



# Neighbour Benefit Guide

A guide for neighbours, private landowners, and businesses near the Lake Lyell Pumped Hydro Project, with information on the potential impacts and benefits of the project, what to expect as the project progresses, and how to access various assistance.

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EnergyAustralia acknowledges that the site of the proposed Lake Lyell Pumped Hydro Project is on the traditional Country of the Wiradjuri People. We recognise their continued connection to land, waterways and community, and we pay our respects to Elders past and present.

## 01 OVERVIEW

### About the Lake Lyell Pumped Hydro Project

EnergyAustralia is investigating the feasibility of a pumped hydro energy storage project on land it owns near Lithgow in New South Wales. The project would use water from Lake Lyell, originally built to support surrounding power stations, and existing transmission infrastructure. It would also involve a new purpose-built upper reservoir on nearby Mount Walker to operate a utility-scale energy storage facility. The project has a proposed capacity of 335 megawatts for up to eight hours, with flexible capacity of more than 400 megawatts for a shorter duration, providing energy for at least 150,000 homes<sup>1</sup>.

Projects like this are vital to keep the lights on as coal-fired power stations retire and we transition to renewables.



Proposed capacity

**335MW**



Energy for homes

**150,000<sup>1</sup>**



Storage duration

**8 hours**

<sup>1</sup> Based on POE10 demand of 1.97kW for EnergyAustralia's portfolio of NSW residential customers at 335MW of generation.

## Supporting the project's neighbours

As we progress with plans for the pumped hydro energy storage project, we are committed to working with our neighbours. We define neighbours as landowners and businesses within 10 kilometres of the project that have been assessed as likely to have a major impact from the project. Our aim is to provide benefits and support to these neighbours to mitigate impacts from the project.

Through Community Benefit Sharing payments and additional assistance tailored for neighbours, our objective is to support communities and ensure they thrive amidst the energy transformation.

The Neighbour Benefit Guide provides a process and options to form an agreement with EnergyAustralia. This Neighbour Benefit Agreement process is **voluntary and confidential**.

Thank you to the many private landowners, neighbours and businesses that engaged with us, shared their experiences and helped identify the benefits and supports on offer in this guide.

## Overview

Through this Neighbour Benefit Guide, neighbours can receive a range of benefits and support.

These are in addition to any benefits available through the **Community Benefit Sharing program** and include the following categories (subject to caps and other conditions):

- support for personal wellbeing
- reimbursement of professional advice fees
- compensation for property value loss
- business support payments
- respite or relocation assistance
- physical property adjustments such as landscaping for screening or double glazing
- property maintenance support where relocation or respite is required.

Each neighbour can experience the project differently. This guide helps to tailor options to each neighbour property and circumstance.

## 02 PARTICIPATION & ELIGIBILITY

### Voluntary participation

The Neighbour Benefit Agreement process is voluntary and obligation-free.

This means you can begin the process at any stage of the project. You can participate in agreement discussions in good faith without an obligation to form an agreement.

### Why participate?

**Neighbour Benefit Agreements** are commonplace for significant infrastructure projects. They can provide a sense of certainty and a plan for people to manage changes presented by a project.

The process helps manage uncertainty by providing clear financial and physical support during the project's phases.

Landowners and neighbours who form agreements early will have their property works and arrangements scheduled first ensuring they are ready for peak construction periods.

We put forward the voluntary Neighbour Benefit Agreement process to recognise your importance to this project and to provide you, your property or business with the support and certainty you need to continue to work, live and play in the region.

### Eligibility

This guide and Neighbour Benefit Agreement process is only available for neighbours who are private landowners. Eligible neighbours have a private land holding that has been assessed and evidenced as having a major impact from the project (in accordance with the NSW Government's Social Impact Assessment Guide – see below).

Private landowners include individual persons, private companies, businesses, or trusts. Public landowners are not eligible.

Any benefits received under the Neighbour Benefit Agreement will be provided to the current private landowner of the property. If the land is sold or ownership transferred during the feasibility or construction period of the project, benefits would cease, and the new owner would form a new Neighbour Benefit Agreement.

## 03 ASSESSING, IDENTIFYING AND EVIDENCING IMPACTS

### Assessing impact

Each neighbour experiences the project differently.

We continue to engage with neighbours to understand how the project may impact you and your property.

The one-on-one discussions you have with us help identify how the project impacts you and your property. The insights you share are critical to understanding the whole social impact of the project and developing ways to address the impacts together.

As a State Significant Project, there is also a formal process which identifies the likely impacts that you may experience when a new project brings changes, called a social impact assessment (SIA). We use the *NSW Government Social Impact Assessment Guide* (available at [www.planningportal.nsw.gov.au/Social-Impact-Assessment](http://www.planningportal.nsw.gov.au/Social-Impact-Assessment)) and engage experts that help us assess the nature and scale of social impacts. We assess the likelihood of an impact and the magnitude to determine the scale of the impact/s.

Your input and the formal assessment process identify your eligibility for a Neighbour Benefit Agreement where the impact is assessed as major.

Magnitude	Meaning
<b>Major</b>	Substantial improvement/deterioration to something that people value highly, either lasting for an indefinite time, or affecting many people in a widespread area.
<b>Minor</b>	Mild improvement/deterioration, for a reasonably short time, for a small number of people who are generally adaptable and not vulnerable.

See the *NSW Government Social Impact Assessment Guideline - Technical Supplement*, available at [www.planningportal.nsw.gov.au/Social-Impact-Assessment](http://www.planningportal.nsw.gov.au/Social-Impact-Assessment)

### Identifying impacts

An eligible neighbour will have major impacts in one or more social impact categories. These are impacts that only relate to the land that is privately owned, not impacts on surrounding waterways, landscapes or amenities that are considered part of the community or environmental assessment for the project.

Social Impact Category	Potential private landowner impacts
<b>Way of life</b> How people live, how they get around, how they work, how they play, and how they interact on a daily basis	Business or land use
<b>Community</b> Character and sense of place.	Cohesion and relationships
<b>Accessibility</b> How people access and use infrastructure, services and facilities, whether provided by local, state, or federal governments, or by for-profit or not-for-profit organisations or groups.	Traffic movements or road access
<b>Culture</b> Both Aboriginal and non-Aboriginal culture, including shared beliefs, customs, values and stories and connections to country, land, waterways, places and buildings.	-
<b>Health and wellbeing</b> Physical and mental health, especially for those who are highly vulnerable to social exclusion or substantial change, plus wellbeing of individuals and communities.	Noise Dust Vibration Anguish or anxiety
<b>Surroundings</b> Access to, and use of, services that ecosystems provide, access to and use of the natural and built environment, and its aesthetic value and amenity.	Visual Lake use

### Livelihoods

People's capacity to sustain themselves, whether they experience personal breach or disadvantage, and the distributive equity of impacts and benefits.

Business operations

### Decision-making systems

Whether people experience procedural fairness; can make informed decisions; have power to influence decisions; and can access complaint, remedy and grievance mechanisms.

Engagement or consultation process to form agreement

## Validating impact

We intend to work with you to tailor a Neighbour Benefit Agreement to your needs and circumstances.

This may mean we request access to your property or information to evidence the impacts in more detail to ensure the benefits and supports are fair and reasonable. This may include, but is not limited to:

- land title information including ownership
- pre-existing architectural, landscaping plans or development applications
- pre-existing business plans
- business records for up to three years
- property valuation reports by your appointed valuer
- access to undertake a property valuation by an EnergyAustralia appointed valuer
- access to undertake structural integrity assessment of your property by an EnergyAustralia appointed supplier.

## 04 BENEFIT AND SUPPORT TIMINGS

Benefits and support will be available when the **Neighbour Benefit Agreement** is signed by both parties.

Different benefits and supports are available during different phases of the project.

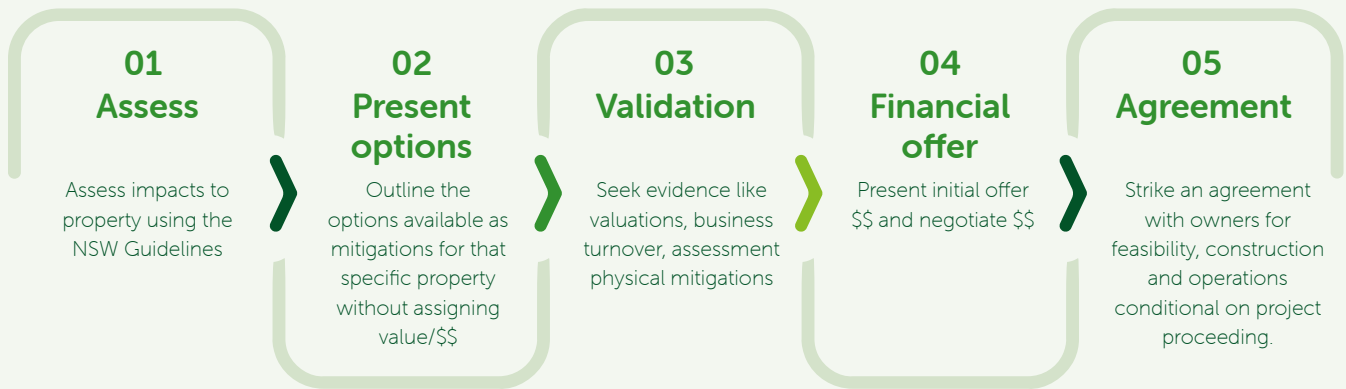
A **Neighbour Benefit Agreement** can be formed at any time up to when the project is commissioned for operations.

Should the project not proceed, the **Neighbour Benefit Agreement** will become redundant, unless specific benefits and support have been agreed to mitigate residual impacts for up to 12 months.

Project Phase	Benefit or support availability
<b>Anytime to Operation</b>	<ul style="list-style-type: none"><li>• Neighbour Benefit Agreement sign on payment (one-off payment)</li></ul>
<b>Feasibility</b>	<ul style="list-style-type: none"><li>• Health and wellbeing support payment (annual cap)</li><li>• Professional advice reimbursement (capped)</li><li>• Business sustainability payment (as agreed)</li></ul>
<b>Decision to proceed with the project</b>	<ul style="list-style-type: none"><li>• Neighbour Benefit Agreement - project proceeding payment (one-off payment)</li><li>• Professional advice reimbursement (as required, annual cap)</li><li>• Property valuation reimbursement</li><li>• Business sustainability payment (as agreed)</li></ul>
<b>Construction</b>	<ul style="list-style-type: none"><li>• Health and wellbeing support payment (annual cap)</li><li>• Professional advice reimbursement (as required, annual cap)</li><li>• Business sustainability payment (as agreed)</li><li>• Relocation assistance (as required, annual cap)</li><li>• Respite assistance (annual cap)</li><li>• Property valuation reimbursement</li><li>• Property alterations (as agreed)</li><li>• Property maintenance (as agreed)</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• Property value compensation payment (if required)</li></ul>

## 05 NEIGHBOUR BENEFIT AGREEMENT PROCESS

A dedicated neighbour engagement team is available to meet with you to begin your Neighbour Benefit Agreement process. As every eligible neighbour experiences the project differently, the process may vary in length. Our team acknowledges there can be a lot to consider, and it may take some time to develop your Neighbour Benefit Agreement. We expect the five-step process to take approximately six months.



### Step 1 Assess

We meet and listen to understand the possible impacts to you, your property and/or business. This may include a formal impact assessment to check your eligibility for a Neighbour Benefit Agreement.

### Step 2 Options

We provide you with your formal impact assessment and the possible benefits and support options that may be relevant to you, your property and/or your business for your consideration and clarification.

### Step 3 Validation

Once you're comfortable with the proposed benefits, we may validate your circumstances through valuations, business turnover analysis, and property inspections. This ensures fair and reasonable payments. This step may take some time and involve third-party advice.

### Step 4 Financial Offer

After considering the evidence gathered, we provide an offer and a draft agreement for further negotiation or discussion.

### Step 5 Agreement

We form an agreement that provides benefits and supports through to the project reaching operations. Within 20 days of the agreement being signed by all parties, a sign-on payment is made to your nominated account.

### Seeking advice and clarification

We encourage you to consider the information available and seek clarification to support your participation in the Neighbour Benefit Agreement process.

You can also seek third party professional advice to support you during the process and to form a Neighbour Benefit Agreement.

At your direction, EnergyAustralia can engage directly with your appointed advisers. EnergyAustralia will also reimburse the costs up to an agreed or capped amount to engage a third-party adviser to support you to participate in this process.

## 06 CONFIDENTIALITY AND CONSENT

We will seek your consent to collect and manage information about you, your property and/or your business as part of the Neighbour Benefit Agreement process.

We understand the importance of confidentiality and the trust you place in us when sharing sensitive information. We are committed to maintaining the privacy and security of all information entrusted to us. This is how we manage and protect information shared with us:

- 01. Confidentiality obligation** - we recognise that the information you provide may be confidential, proprietary, or otherwise sensitive. We agree to treat all information shared with us in strict confidence and will not disclose it to any third party without your explicit consent, unless required by law.
- 02. Limited access** - access to the information you provide will be limited to authorised personnel who require it to perform their duties. We will take reasonable measures to ensure that only individuals with a legitimate need to know have access to the information.
- 03. Protection of information** - we will take appropriate technical, administrative and physical measures to safeguard the confidentiality and integrity of the information you share with us. This includes implementing encryption, access controls and other security measures to prevent unauthorised access, disclosure, or alteration of the information.
- 04. Use of information** - any information shared with us will be used solely for the purposes for which it was provided, unless otherwise agreed upon in writing. We will not use the information for any other purposes without your consent.
- 05. Non-disclosure agreement** - we are willing to enter into a formal non-disclosure agreement (NDA) to provide additional assurance of confidentiality, if required.
- 06. Retention and disposal** - we will retain the information you provide only for as long as necessary to fulfill the purposes for which it was collected, or as required by law. Once information is no longer needed, we will securely dispose of it in accordance with our data retention policies.
- 07. Third-party providers** - in some cases, we may need to engage third-party service providers to assist us in delivering our services. In such instances, we will ensure that these providers adhere to similar confidentiality standards and obligations.
- 08. Compliance with laws** - we will comply with all applicable laws and regulations governing the confidentiality and protection of information, including but not limited to data protection and privacy laws.

## 07 SUPPORTING MATERIALS AND REFERENCES

This guide has been prepared in consultation with eligible landowners, neighbours and businesses and is supported by other frameworks and regulatory practices that include:

- **NSW Government Social Impact Assessment Guide** available at [planningportal.nsw.gov.au/sites/default/files/documents/2023/GD1944%20SIA%20Guideline\\_NEW%20VI\\_14\\_02\\_23.pdf](https://planningportal.nsw.gov.au/sites/default/files/documents/2023/GD1944%20SIA%20Guideline_NEW%20VI_14_02_23.pdf)
- **NSW Energy Policy Framework** available at [planningportal.nsw.gov.au/draftplans/under-consideration/draft-energy-policy-framework](https://planningportal.nsw.gov.au/draftplans/under-consideration/draft-energy-policy-framework)
- **Energy Charter's Our Better Practice Engagement Principles and Landholder & Community Better Practice Engagement Guide** (of which EnergyAustralia is a signatory) available at [theenergycharter.com.au/wp-content/uploads/2021/09/Better-Practice-Landholder-and-Community-Engagement-Guide-Final-September-2021.pdf](https://theenergycharter.com.au/wp-content/uploads/2021/09/Better-Practice-Landholder-and-Community-Engagement-Guide-Final-September-2021.pdf)
- **Renewable Energy Landowner Guide - NSW Farmers Federation** available at [nswfarmers.org.au/NSWFA/Content/IndustryPolicy/Resource/Renewable\\_Energy\\_Landholder\\_Guide.aspx](https://nswfarmers.org.au/NSWFA/Content/IndustryPolicy/Resource/Renewable_Energy_Landholder_Guide.aspx)
- **Considerations for Landowners before entering into commercial agreements - Australian Energy Infrastructure Commissioner (AEIC)** available at [aeic.gov.au/publications/considerations-landholders-entering-commercial-agreements](https://aeic.gov.au/publications/considerations-landholders-entering-commercial-agreements)

## 08 BENEFIT AND SUPPORT OPTIONS

A wide range of benefits and supports are available to eligible neighbours and businesses. The benefits and support have been identified through consultation discussions with neighbours and through a review of benefits and support available for other major infrastructure projects and their suitability for this project. At this stage no benefits or support is expected to be required once the project reaches operations. Benefits will be available for the whole community through the Community Benefit Program.

Option	Description	Validation required	Timing		
			Feasibility	Approval	Construction
<b>Professional advice</b>	Reimbursement for valuation, legal, business or other third-party professional services that support the owners decision-making process to enter an agreement. This reimbursement will be capped.	YES	●	●	●
<b>Sign on payment</b>	A consistent sign on payment amount will be provided to all neighbours to acknowledge time, effort and other impacts associated with negotiating an agreed position. An additional payment will then be made conditional upon the project proceeding.	NO	●	●	
<b>Property value loss</b>	'Before construction commences' and 'after construction is completed', independent valuations will be undertaken to determine compensation amount equivalent to property value loss because of the project.	YES		●	●
<b>Relocation</b>	Where the project has a major impact to enjoyment of the property during construction, temporary relocation for the construction period will be provided. Relocation compensation will include provision for moving out and back to the property; rental for the construction period or the period of major construction impacts.	YES			●
<b>Respite</b>	Where the project has a major impact to enjoyment of the property during parts of the construction period, temporary respite will be provided.  Respite compensation will include the provision of rental/hotel/motel accommodation fees, per diem for food and comfort for a period of up to two weeks. A neighbour may seek respite twice each year during the construction period. Where more respite is required, relocation should be considered.	YES			●
<b>Business viability</b>	Where the project has a major impact on the property and where the property is also integral to business operations that are disrupted by the project impacts, a business viability or sustainability payment will be provided. Payment intends to keep the business sustainable during the construction phase.	YES	●	●	●
<b>Wellbeing support</b>	All eligible neighbours and their families which reside at the impacted property can access up to 10 reimbursement payments per year for psychology support. EnergyAustralia may also develop other wellbeing programs and supports for the construction period.	YES	●	●	●
<b>Property alterations</b>	Where the project has a major impact on the property temporary or permanent alterations may be made to a property as part of the agreement to provide temporary or permanent mitigations.	YES			●
<b>Property maintenance</b>	Where the project has a major impact on the property, the agreement may stipulate maintenance support to manage the upkeep and enjoyment of the property.	YES			●



## Find out more

Our team acknowledges there can be a lot to consider, and it may take some time to develop a Neighbour Benefit Agreement that works for you, your property and/or your business. We are available to discuss this guide and answer your questions.

✉ [community@energyaustralia.com.au](mailto:community@energyaustralia.com.au)

☎ 1800 574 947

📍 EnergyAustralia Project HQ, 124 Main St, Lithgow

🌐 [lakelyellpumpedhydro.com.au](http://lakelyellpumpedhydro.com.au)



Proudly funded by



**Public acknowledgement and disclaimer:** This project is proudly funded by the NSW Government's Pumped Hydro Recoverable Grants Program. The views expressed are not necessarily the views of the NSW Government. The NSW Government does not accept responsibility for any information or advice provided