

Neighbour Agreement Guide

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

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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 385 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 homes¹.

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

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 tailored support to neighbours to mitigate impacts from the project.

This Neighbour Agreement Guide provides a process and options

to form an agreement with EnergyAustralia. This Neighbour Agreement process is **voluntary and confidential**.



Proposed capacity
385MW



Energy for homes
150,000¹



Storage duration
8 hours

¹ Based on POE10 demand of 1.97kW for EnergyAustralia's portfolio of NSW residential customers at 385MW of generation.

Overview agreement

Through this Neighbour Agreement neighbours can receive a range of benefits and support.

These supports are in addition to any benefits available through the **Shared Benefit 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 and Eligibility

Voluntary participation

The Neighbour 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 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.

We put forward the voluntary Neighbour 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 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 or tenants are not eligible.

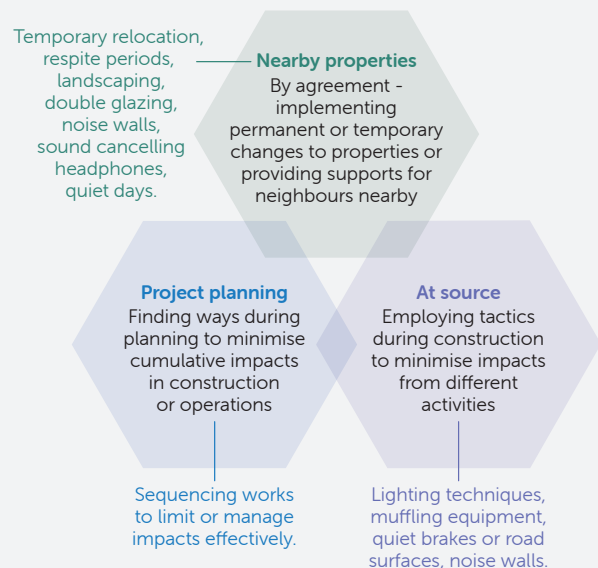
Any benefits received under the Neighbour Agreement will be provided to the current private landowner of the property. If the land is sold or ownership transferred during the assessment or construction period of the project, benefits would cease, and the new owner would form a new Neighbour Agreement.

03 Managing and Mitigating Impacts

Minimising, managing and mitigating impacts is our ongoing commitment.

When we invite neighbours to form a voluntary neighbour agreement, we make sure we are doing everything we can to minimise, manage or mitigate impacts of the project in other ways.

We actively invest in our construction planning to ensure it delivers the best sequence of works while minimising the impacts. To the extent practicable we find best practice methods to minimise impacts at the source. Through the Neighbour Agreement process we also work with neighbours to tailor mitigations to their properties and personal circumstances.



04 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 Critical 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) 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 on your property is assessed as major.

| Magnitude | Meaning |
|-----------|--|
| Major | Substantial improvement/deterioration to something that people value highly, either lasting for an indefinite time, or affecting many people in a widespread area. |
| Minor | 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

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 |
|--|--|
| Way of life 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 |
| Community Character and sense of place. | Cohesion and relationships |
| Accessibility 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 |
| Culture Both Aboriginal and non-Aboriginal culture, including shared beliefs, customs, values and stories and connections to country, land, waterways, places and buildings. | |
| Health and wellbeing 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 |
| Surroundings 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 |
| Livelihoods People's capacity to sustain themselves, whether they experience 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 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.
- baseline testing and monitoring for dust, noise and vibration

05 Mitigation and Support Timings

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

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

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

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

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

06 Neighbour Agreement Process

A dedicated neighbour engagement team is available to meet with you to begin your voluntary two stage Neighbour Agreement process.

As every 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 Agreement.

This process detailed transparently is designed to ensure negotiations are conducted in good faith between

neighbours and EnergyAustralia. The process outlined here, aims to ensure:

- It is simple to understand and administer
- Provides transparent, equitable, fair and consistent process for negotiating agreements on mitigation packages
- Enables streamlined and time-bound negotiations
- Facilitates reasonable and equitable mitigation for neighbours

| Agreement Part | 01 Assess | 02 Present options | 03 Validation | 04 Financial offer | 05 Agreement | Implement |
|--|--|--|---|---|---------------------------------------|---|
| Stage 1 Readiness and Resilience Neighbour Agreement (April 2025) | Acknowledge wellbeing impacts and engagement to date | Provide draft agreement for review | Seek quote from legal adviser to approve reimbursement | Present wellbeing, reimbursement sign on payments | Finalise agreement with neighbour | Make agreed payments |
| Stage 2 Impact Assessment and Neighbour Agreement (EIS Exhibition) | Assess impacts to property using the NSW Guidelines | Provide impact assessment and outline the options available as mitigations for that specific personal circumstance or property without assigning dollar value. | Seek evidence like valuations, business turnover, assessment physical mitigations Seek quote from legal adviser to approve reimbursement | Present initial offer and discuss with neighbour | Finalise an agreement with neighbours | Continue agreed payments Should project be approved undertake agreed activities and/or payments |

Seeking advice and clarification

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

You can seek third party professional advice to support you during the process and to form a Neighbour Agreement. At your direction, EnergyAustralia can engage directly with your appointed advisers.

Before you begin, you can provide a quote from your third-party advisers to EnergyAustralia to ensure an upfront understanding of third-party adviser rates we will seek agreement on costs for reimbursement and a commitment by third-party advisers to responsive and provide timely advice which supports the agreement process.

07 Providing Feedback

A neighbour can provide feedback on the Neighbour Agreement process.

Feedback policy will be provided to neighbours in their Neighbour Agreement pack (Stage 1).

Feedback on the Neighbour Agreement process can be sent to community@energyaustralia.com.au.

Energy Australia is committed to managing feedback on the process with respect, timeliness and transparency in accordance with Australian Standards (AS10002:2022).

08 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 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.

09 Developing this Guide through consultation

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

Ongoing engagement with neighbours continues to identify fair, reasonable and practical mitigations, benefits or supports that could address project impacts through individual Neighbour Agreements.

We began neighbour engagement in July 2023 and neighbours have been generous with their time and open with their experiences.

Many near neighbours identified themselves early to the project team and we have proactively sought to identify people and properties that may benefit from mitigations using land title information and multiple engagement approaches including doorknocks, letterbox drops, social media, advertising and community engagement events.

We have engaged directly with neighbours through property visits, one on one discussions and regular mail-outs as well as supporting neighbours to participate in technical studies such as the independent Social Impact Assessment.

The first wave of discussions from July 2023 to February 2024 helped inform the initial Neighbour Benefit Guide and Neighbour Benefit Agreement process. This initial Neighbour Benefit Guide was then circulated via mail to near neighbours in June 2024 with an invitation for feedback.

In December 2024, neighbours received correspondence summarising what had been heard through one-on-one discussions since 2023 and indicating that the Guide and agreement process would be updated. Feedback received from neighbours during July 2024 to February 2025 informed this update to the renamed Neighbour Agreement Guide.

10 Key questions and answers

Why does the Neighbour Agreement process and Guide exist?

When infrastructure is hosted on a landowner's property there are clear guidelines and regulations for landowner agreements, that include mitigation arrangements or compensation. EnergyAustralia would build infrastructure on land we own which is adjacent to landowners or neighbours. It is appropriate then, that where neighbours are likely to experience impacts from the construction or operation of the infrastructure, we would recognise this impact and seek to mitigate or compensate neighbours who are landowners.

The Neighbour Agreement process and this Neighbour Agreement Guide have been informed by discussions with neighbours and developed with a review of best-practice processes and approaches in use for major infrastructure projects across Australia.

Does the one-off payment vary between individuals?

No. The one-off payment is the same for all eligible neighbours. The payment acknowledges the time and effort required to engage and to develop an agreement. It is not paid in full but rather partial payments are made upon signing the stage 1 agreement, stage 2 agreement and a final payment is made at project approval point as agreements are conditional on the project being constructed.

What specific conditions are attached to the agreement?

There will be some conditions in the agreement and all eligible neighbours will receive a draft copy of the agreement for their review and/or review by their legal adviser.

Does the Non-Disclosure Agreement (NDA) apply mutually between parties?

EnergyAustralia will not request that neighbours sign or adhere to a Non-Disclosure Agreement (NDA). If a neighbour wishes for EnergyAustralia to sign an NDA then it would be mutual.

Does signing an agreement restrict the person from objecting to the project?

No. An agreement gives neighbours a plan and support should the project be approved.

Are all agreements uniform in content and obligations?

Each eligible neighbour starts with the same agreement template and then this agreement is tailored to the specific needs and circumstances of each neighbour and/or the professional advice they receive to develop their agreement.

Can a participant withdraw from the agreement after signing?

Yes.

Can residents review the pro forma agreements before committing?

Yes. All eligible neighbours will receive a draft copy of the agreement for their review and/or review by their legal adviser.

11 Supporting Materials and References

This guide is supported by more detailed policies and guidance for specific mitigations and supports such as property valuations and impact monitoring. 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



NSW Energy Planning Framework



Energy Charter's Our Better Practice Engagement Principles and Landholder & Community Better Practice Engagement Guide



Renewable Energy Landowner Guide – NSW Farmers Federation



Considerations for Landowners before entering into commercial agreements – Australian Energy Infrastructure Commissioner (AEIC)


12 Mitigation 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 mitigations 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 Shared Benefit Program.

| Option | Description | Validation required | Timing | | |
|----------------------|--|---------------------|-------------|----------|--------------|
| | | | Feasibility | Approval | Construction |
| Professional advice | Reimbursement for valuation, legal, business or other third-party professional services that support the owners decision-making process to enter an agreement. This reimbursement must be agreed in advance by EnergyAustralia. | Yes | ● | ● | ● |
| Sign on payment | 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 | ● | ● | |
| Property value loss | '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 | | ● | ● |
| Relocation | Where the project has a major impact to enjoyment of the property during construction, temporary relocation for the construction period may 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 | | | ● |
| Respite | Where the project has a major impact to enjoyment of the property during parts of the construction period, temporary respite may be provided. Respite compensation may 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 | | | ● |
| Business viability | 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 | ● | ● | ● |
| Wellbeing support | 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 | ● | ● | ● |
| Property alterations | 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 | | | ● |
| Property maintenance | 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 | | | ● |
| Impact monitoring | To establish a baseline and assess any changes, equipment is installed to monitor dust, vibration and noise. | No | ● | ● | ● |

Find out more

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

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Updated: March 2025

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

