

4 May 2012
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Dear Sir,

MITSUI & CO LTD'S INVESTMENT IN THE PROPOSED BALD HILLS WIND FARM

1.0 INTRODUCTION

I refer to my letters to you on 10 July 2009 and to your predecessor on 30 July and 30 September 2008 regarding the proposed Bald Hills wind farm and conduct by Mitsui that does not accord with its stated Corporate and Social Responsibility (CSR) and Corporate Governance (CG) policies.

The Environment Effects Statement (EES) Environment Assessment report for the Bald Hills wind farm was completed in August 2004. Mitsui sought and obtained approval to increase the wind turbine height and size without a Supplementary EES or consultation with the affected community. The secretive process, hardly consistent with Mitsui's CSR and CG policies, was only discovered sometime later. Mitsui's lack of response to concerns expressed by the Bald Hills community and wildlife conservationists is disappointing.

A number of years have now passed without construction commencing, however a recent article in a local newspaper states that Mitsui intends to build the wind farm. In the event that you are not aware of the scope of changes that affect the project I will take this opportunity to inform you. These include:

- More information is now available on endangered and migratory wildlife in the Bald Hills district,
- The Liberal National Party coalitions have been elected to govern in Victoria, Western Australia, New South Wales and Queensland. Many Labor Premiers and Ministers that supported wind farms are no longer in parliaments,
- Governments are now introducing new controls on wind turbines to protect nearby residents and the environment and are cutting assistance to the wind industry,
- Federal Labor won government, changed leaders and now only holds office as a minority government by agreement with The Greens and Independents,
- Politicians, public and media worldwide now question the validity of Anthropogenic Global Warming and the point of subsidizing renewable energy schemes and
- A better technical understanding of wind farms shows many original assumptions about power generation and operational cost to be wrong.

In addition there are many more changes on the horizon that include removing the Carbon Tax (CT) and reviewing the Renewable Energy Target (RET) with a view to cutting cost to the Australian public. The following describes changes that would impact on the proposed Bald Hills wind farm.

2.0 CHANGES AND IMPLICATIONS

MORE DATA ON ENDANGERED AND MIGRATORY WILDLIFE

When the Bald Hills wind farm was approved much of the evidence about the presence of birds and bats presented by naturalists was rejected by the proponent Wind Power Pty Ltd and its consultant Brett Lane and Associates Pty Ltd. However, more recent observations by professional ornithologists have confirmed the presence of endangered and migratory species around Bald Hills. The risk to endangered and migratory species, Orange bellied and Swift Parrots, White bellied Sea Eagle and many others, is higher than predicted by the project consultant.

The Bald Hills wind farm, if constructed, will have restrictive conditions placed on it under the EPBC Act to minimize harm to endangered and migratory species. These conditions will include shutting down turbines within 1.0 kilometre if any of three nominated listed endangered species are found to have collided with the turbines.

I, and other naturalists, intend to seek continuous monitoring over the wind farm site by independent experts. That is, professionals other than those commissioned by Wind Power Pty Ltd, Bald Hills wind farm Pty Ltd and/or Mitsui. I expect the new Victorian government to enforce wildlife protection laws unlike the previous Labor government. The wind industry should no longer expect that environmental protection laws will be put aside to allow its unfettered expansion.

THE VICTORIAN LIBERAL NATIONAL PARTY COALITION GOVERNMENT

The Ted Baillieu/Peter Ryan Liberal National Party coalition took office in 2010 and introduced a more rational approach to government policy, particularly in the area of public expenditure. The Victorian Renewable Energy Target (VRET) has been removed and the state will be avoiding the use of public funds to assist the wind industry. Whilst Mitsui may hold a planning permit for the Bald Hills wind farm it should be mindful there are a range of state environmental and other laws that apply to this project.

VICTORIAN LABOR MINISTERS WHO SUPPORTED THE BALD HILLS WIND FARM

Labor Premiers Steve Bracks MP and John Brumby MP supported the Bald Hills wind farm but they are no longer in parliament. Labor Planning Ministers Mary Delahunty MP and Rob Hulls MP approved the Bald Hills wind farm are also no longer in parliament.

Previous Planning Minister Justin Madden MP, who approved the turbine height increase, is now on the opposition benches and the only thing he is heard to talk about is football.

Mitsui will no longer receive the special preferential treatment the previous government gave to Wind Power Pty Ltd and Mitsui when it required approval for the project or increase in turbine height and size.

When things start going wrong, as frequently happens with wind farms, who in government will Mitsui turn to for the preferential treatment required to make its project stack up.

NEW VICTORIAN PLANNING CONTROLS FOR WIND FARMS

The Victorian Government's new planning controls for wind farm development prohibits turbines within 5.0 kilometres of the coast at Bald Hills (a measure to protect the coastal environment) and people living within 2.0 kilometres of proposed turbines need to be consulted (a measure to protect peoples living environment).

If Mitsui proceeds with construction it would be building turbines within the 5.0 kilometres of the coast when such an action is no longer consistent with planning requirements.

If Mitsui proceeds to build turbines within 2.0 kilometers of houses without the approval of the house owners, and there are 21 to consider, it would be doing so with the knowledge that the project would not be consistent with current planning requirements or “world’s best practice”

It has been clearly shown that people living within 2.0 kilometres and more from turbines can be significantly affected by noise from wind turbines. Noise from turbines, particularly low frequency, affects people’s health and is a major concern.

If Mitsui proceeds with the wind farm it would be doing so with the knowledge that those people who are living in close proximity are highly likely to be adversely affected by wind turbine noise. Mitsui can expect people affected by the noise to vigorously defend the quality of their living environment.

Under the Victorian government’s new guidelines the Bald Hills wind farm layout would no longer receive approval.

NEW WA, NSW AND QUEENSLAND LIBERAL/NATIONAL PARTY GOVERNMENT

New Liberal/National party conservative governments in other states are reining in the government departments that fostered wind farms, cutting back on subsidies and introducing more stringent and restrictive planning controls. These policy shifts are consistent with that of the Victorian government and are what the electorate expects.

THE FEDERAL LABOR GOVERNMENT

Kevin Rudd MP was elected Labor Prime Minister, however he was overthrown by Julia Gillard who now relies on agreements with The Greens and three independent MPs to hold office. The charismatic Greens leader Senator Bob Brown, a big draw-card for young voters, recently resigned from the leadership and retired from politics.

Prime Minister Gillard’s minority government has a tenuous grip on power. To make it more precarious one party member is currently under investigation by Federal police and her appointed ‘Speaker of the House’ has charges against him and is also under Federal police investigation.

The Liberal/National party coalition is gaining increasing public support for their commitment to remove and/or reign in the Carbon Tax (CT) and Renewable Energy Target (RET). Polls show they will have a decisive win at the next Federal election, which could be held at any time.

The Renewable Energy Target (RET) on which the wind industry relies so heavily is scheduled for review at the end of this year. The trend worldwide is that governments are winding back and/or cutting subsidies to wind farms.

GLOBAL WARMING (AGW)

In Australia, and around the world, it is the opinion of credible scientists that there is no empirical evidence to suggest that human emissions of greenhouse gases are contributing to a rise in global temperature. It is also clear that the IPCC’s position on global warming was based on deception and political activism. World temperature data now shows that global temperatures have been stable over the last 15 years.

The high temperatures in Australia, across North America, Europe and Asia during the 1990s were used to convince politicians and the public that the globe was warming and that CO₂ was the cause. The public has now changed its attitude and disbelief in global warming is widely discussed on radio and television. Many of the advocates of global warming such as James Lovelock, its most prominent exponent, now revoke previously held positions, criticizing others of exaggeration as well.

In my letter of 30 July 2008 I showed that many scientists did not accept AGW. Since then an increasing number of scientists have begun to speak out publicly condemning the pseudo science supporting global warming. Most recently, 50 of NASA’s top astronauts and scientists wrote a letter to the administration saying NASA’s support of global warming was discrediting the organisation.

AGW hysteria garnished support for the Kyoto Protocol then paved the way for the wind industry which made exaggerated claims about its ability to reduce CO2 and global warming.

The shift of scientific and public opinion against AGW is becoming increasingly rapid, however there will always be a strong following by green cults and industries with a vested interest. Politicians now taking office see no need for a wind industry but give it token support to minimize the economic consequences.

ASSESSMENT OF THE ECONOMIC IMPACT ON THE ECONOMY

The Kyoto Protocol fostered a sense of urgency and politicians were persuaded to act in unison and quickly without question or debate. This meant that a proper cost/benefit analysis of renewable energy was not done and projects were expedited with no regard to economic impact or opposing views. Public servants developed simplistic greenhouse gas saving formulae and politicians warded off questioning or scrutiny by electrical engineers or people affected by decisions. Around the world governments are now facing up to the consequences of this reckless behavior and responding to constituents requests to get rid of wasteful policies.

THE RENEWABLE ENERGY TARGET

The Howard Liberal National party coalition government introduced the Mandated Renewable Energy Target (MRET) and set the target at 5%. The subsequent Labor Government renamed it the Renewable Energy Target (RET) and increased it to 20%. A lot of time has passed since it was originally introduced and coalition MPs now hold a very different view.

The RET is to be reviewed later this year and the wind industry is concerned, and rightly so, that the target and subsidies will be wound back.

As the Gillard Federal government strives to survive one day at a time it is many months between now and when the review will take place and it may yet occur under a government lead by Tony Abbott.

IMPACT OF CARBON TAX AND RENEWABLE ENERGY TARGET

There has been a major debate about the Carbon Pollution Reduction Scheme (CPRS) introduced by Prime Minister Kevin Rudd then taken up by Prime Minister Julia Gillard.

The CPRS comprising the Carbon Tax (CT) and the Renewable Energy Target (RET) is the subject of ongoing debate. The public were lead to believe this policy would have a minor to negligible impact on industry, commerce, taxpayers and consumers, however careful analysis and evaluation of impacts revealed that the burden would be significant.

Public rallies continue to be held around Australia with the principal aim of getting rid of the damaging CT and RET.

A brief look across North America and Europe will reveal that these changes are also unfolding on those continents. In UK, more than 100 members of the conservative government petitioned Prime Minister Cameron to slash support to the wind industry. As a result new planning controls are being introduced, subsidies are being reviewed and approvals of land based wind farm have been stopped.

3.0 WIND FARM CONSIDERATIONS

WIND FARM OPERATIONAL KNOWLEDGE

Most wind farms in Australia are of relatively recent origin, there are few about 10 years old most are about 5 years old and these provide some operational information.

Residents around many wind farms experience noise that affects their health adversely. The Waubra Foundation is accumulating evidence to assist people wishing to take legal action against companies and their work has assisted people to achieve compensation settlements and/or turbine shutdowns.

The twelve turbine wind farm at Toora produces much less power than predicted and experienced breakdown of 5 of the twelve turbines at once further reducing power output.

The six turbine Wonthaggi wind farm suffered a bearing failure on one turbine within the first year and at five years one blade failed. Blade failure and replacement is becoming increasingly common on recently constructed wind farms overseas.

The insurance industry has undertaken investigations into wind turbine failures as they are becoming an insurance issue. Lack of proper engineering seems to be a frequent source of problems.



Replacing the rotor bearing on a turbine at the six turbine wind farm in 2007 approximately one year after it was constructed.



Blade failure in March 2012 approximately 6 years after it was commissioned. Blade failures are common worldwide.

BALD HILLS INCREASED TURBINE HEIGHT AND SIZE

In my letter of 30 July 2008 I showed that the wind farm was both poorly placed in the topography and that the topography was unsuitable. Mitsui, apparently wanting to overcome design problems sought to increase the height and size of wind turbines in the hope that more power would be generated.

Height

Increasing the height from 110 to 135 metres would place the turbines higher in the landscape. This would mean that the lower tips would be above the ridges of nearby hills but many turbine rotors would still have a large swept area below the high ridge that runs from Cape Liptrap through Walkerville and further north. The turbines would not be high enough in the broad landscape to overcome the effects of the topography. Most other wind farms are higher in the general terrain and/or are on elevated highly exposed hills eg Toora, Chalicum Hills, Waubra etc. Even Wonthaggi wind farm is placed on flatter terrain so rotors can utilize more uniform air flows.

Rotor Size

Sufficient clearance between rotors is required to prevent the turbulent wake from one turbine's blades from hitting the next. In Germany the distance between rotors is nominated to be a minimum of 5 – 8 rotor diameters depending on topography. The closer spacing may be a suitable for flat terrain but larger spacing is more appropriate where there is a likelihood of disturbed air from the terrain. The consequences of placing turbines too close to one another are:

- disturbed air flowing from one turbine to another reduces the output of downstream turbines,
- turbulent air loads blades unevenly increasing wear and tear on rotor bearings, gearboxes and blades,
- the flow of turbulent air over blades will increase noise emissions,

On close examination of approval documents and the terrain it appears the originally approved turbines, 82 metre rotors, are already too close to one another so increasing the rotor size, without increased the spacing of turbines, is more likely to result in a decrease in power output and an increase maintenance costs.

The cost of replacing higher larger rotors will of course be much higher.

The wind farm array of turbines

The Bald Hills wind farm comprises three groups of turbines crammed into three sections. The proximity of turbines to one another, even if the 82 metre diameter rotors are retained means that within the clusters, they will interfere with one another over a variety of wind directions. As the wind speed increases the disturbance will cause increased loads. Leeward turbines are often parked or feathered to prevent problems resulting from interference and as a consequence do not produce power.

4.0 SUMMARY

Although Mitsui has a planning permit for the construction of the Bald Hills wind farm it is still required to do more environmental work, as detailed in the EES and planning permit, before work can commence. If the wind farm is constructed it will not be consistent with current planning requirements.

Anthropogenic Global Warming was the driver for a wind industry, however the hypothesis is no longer accepted by much of the public, many politicians and is increasingly criticised in the media. There is no need for wind farms because they are not seen to serve any real purpose other than as a show piece for a dwindling number of Labor and green politicians.

Because wind farms are subsidized by taxpayers and consumers they are an unnecessary burden on industry, commerce, taxpayers and consumers. Politicians are now becoming increasingly aware of this cost to society and the recent shift to conservative governments is resulting in the introduction of more stringent controls and a reduction in political and economic support. It can be expected that government support for the wind industry will be reduced further in the near future.

If staff in your Australian subsidiaries have not advised you of these changes and the implications for the proposed Bald Hills wind farm then I think you should make your own inquiries.

Mitsui would do well to take heed of its stated Corporate and Social Responsibility and Corporate Governance policies and give regard to the concerns of the Bald Hills community and those of the conservation groups that work with them on wildlife conservation projects in the district.

Wind farms are found to have a relatively short maintenance free period and then breakdowns require costly replacement work and when that occurs who will be footing the escalating bills.

Finally, I've attached an article reproduced from 'The Australian', Australia's national newspaper, which I would like you to read. The views expressed in this, and many other articles, are a huge shift away from those articles in 'The Australian' four to five years ago. Those articles praised wind farms and demonised legitimate opposition to the building of a wind farm at Bald Hills.

The Bald Hills community, wildlife and even Mitsui would benefit from the abandonment of the Bald Hills wind farm.

Yours faithfully

Andrew Chapman

Cc. KEISUKE SAITO

Wind farm scam a huge cover-up

- by: *James Delingpole*
- From: [The Australian](#)
- May 03, 2012 12:00AM

ONE of the great popular misconceptions about climate-change sceptics such as Ian Plimer, Bob Carter, Cardinal George Pell and me is that we're all Big-Oil-funded, Gaia-ravaging, nature-hating emissaries of Satan. We can't look at a lovely pristine beach, apparently, without praying for a nice, juicy oil slick to turn up and wipe out all the pelicans and turtles and sea otters.

But this isn't actually true. I love our beautiful planet at least as much as your \$180,000-a-year (for a three-day week) climate commissioner Tim Flannery does. One of my great heroes is Patrick Moore, the Canadian co-founder of Greenpeace with whose sensible, rational approach to environmental issues I agree 100 per cent. Another of my heroes, after an article headlined "Where eagles dare not fly" in *The Weekend Australian* on April 21, is this newspaper's environment editor Graham Lloyd.

It took great courage for Lloyd to write up his expose of the tremendous damage being caused by a wind farm to a small community in Waterloo, north of Adelaide. Most newspaper environment editors -- from Australia to Britain and the US -- tend, unfortunately, to be so ideologically wedded to the supposed virtues of renewable energy they find it all but impossible to criticise it.

Lloyd interviewed a number of victims whose lives had been ruined by the vast, swooshing wind towers looking over their homes. They found sleep almost impossible; they couldn't concentrate; they had night sweats, headaches, palpitations, heart trouble. Their chickens were laying eggs without yolks; their ewes were giving birth to deformed lambs; their once-active dogs spent their days staring blankly at the wall. The damage, it seems, is caused not so much by the noise you can hear but by what you can't hear: the infrasonic waves that attack the balance mechanism in the ear and against which not even home insulation can defend you. Its effects can be felt more than 10km away.

Inspired by Lloyd's article, I went to investigate and was heartbroken by what I found. Until you've seen what it can do to people, it's easy to dismiss wind turbine syndrome as a hypochondriac's charter or an urban myth. But it's real all right. Waterloo felt like a ghost town: shuttered houses and a dust-blown aura of sinister unease, as in a horror movie when something dreadful has happened to a previously ordinary, happy settlement and at first you're not sure what. Then you look up on to the horizon and see them, turning slowly in the breeze .

..

Even more shocking than this, though, were my discoveries about the finance arrangements and behaviour of the wind farm companies. What we have here, I believe, is the biggest and most outrageous public affairs scandal of the 21st century -- one in which the Gillard government is implicated and that far exceeds in seriousness and scope of the Slipper or Thomson sideshows.

At the heart of this scandal are the union superannuation funds that are using the wind farm scam as a kind of government-endorsed Ponzi scheme to fill their coffers at public expense. One of the biggest wind farm developers -- Pacific Hydro -- is owned by the union superfund Members Equity Bank. To meet its carbon reduction quotas, we're told, Australia needs to build about 10,000 new wind turbines like the ones that have destroyed Waterloo (and dozens of communities like it from NSW to South Australia).

The figures are mind-boggling. Each of those turbines will cost about \$3 million, which means \$30 billion even before you've started building the power lines. And where's this money coming from? The consumer, of course -- mostly via tariffs whacked on to the price of conventional, fossil-fuel energy prices, in the form of payouts called Renewable Energy Certificates.

Note that wind turbines produce very little power. Because wind is intermittent, they operate at between one-fifth and one-third of their capacity, meaning they are erratic, unreliable and have to be fully backed up by conventional "black" (mostly coal-fuelled) power. Where the money is to be made is through the REC subsidy. A 3MW wind turbine that generates (at most) \$150,000 worth of electricity a year is eligible for guaranteed subsidies of \$500,000 a year. A ridgeline hosting 20 or 30 turbines generates very little power -- but an awful lot of free cash for those lucky enough to get their snouts in the trough.

If the unions were merely exploiting government environmental legislation to milk the taxpayer it would be bad enough: but what makes the wind farm scam so scandalous are the public health issues. Why aren't we more aware of these? Because there have been cover-ups on an epic scale. The owners on whose land the turbines are built are subject to rigorous gagging orders (from law firms such as Julia Gillard's ex-company, Slater & Gordon); tame experts are paid huge sums to testify that there are no health implications; inquiries are rigged; victims are rehoused and silenced with million-dollar payoffs. The global wind farm industry -- a cash cow for everyone from Labor's unions to the mafia -- is so massive it can afford it. Meanwhile the rest of us lose. Communities are divided, landscapes blighted, birds and bats sliced and diced, property values destroyed, lives ruined to deal with a "problem" -- anthropogenic CO2 causing "global warming" -- which most current evidence tells us doesn't even exist.

As a NSW sheep farmer fighting tooth and nail to stop a wind farm development near his beloved home told me the other day in trenchant style: "The wind-farm business is bloody well near a pedophile ring. They're f . . king our families and knowingly doing so."

James Delingpole's Killing the Earth to Save It (How Environmentalists are Ruining the Planet, Destroying the Economy and Stealing Your Jobs) is out now (Connor Court Publishing).