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NSW Department of Planning & Environment
320 Pitt Street
Sydney NSW 2001

17ARM8233

27 April 2018

Dear Elle,

Response to request for additional information

The purpose of this letter is to respond to the request by the NSW Department of Planning & Environment (DPE) made via email on 16 April 2018 in relation to the Biodiversity Assessment and Offset Strategy (ELA, 2018) submitted for the Sapphire Solar Farm (SSF). Eco Logical Australia (ELA) have reviewed the requested changes and provide discussion of those in this letter. As the matter is atypical, ELA suggest the matter is discussed by all parties on a joint telephone call to resolve the issues and agree on proposed actions.

ELA have provided a Biodiversity Assessment and Offset Strategy as part of the Environmental Impact Statement (EIS) for the State Significant Development (SSD) application for the SSF. This assessment was provided to comply with the *Framework for Biodiversity Assessment (FBA; OEH, 2014)* under the *NSW Biodiversity Offsets Policy for Major Projects (OEH, 2014)*, and serve as a complying document for assessment of Matters of National Environmental Significance (MNES) listed under the Commonwealth *Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act)*. An assessment of residual impacts to MNES made using the FBA is considered consistent with Section 7.2(a)(i) of the *Bilateral Agreement made under Section 45 of the Environmental Protection and Biodiversity Conservation Act 1999 (Cth) relating to Environmental Assessment (DoEE, 2015)*.

Background and request for additional information

On 16 April 2018, DPE issued an email to CWP Renewables requesting two changes to the biodiversity assessment of the Sapphire Solar Farm (SSD8643) to meet with the required assessment and approval requirements of the EPBC Act. Whilst CWP Renewables understood the Biodiversity Assessment and Offset Strategy to be satisfactory for the NSW OEH State-level assessment and approvals, these matters have been raised by DPE, the NSW Office of Environment and Heritage (OEH) and the Commonwealth Department of Environment and Energy (DoEE) in considering the EPBC Act. The request for additional information falls into two broad categories:

1. Modification of the site scores for low quality vegetation zones 2 & 6
2. Satisfaction of like-for-like requirements for the biodiversity credits required to offset impacts of the proposal

Discussion is included regarding a third aspect, the proposed offsets approach.

The DPE request has been provided in **Appendix A** of this letter. Discussion and responses on these matters is provided below.

Modification of the site scores for low quality vegetation zones 2 & 6

Vegetation zones 2 & 6 (41.2 ha & 14.5 ha respectively) are agricultural grassland areas which, whilst containing native species, are substantially degraded. These grassland areas are currently grazed and will continue to be grazed, ploughed, and sown subject to typical agricultural practices of the region. Nonetheless the areas meet the definition for White Box Yellow Box Blakely's Red Gum Woodland which is an Endangered Ecological Community (EEC) under the BC Act. Portions of those vegetation zones meet the definition of White Box-Yellow Box-Blakely's Red Gum Grassy Woodland and Derived Native Grassland which is a critically Endangered Ecological Community (CEEC) under the EPBC Act (30.1 ha of vegetation zone 2 and 14.15 ha of vegetation zone 6). The differences in that some of vegetation zones 2 & 6 are listed under the BC Act and others listed under the BC Act & the EPBC Act is due to the occurrence of a limited number of hardy native ground species (which comprise more than 50% of the perennial groundcover) as well as proximity to other areas of native vegetation. It is therefore not necessary to split these zones further into separate vegetation zones. It is not a higher floristic or vegetation structural quality that means some areas meet the EPBC Act definition, which is supported by the fact that data analysis presented in the EIS demonstrates that the whole of both these vegetation zones have site scores of <17 which is the minimum site score required to drive a required biodiversity offset applying the FBA.

DPE has requested manually increasing the site scores to 17 for those EPBC Act listed areas of Box Gum Woodland thus:

- Increase site score for Zone 2 BR240: White Box grassy woodland of the Nandewar Bioregion and Brigalow Belt South Bioregion from 16.67 to 17.0 for 30.1 ha of land.
- Increase site score for Zone 6 BR153: Manna Gum – Rough-barked Apple - Yellow Box grassy woodland/open forest of the New England Tableland Bioregion and NSW North Coast Bioregion from 9.9 to 17.0 for 14.15 ha of land.

Table 1 Updated credit calculations for vegetation zones 2 & 6 (using site scores of 17)

	Change (loss) in site value	Threatened species offset multiplier	Area	Change in landscape value	Area	Ecosystem credit scaling factor	Number of credits
Zone 2: BR240 DNG White Box grassy woodland	17	3	30.1	12.6	30.1	0.25	479
Zone 6: BR153 DNG Manna Gum - Rough-barked Apple - Yellow Box grassy woodland/open forest	17	3	14.15	12.6	14.15	0.25	225

Satisfaction of like-for-like requirements for the biodiversity credits required to offset impacts of the proposal

DPE has identified an inconsistency between the impacted PCT921 and the proposed offset PCT510. This is only an inconsistency in an attribute known as vegetation class. The inconsistent vegetation classes between the impacted vegetation 'PCT921 Manna Gum - Rough-barked Apple - Yellow Box grassy woodland/open forest of

the New England Tableland Bioregion and NSW North Coast Bioregion being a Tableland Clay Grassy Woodland being offset with *'PCT510 Blakely's Red Gum - Yellow Box grassy woodland of the New England Tableland Bioregion'* being a New England Grassy Woodland.

Both of these vegetation communities are within the Grassy Woodland formation, and both are consistent with Box Gum Woodland under the BC Act and EPBC Act. The utility of PCT510 as an offset for PCT921 is considered appropriate as it consists of a 'like for like' offset being the same TEC.

The proponents requests that DPE/OEH and DoEE recognise the 'like for like' exchange of PCT921 with PCT510 when drafting project conditions as per email from DP&E on 25 April 2018.

Proposed Approach to Biodiversity Offsets

The calculations provided in **Table 1** present a credit calculation which is based on artificially inflated site scores values for vegetation zones 2 & 6. The true and correct application of the FBA calculates the offset requirement for these zones as zero i.e. they are not considered to be of a sufficient integrity to warrant an offset for impacts. Therefore the proponent does not believe this is a fair offset calculation with which to encumber the project. **A reasonable negotiated outcome is sought which allows the proponent to commit to the provision of some additional offset credits over and above that required under the FBA.**

The SSF project EIS has presented the proposed offsetting approach to be to secure most of the required credits at a BioBank site (to be registered imminently) approximately 8 km from the SSF: Windemere. Windemere has been used to provide the credits required to offset the impacts of the Sapphire Wind Farm (SWF), however having provided those required by SWF, there will be residual credits available. These residual credits are of a suitable type to offset most of the impacts of SSF (a small amount of credits would require obtaining from a different source due to a nuanced trading rule regarding % cleared value). **Table 2** below presents the status of credits at Windemere considering all credits available and SWF/SSF requirements (the latter using the FBA).

Table 2 shows the total credit requirement for SSF when applying the FBA is 744. 73 of those credits cannot be obtained at Windemere due to the trading rules, however excluding those 73, the 671 credits can be obtained at Windemere, being different PCTs but the same formation and both consistent with BC Act and EPBC Act Box Gum Woodland. **Furthermore, Table 2 demonstrates the calculated EPBC Act listed Box Gum Woodland proportion of the required offset credits, demonstrating 618 credits would be required using the FBA.** All credits at Windemere are of BC Act and EPBC Act listed Box Gum Woodland. The proponent is willing to commit all available 723 credits at Windemere to satisfy the Commonwealth Box Gum Woodland offset.

Table 2 Windemere BioBank Credits and Use by each Project

Windemere PCT (all EPBC Act Box Gum Woodland)	BioBank Area (ha)	Credits Available	Credits Secured for SWF	Credits available for SSF	SSF Credits Required (as per RtS and applying the FBA)	Offset Approach	Remaining Credits at Windemere	Approximate Equivalent EPBC Act Box Gum Woodland Credits Required Applying the FBA*
PCT510 Blakely's Red Gum - Yellow Box grassy open forest or woodland of the New England Tablelands	247.97	2727	2004	723	170	Use BRG-YB at Windemere (723-170-501)	52	126
PCT590 White Box grassy woodland on the Inverell basalts mainly in the Nandewar bioregion	18.44	176	176	0	73	Offsite (Windemere blocked by Trading Rules)	0	20
PCT571 Ribbon Gum - Rough-barked Apple - Yellow Box grassy woodland of the New England Tableland Bioregion and NSW North Coast Bioregion	21.4	221	221	0	501	Use BRG-YB at Windemere (723-170-501)	0	472
Total	287.81	3124	2401	723	744		52	618

* note the 'EPBC Act equivalent credits required' column is calculated as a ratio based on the % area which is EPBC Act listed Box Gum Woodland

Summary

Calculations have been presented of the credits required to offset vegetation zones 2 & 6 based on artificially inflated site scores for vegetation zones 2 & 6 (**Table 1**), despite the FBA calculating the credits required for those sites as zero.

The *Biodiversity Assessment and Offset Strategy* (ELA, 2018) presented an approach to achieve land-based offsets for Box Gum Woodland from a property nearby to the Sapphire Solar Farm called 'Windemere'. The approach to utilise the available credits at Windemere provides for almost all of the credit requirement using the FBA. Notably, all of the credits available at Windemere are EPBC Act listed Box Gum Woodland and the proponent can commit to providing those.

Yours sincerely,



Alex Pursche

Senior Ecologist

Appendix A: Request for Additional Information

Hi Matt and Ed

Following discussions with OEH and the Commonwealth about the offset calculations for the development, it has been identified that the BAR needs to be revised to meet the requirements of the EPBC Act.

Please address the following matters and provide additional information:

- While the BAR is consistent with the FBA, it does not meet the requirements of the EPBC Act as it has not generated any biodiversity credits for vegetation zones 2 and 6.

To address this, CWP will need to:

- Recalculate the required ecosystem credits for 30.1 hectares of PCT1383 in vegetation zone 2 using a site value score of 17; and
 - Recalculate the required ecosystem credits for 14.15 hectares of PCT921 in vegetation zone 6 using a site value score of 17.
- The current offset proposal is to retire credits for PCT921 with PCT510 credits at the Windemere biobank site. However, PCT510 and PCT921 are from different vegetation classes, which is inconsistent with the 'like-for-like' offset requirement specified in Section 13 of the Commonwealth SEARs.

To address this, CWP will need to find an alternative means of retiring the credits generated by the proposed removal of 17.85 ha and 14.15 ha of PCT921 in vegetation zones 5 and 6.

Please let me know if you would like to arrange a teleconference to discuss this. I will be available between 11:30 am and 1:30 pm today (Sydney time).

Kind regards

Elle

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