

A blue banner at the top of the page. On the left, a silhouette of a person stands on a hill. In the center, several wind turbines are silhouetted against a light sky. The text "Grasmere Wind Farm Feasibility Study" is written in a white, serif font across the bottom of the banner.

Grasmere Wind Farm Feasibility Study

STAKEHOLDER UPDATE NUMBER 4

February 2008

Verve Energy started this feasibility study into the installation of seven wind turbines adjacent to the existing Albany wind farm in October 2005. These extra wind turbines will increase the amount of renewable energy supplied to Albany to about 90% of the city's total requirements.

This fourth stakeholder update, which updates the feasibility study and encourages your feedback, is being made available to people, groups and organisations with an interest in the project.

FEASIBILITY STUDY

In our last update about 12 months ago, we discussed the financial challenges for the project due to the very high wind turbine component and equipment costs.

Since then, there have been some important developments. Firstly, the wind turbines Verve Energy was considering for the Grasmere project are no longer available. While the alternative wind turbines are the same physical size as the existing Albany wind farm turbines, they provide 28% more power. Therefore Verve Energy can install six turbines at Grasmere rather than seven as originally planned, for the same energy output.

Secondly, prospects for projects like Grasmere have improved as the result of the intensified local, national and international debate about climate change and carbon taxes, how to reduce greenhouse gas emissions and the need for more renewable energy.

While equipment costs for this Grasmere project are still expected to be high, and our studies have some way to go, the commercial signs are now more positive. Verve Energy will continue this feasibility to take into account these and other developments.

DEVELOPMENT APPROVAL APPLICATION AND PUBLIC DISPLAY

Verve Energy has submitted to the City of Albany a Development Application for the Grasmere project. Environmental assessment documents and detailed project plans are being prepared and will be lodged when they are completed.

Importantly the process of community consultation and feedback can now begin in earnest. For example, a public display is being organised for May 2008 to give Albany residents access to more information including the look of the wind farm, environmental issues and community impacts.

Verve Energy will provide more details about the public display as they become available. We encourage you to attend this display and give feedback into this Development Application process.

ENVIRONMENTAL REFERRAL & APPROVAL PROCESS

In the coming months, Verve Energy will submit a referral to the State Environmental Protection Authority (EPA) for the proposed Grasmere project, outlining how environmental issues on the site will be managed.

As part of the environmental approval process, the EPA sets the 'level of assessment'; it will be advertised and public responses invited.

In addition, we will post the referral on our Internet site (www.verveenergy.com.au) and make copies available in the Albany public library for access by Albany residents.

Regardless of what level is ultimately set by the EPA, Verve Energy will adopt the same high environmental standards we set for the existing Albany wind farm and we will meet or exceed all environmental conditions appropriate for the site.

FEASIBILITY PROCESS FROM HERE

The purpose of this feasibility study is to ascertain whether the proposed Grasmere wind farm is economically, environmentally, technically and socially acceptable. These approval processes are an important part of this study.

Ultimately, the decision whether the project proceeds will be made when all these processes are concluded – probably mid-2008 at the earliest. Verve Energy will keep you and the Albany community informed as the study progresses.

CONTACT

We encourage your feedback on what is a very important project for the Albany region and for Verve Energy, by contacting:

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