

## Explanatory Note

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Ridgey Creek BESS Pty Ltd

and

Parkes Shire Council

### Introduction

The purpose of this explanatory note is to provide a plain English summary to support the notification of the proposed Planning Agreement (**Planning Agreement**) prepared under Subdivision 2 of Division 7.1 of Part 7 of the *Environmental Planning and Assessment Act 1979* (NSW) (**Act**). For the avoidance of doubt, this Explanatory Note does not form part of the Planning Agreement and does not bind any of the Parties.

This explanatory note has been prepared in accordance with section 205 of the *Environmental Planning and Assessment Regulation 2021* (NSW). It will be exhibited with a copy of the Agreement when the Agreement is made available for inspection by the public in accordance with the Act, as specified by section 205 of the Regulation.

### Parties to the Planning Agreement

The Parties to the Planning Agreement are Parkes Shire Council (**PSC**) and Ridgey Creek BESS Pty Ltd (the Company).

The Company has made an offer to enter into the Planning Agreement in connection with a State Significant Development (namely SSD-48756517) for the development of the Ridgey Creek BESS (**Development**).

The Company has negotiated a Planning Agreement with PSC, in whose LGA the Development is to be located.

### Description of the Subject Land

There is no land to which this planning agreement applies.

### Description of the Development Application (Proposed Development)

The Company is seeking approval to build, own and operate Ridgey Creek Battery Energy Storage System (BESS) on a site 10 km west of Parkes, NSW adjacent to the Henry Parkes Way. The facility is proposed to have a capacity of 130 MW / 260 MWh.

### Summary of Objectives, Nature and Effect of the Planning Agreement

The objective of the Planning Agreement is to facilitate the delivery of the Development Contributions to PSC for the provision of public benefits.

The Planning Agreement provides that the Company wishes to make, and PSC wishes to receive, Development Contributions primarily for the benefit of residents and ratepayers. The Key Terms of the Agreement are as follows:

- a) The Company will pay Development Contributions to PSC to the total value of \$680,000 (2024 dollars, indexed to CPI) over the life of the Project;

- b) The Initial Payment shall be \$250,000 + CPI effective from 1 January 2024, is payable within 30 days of the commencement of Project-related construction activity, including public road upgrading works. The first of subsequent Annual Payments of \$21,500 shall be made within 30 days of the Commencement of Operations, namely at the Commencement of Operations.
- c) The second and subsequent Annual Payments shall be made on the anniversary of the first. The last Annual Payment shall be made upon the commencement of the twentieth year of operations. The total of the Annual Payments is to be \$430,000 plus CPI, effective from 1 January 2024;
- d) The Planning Agreement will incorporate provisions enabling termination of the agreement should operations cease before the 20 years mark. In such circumstances Annual Payments would cease in alignment with the year of termination and paid on a pro rata basis;
- e) A Company representative is to be included in the Council-initiated meetings that decide how contributions are to be allocated;
- f) Except with the prior approval of the Council-initiated meetings, the Development Contributions will be allocated as follows: 95% to community benefit projects and 5% for administration;
- g) The Company, Council and the local community representative in the Council-initiated meetings will frame the evaluation criteria for the selection of suitable projects including factors such as population in the project catchment, scope and versatility of the project to deliver different community benefits, enhancement of social wellbeing, improvement in education and skills in the local population, etc so that it leaves a lasting, substantive legacy; and
- h) The Planning Agreement will include provisions for the public recognition by Council of expenditure of the Development Contributions provided by the Company.

PSC will, inter alia, identify the selection criteria for 'Public Purpose' projects as defined in the EP&A Act and Regulation, extend invitations to the public to seek project funding, assess the merits of bids, determine the successful applications, follow up on progress and the performance of the funded projects and prepare annual reports.

The 'Public Purpose' projects will provide public benefits that address broad, tangible and intangible environmental, social and economic aspects associated with the Project.

### **Assessment of Merits of Planning Agreement**

#### ***Purpose of the Planning Agreement***

In accordance with section 7.4, the Development Contributions, the subject of the Planning Agreement will be applied to a public purpose(s) that will ensure the provision of a public benefits.

PSC and the Company are both of the view that the provisions of the Planning Agreement provide a reasonable means of achieving a positive public purpose(s).

This is because the Development Contributions that are the subject of the Planning Agreement reflect there are broad tangible and intangible environmental, social and economic aspects related to the Development and the said contributions will assist PSC to provide needed material public benefits to its residents and ratepayers, namely through the application of the Development Contributions.

It is also acknowledged the Development will deliver valuable social and economic benefits to the Parkes LGA. These benefits and impacts will be outlined in more detail in the DPPI's Assessment Report.

#### ***How the Planning Agreement Promotes the Elements of PSC's Charter***

The Planning Agreement promotes a number of elements of PSC's Charter under section 8 of the *Local Government Act 1993* (NSW). In particular, the Planning Agreement, through the delivery of a public purpose(s) and material public benefit(s), allows PSC to:

- provide adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively;
- exercise community leadership;
- bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible; and
- keep the local community informed about its activities.

#### ***The Impact of the Planning Agreement on the Public or any Section of the Public***

Under Council's leadership, the Development Contributions will be planned and allocated in a transparent and accountable way, to a public purpose that will ensure the provision of public benefits, in accordance with the EP&A Act and Regulation and the Local Government Act.

#### ***How the Planning Agreement Promotes the Public Interest***

The Planning Agreement promotes the public interest by committing the Company to make monetary contributions towards a public purpose(s).

#### ***How the Planning Agreement Promotes the Objects of the Act***

Relevant Objects of the Act supported and promoted by this Planning Agreement include:

- to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources; and
- to promote the orderly and economic use and development of land.

The Planning Agreement promotes these objects of the Act by requiring the Company to make monetary contributions towards public purposes.

#### ***Requirements in relation to Construction, Occupation and Subdivision Certificates***

Clause 5 of the Planning Agreement sets out the timing for the payment of the Development Contributions.

The Planning Agreement does not require the payment of any monetary contributions and does not specify any requirements that must be complied with prior to the issue of any Subdivision Certificate, Construction Certificate or Occupation Certificate.

#### ***Interpretation of Planning Agreement***

This Explanatory Note is not intended to be used to assist in construing the Planning Agreement.

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