter to all Ministers in the Federal Government, to other members of the Federal Parliament and it has been widely distributed here and overseas. Despite that Dr Finkel has not offered any refutation of the data, explanations and other statements made in that letter.

Objects of your Act

In a recent letter to me, Deputy Secretary Ray pointed out that:

“The Courts have held that the purpose of planning law in NSW is to regulate land use planning outcomes in accordance with the objectives of the planning legislation.”

It appears that your staff have not bothered to read the Objects of the Act, since one of the enumerated objects, stated as s5(a)(iii), is:

“the protection, provision and co-ordination of communication and utility services”

In addition, the responsibilities of the Minister, under the Act, include:

“s7(c) to promote the co-ordination of the provision of public utility and community services and facilities within the State”

Our electricity system is the single most important public utility in the state, upon which every citizen is dependent in many ways, in their domestic lives and in their work. Every other utility depends on our electricity system, be it water, communications, rail transport, traffic control, management and reticulation of other fuels such as gas and petrol.

It is the one utility upon which everything in our economy depends and, under s5(a)(iii), the Act and its application are meant to encourage the “protection, provision and co-ordination” of that utility. Yet your staff refused to give any attention to the potential effects of their decisions on the security of that utility and instead complained that I had not spoon-fed them enough of the details of precisely how harm is being caused. As a private citizen, I bear no responsibility or obligations in this matter. Under the law, the Planning Minister and those acting on his authority do.

Further, s5(a)(i) states the Act and its application is to encourage the proper management, development and conservation of resources for the purpose of *promoting the social and economic welfare of the community*.

Any decision that may significantly increase or decrease the price of the most pervasive product in our society must affect the *economic welfare of the community*. Whether certain

community economic costs ought to be borne as a tradeoff for other community benefits is an appropriate part of planning decisions. It is, however, impossible to make valid decisions if you refuse to determine what will be the community economic costs of a decision – as your Department persists in doing.

Finkel Review

In a section titled **Strategic Context** in the three approvals here mentioned, your Department cites the Finkel Review. Your staff apparently failed to notice that what they call a “strategic approach” authored by Dr Finkel is actually “*a plan to plan*”, outlining some principles which should guide that planning when it is done by relevant agencies (which would include yours). It is not a detailed plan identifying how intermittent electricity generators can actually be added without further harm to the NSW electricity supply or prices.

Importantly your staff deciding on those three solar farms failed to notice, or chose to ignore, the following statement in the Finkel Review:

“Australia needs to **increase system security** and **ensure future reliability** in the NEM. Security and reliability have been compromised by poorly integrated variable renewable electricity generators, including wind and solar.” (para 4 of Executive Summary)

Note those words “*Security and reliability have been compromised by poorly integrated variable renewable electricity generators, including wind and solar.*” Dr Finkel presented them as a statement of fact, not a hypothesis.

Who has been authorising the construction of those “*variable renewable electricity generators*” in NSW, in a way that is “*poorly integrated*” and thus compromising “*security and reliability*”? That would be the PAC and DPE who have been deliberately flying blind on energy security – and apparently have every intention of continuing to do so.

This statement in the Finkel Review is not hidden away in fine print somewhere. It is on the very first page of the Executive Summary, at para 4.

If it is not clear to you what that means, then you have an obligation to contact Dr Finkel and seek clarification. You could even contact the NSW Chief Scientist, who was part of Dr Finkel’s panel for the review.

Your staff might also consider contacting the Australian Energy Regulator, which on p. 8 of its *State of the Energy Market, May 2017*, said:

“An influx of wind and solar generation (figure 1) affected the viability of existing thermal generation, with several coal generators being retired”

and provided more detail in the body of that report.

Source of authority and obligations

There is a good deal more I could say on your Department’s role in destroying NSW electricity security and raising electricity prices but I want to get this request to you expeditiously. However, I think you ought to point out to your staff the source of the powers under which you act and your obligations, because statements in assessments they have been writing suggest they are confused.

Your Department's authority and obligations do not come from Dr Finkel, or the UN, or even the Australian Federal Government. They come from the *Environmental Planning and Assessment Act 1979*, and that in turn is based on the authority of NSW as a sovereign State, except to the extent it is explicitly superseded by enumerated powers conferred on the Federal Government through the Australian Constitution.

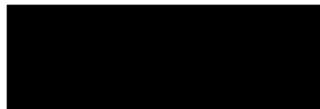
Unlike the matter of communications, the Australian Constitution grants the Federal Government no direct authority over electricity or planning for its provision in NSW. NSW may choose to cooperate in various ways with the Federal Government and other States, but that does not alter the source of your authority and obligations and your Minister's responsibility under the Act for co-ordination of the provision of public utility services (including electricity) and their protection.

Request

Given that consent has yet to be granted for the Beryl and Coleambally solar farms, can you please confirm that:

- **the attached documents will be provided to the person exercising the Minister's consent authority on those projects (or advise how I should provide the material to that person);**
- **the comments by Dr Finkel in para 4 of the Executive Summary of his Review and those of the Australian Energy Regulator will be brought to that person's attention so they can seek appropriate advice.**

Yours sincerely



Dr Michael Crawford



cc: NSW Chief Scientist & Engineer

Attachments

- *On the Critical Strategic Matter of Grid Security*, Jupiter wind farm submission to DPE, 4/2/17
- Biala PAC submission, 1/2/17, pp. 1 – 4, which I presented on behalf of RAJwt
- Capital 2 PAC submission, 26/4/17, pp 6 – 10, which I presented on behalf of RAJwt
- Open letter to Dr Alan Finkel, dated 23/6/17