

APPENDIX C7(2): COMMENTS RECIEVED

Comments on Basic Assessment Report
Review period 04 March 2021 – 06 May 2021
(C&RR: Point 1)

Key Stakeholders and Interested & Affected Parties

Nicolene Venter

From: Richard Summers
Sent: Thursday, May 6, 2021 10:42 PM
To: Nicolene Venter
Cc: Grant Soulé Vaalkrans & Assegai; Angus Sholto-Douglas; Clarice Arendse; Nick Orphanides; Christopher Pike
Subject: COMMENTS IN RESPECT OF THE WIND GARDEN WIND FARM AND FRONTEER WIND FARM NEAR MAKHANDA, EASTERN CAPE PROVINCE
Attachments: Comments on Wind Garden and Fronteer WEFs BARS_06.05.21.pdf
Importance: High

COMMENTS IN RESPECT OF THE WIND GARDEN WIND FARM AND FRONTEER WIND FARM NEAR MAKHANDA, EASTERN CAPE PROVINCE [DFFE REF. NO.: 14/12/16/3/3/1/2314 AND 14/12/16/3/3/1/2315 RESPECTIVELY]

Dear Ms Venter

Please see attached hereto our client's consolidated Comments in respect of the Basic Assessment Reports applicable to the proposed Wind Garden and Fronteer Wind Energy Facilities. Due to the size of the Annexures (Annexure A-G), we have created a Dropbox link (below).

Dropbox link:

<https://www.dropbox.com/sh/0pm9grixpn2oflc/AADkYsMpGZlmkPbOmDX1vPYEa?dl=0>

Please feel free to contact our office directly (via Ms. Clarice Arendse at 079 485 9851) should you have any difficulties in accessing the Dropbox link.

We shall be most grateful if you will acknowledge receipt hereof.

Kind regards,

Richard Summers

RICHARD SUMMERS INC.
DIRECTOR



APPRAISAL CORPORATION

DETERMINATION OF DEROGATION IN VALUE OF VARIOUS FARMS AND FARM PORTIONS IN THE ALBANY DIVISION, EASTERN CAPE PROVINCE, COLLECTIVELY REFERRED TO AS KWANDWE PRIVATE GAME RESERVE



Prepared for: Mr Richard Summers
Richard Summers Inc
Unit 126 Victoria Junction
De Waterkant
Cape Town

Prepared by: J.L. Falck
Professional Valuer
(FIVSA)

Our Reference: AC220014

Date: 30 April 2021



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**ATTENTION: MR RICHARD SUMMERS**

Summers Inc
 126 Victoria Junction
 De Waterkant
 CAPE TOWN

Your Ref. : Kwandwe Private Game Reserve
 Our Ref. : AC220014 Kwandwe
 Date : 30 April 2021

Dear Sir

DETERMINATION OF DEROGATION IN VALUE OF VARIOUS FARMS AND FARM PORTIONS IN THE ALBANY DIVISION, EASTERN CAPE PROVINCE, COLLECTIVELY REFERRED TO AS KWANDWE PRIVATE GAME RESERVE

Further to your instructions dated 23 March 2021 and subsequent correspondence, please find herewith our report. Our instruction is to determine the derogation in value of the Kwandwe Private Game Reserve (“**Kwandwe**”) due to the proposed development of two wind farms in the direct area: the Wind Garden Wind Farm (“**Wind Garden**”) and the Fronteer Wind Farm (“**Fronteer**”)

1. In the first instance we will comment on the Basic Assessment Reports undertaken by Savannah Environmental (“**Savannah**”), the consultants in respect of both the above projects. The reason for this is threefold, i.e.:
 - 1.1 to determine the likelihood of factors impacting on value;
 - 1.2 to determine the reliability of the assessment in determining factors that might impact on value;
and
 - 1.3 to determine if the projects potentially give rise to significant socio-economic impacts e.g. impacts on market value of surrounding properties / game reserves
2. With this as basis, we will determine the potential impact on the market value of Kwandwe, also referred to as the “**Subject Property**”, in respect of both projects. This will be done on an “**unencumbered**” basis, i.e. disregarding the wind farms, and an “**encumbered**” basis, i.e. as if the wind farm project is approved and developed. The portions constituting Kwandwe will be known as “**Subject Portions**”



3. This report will be dealt with in three sections, i.e.:

- 3.1 **Introductory Section** (pages 1 - 8) : Includes a covering page; contents pages; letter of transmittal; appraisal certificate; assumptions and limiting conditions; definitions; terms of reference and date of valuation
- 3.2 **General Report** (pages 9 - 34) : A discussion on the studies compiled by Savannah, with emphasis on the efficacy of the studies in identifying, evaluating and assessing socio-economic impacts that impact on property value and the suitability of the data / evidence tabled for the purposes of decision-making under the National Environmental Management Act (“NEMA”) in connection with such impacts
- 3.3 **Valuation Report** (pages 35 - 58) : Discussion of the Neighbourhood Area and Subject Property, valuation methodology, market research, value analysis and conclusion on values. The impact of the wind farms will be the difference between an “unencumbered” value (disregarding the two wind farms noted above) and an “encumbered” value (assuming the wind farms have been constructed and are in full operation). This derogation in value should be considered in the evaluation of the desirability of the wind farms

4. Please do not hesitate to contact us should you have any enquiries in the above respect. Thank you for the instruction

Yours sincerely

J.L. Falck
Professional Valuer
(FIVSA)
for Appraisal Corporation



A. APPRAISAL CERTIFICATE

We, the undersigned, certify that:

1. This report has been prepared in conformity with recognised standards of appraisal procedure and ethics. To the best of our knowledge and belief the statements contained in this report are correct
2. The opinions expressed herein are based on a full and fair consideration of all the pertinent facts and/or factors available to us as at the date of preparing this report
3. We have no present nor contemplated interest in the outcome of this valuation, nor do we have an interest in the properties which are the subject of this valuation, which would affect the statements expressed and/or the values determined herein. Neither our employment nor our compensation is contingent upon reporting the values determined herein
4. A personal inspection of the Neighbourhood Area and the Subject Property was performed by ourselves. We also did an investigation into comparable market data in order to assist us with this valuation
5. There are **58** pages, inclusive of **6** figures and **2** tables, all of which all are essential to the valuation as set out herein
6. Words importing any one gender in this report shall also include the other, words importing the singular shall include the plural and vice versa and words importing persons shall include partnerships, bodies corporate and companies they represent
7. In our opinion, the derogation in the market value of the Subject Property, i.e., the amount a willing buyer will pay a willing seller in the open market, for the particular property (**Kwandwe Private Game Reserve, comprising several farms and farm portions in the Albany Division, Eastern Cape Province,**), as at the date of valuation (30 April 2021) is in excess of R100,000,000 i.e. more than 20% of its market value



8. All mapping and photography were done by us

9. The stated values exclude Value Added Tax ("VAT")

A handwritten signature in black ink, appearing to read "J.L. Falck".

J.L. Falck
Professional Valuer
(FIVSA)

for
Appraisal Corporation
Date : 30 April 2021
Place : Cape Town



B. DEFINITIONS

The market value of the property, which is based on the highest and best use, is determined. These two terms are defined¹ as follows:

1.1 Market Value

“The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.”

1.2 Highest and Best Use

“The highest and best use must be physically possible (where applicable), financially feasible, legally allowed and result in the highest value. If different from the current use, the costs to convert an asset to its highest and best use would impact the value.”

C. DATE OF VALUATION

The date of valuation is 30 April 2021

¹ Defined by the International Valuation Standards Council, 2020



DETERMINATION OF DEROGATION IN THE VALUE OF VARIOUS FARMS AND FARM PORTIONS IN THE ALBANY DIVISION, EASTERN CAPE PROVINCE, COLLECTIVELY REFERRED TO AS KWANDWE PRIVATE GAME RESERVE

GENERAL REPORT

1. INSTRUCTION

We were instructed by Mr Richard Summers of Summers Inc, to comment on the specialist reports compiled by Savannah Environmental for the Wind Garden and Fronteer Wind Farms and which fall within our field of expertise. This relates largely to the issues of visual, noise and socio-economic impacts on property values. These reports include amongst others the two Basic Assessment Reports (both dated March 2021) and their annexes

2. THE PROPOSED WIND FARMS

2.1 The Wind Garden Wind Farm

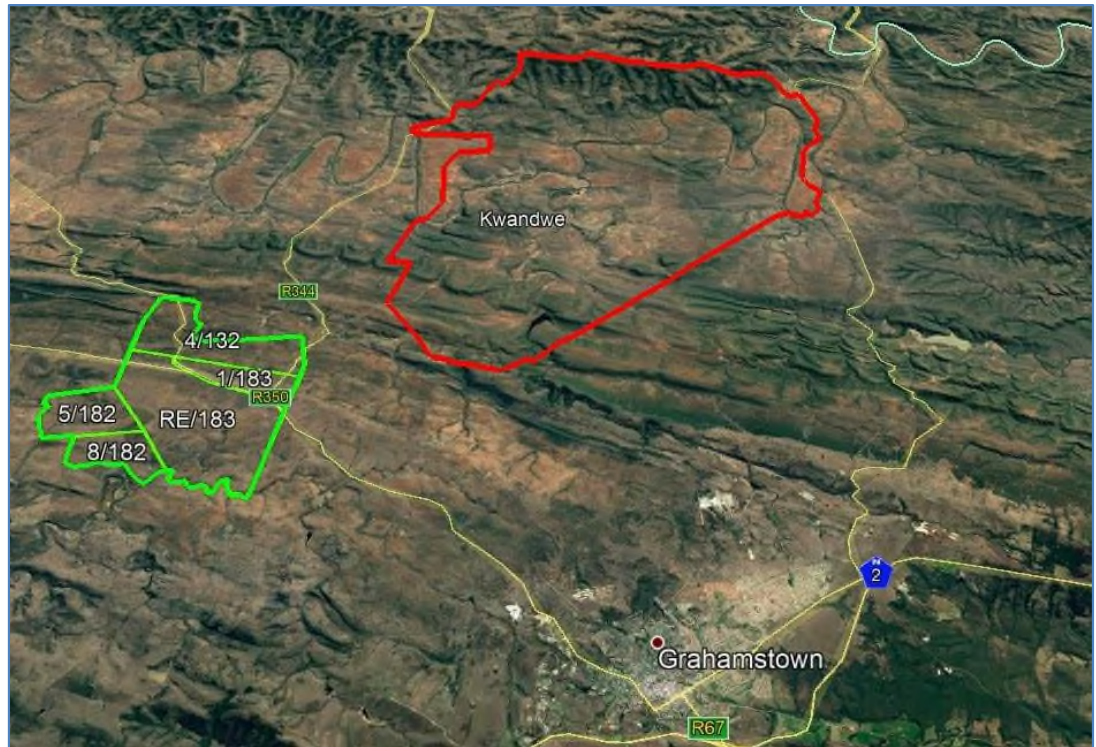
2.1.1 What follows below is a summary of the main aspects of the wind farm. Only essential information is noted here, even though we relied on more than this to form our opinions. The information was obtained from the Basic Assessment Report (“**BAR**”) compiled by Savannah Environmental in March 2021 and the attachments to the BAR

2.1.2 Wind Garden is to be constructed on the following properties, all in the Albany Division:

- (i) Portion 4 of Farm No. 132, extent 885.1100ha
- (ii) Portion 5 of Farm No. 182, extent 517.5309ha
- (iii) Portion 8 of Farm No. 182, extent 370.2040ha
- (iv) Remainder Farm No. 183, extent 1,664.8608ha
- (v) Portion 1 of Farm No. 183, extent 364.0522ha

2.1.3 This facility will comprise some 47 turbines with a height of 120m, with the blade tip reaching a height of 200m. All in all, some 264MW of power will be generated here. The location of Wind Garden, in relation to the Subject Property is reflected on **Figure 1**

Figure 1: Wind Garden (in green) and Kwandwe (in red)



- 2.1.4 The properties that are to be developed have a total extent of $\pm 3,801.7577$ ha. This is some 12% larger than the development envelope extent quoted in the BAR, $\pm 3,400$ ha². The BAR indicates the footprint of the facility (the actual portions taken up by structures) to be ± 66.6 ha, but this figure can be regarded as misleading as it comprises the sum-total of each individual structures' footprint. In fact, the whole development envelope of $\pm 3,400$ ha will be taken up, as the structures will be located some distance from each other. The extent also does not include the power lines and pylons not located on the above five properties, but which form part of the project

2.2 The Fronteer Wind Farm

- 2.2.1 What follows below is a summary of the main aspects of this wind farm. Only essential information is noted here, even though we relied on more than this to form our opinions. The information was obtained from the Basic Assessment Report ("BAR") compiled by Savannah Environmental in March 2021 and the attachments to the BAR
- 2.2.2 Fronteer is to be constructed on the following properties, all in the Albany Division:
- (i) Remainder Farm No. 131, extent 989.2785ha

² Wind Garden Wind Farm, BAR dated March 2021, page 4

- (ii) Portion 1 of Farm No. 132, extent 98.5026ha
- (iii) Portion 1 of Farm No. 184, extent 176.1244ha
- (iv) Remainder Farm No. 187, extent 1,857.8052ha
- (v) Portion 1 of Farm No. 187, extent 2,231.2067ha
- (vi) Portion 2 of Farm No. 187, extent 232.3136ha
- (vii) Portion 3 of Farm No. 187, extent 303.1848ha
- (viii) Portion 1 of Farm No. 189, extent 331.4451ha

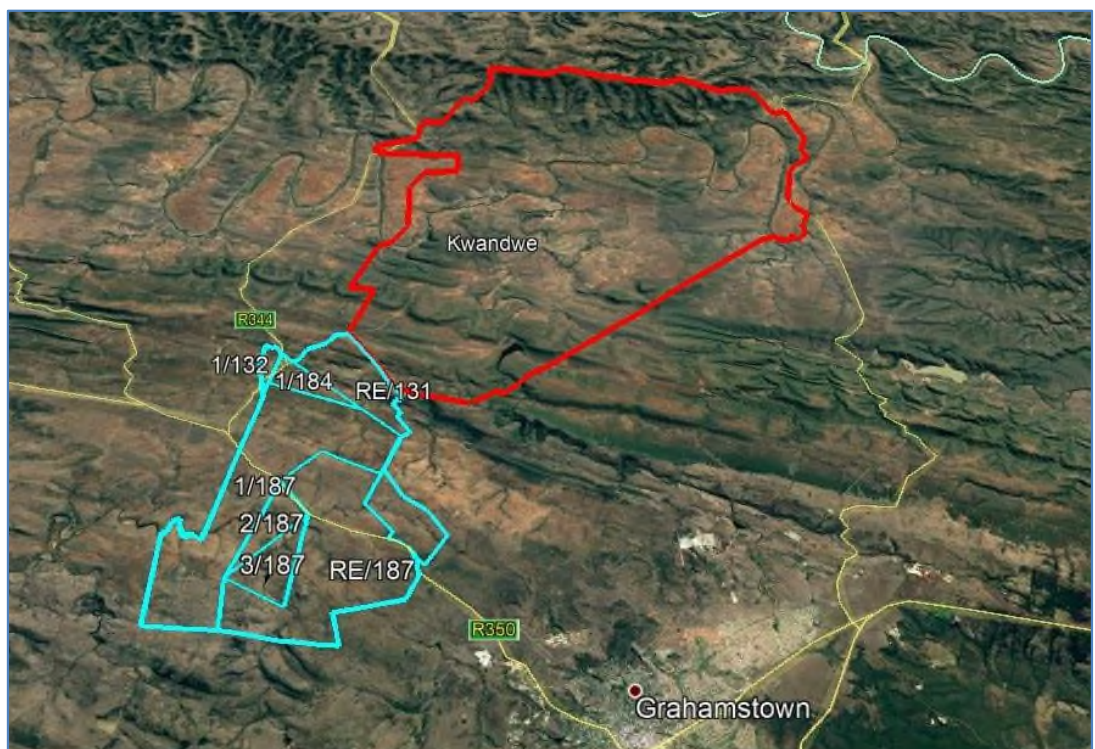
2.2.3

The properties that are to be developed have a total extent of $\pm 6,219.8609$ ha, of which $\pm 2,689$ ha comprises the development envelope³. The BAR indicates the footprint of the facility (the actual portions taken up by structures) to be ± 49.4 ha, but this figure can be regarded as misleading as it comprises the sum-total of each individual structures' footprint. In fact, the whole development envelope of $\pm 2,689$ ha will be taken up, as the structures will be located some distance from each other. This facility will comprise some 38 turbines with a height of 120m, with the blade tip reaching a height of 200m. All in all, some 213MW of power will be generated here

2.2.4

The location of Fronteer, in relation to the Subject Property is reflected on **Figure 2**

Figure 2: Fronteer (in blue) and Kwandwe (in red)



³ Wind Garden Wind Farm, BAR dated March 2021, page 4



3. THE BASIC ASSESSMENT REPORTS (“BAR’s”)

3.1 Both the Wind Garden BAR (“**WGBAR**”) and the Fronteer BAR (“**FBAR**”) will be discussed under this heading, as they are fairly similar and contain the same basic information. Where necessary, we will highlight differences. Both reports were completed in March 2021 by Savannah Environmental. What follows below is our objective opinions as valuers, and should not be construed as a specialist opinion on the reports

3.2 We are of the opinion that the reports and annexes are in certain cases factually incorrect, that certain aspects as disregarded and that others did not get the clarification it deserves. We will focus on those issues that affect property valuers, more specifically the value of the Subject Property, but will also note other issues that were noticed even though they fall outside the ambit of valuation

3.3 We will not focus on the many errors noted in the BAR’s, but it is worthy to note that the number of errors can be a reflection of the quality of the report and the diligence with which it was prepared. Although some of the errors could be deemed insignificant, others can be construed as misleading. One example of this is where roads are incorrectly indicated on maps (Figures 8.2 and 8.16), thus reflecting a more developed area than what is actually the case. In other places farms were named, not indicating that they form part of a protected area, or game reserves indicated to be smaller than what they actually are (Figure 1.3 of both BAR’s). This has the potential to underplay the negative effect of the projects on the surrounding environment and not giving the decision makers the option to rely on accurate information

3.4 Policy and Legislative Context

3.4.1 The BAR’s refer to the Easter Cape Provincial Draft Development Plan (“**PDP**”), 2014⁴. Although the document identifies seven sectors with high potential for economic development, the BAR’s focus almost exclusively on climate change and renewable energy. It is no coincidence that both those considerations are directly relied upon by the EAP to motivate why these projects are desirable. This subtle but significant It fails to note that the Tourism Sector (and specifically including eco-tourism) is an equally relevant sector, instead suggesting that renewable energy is the only relevant consideration. This is clearly not the case if one views applicable policy more holistically

⁴ WGBAR page 49, FBAR page 49



3.4.2 The PDP expressly identifies game reserves in the Eastern Cape Province as top attractions for international tourists and that international tourism spending is 40% greater than domestic tourism spending⁵. This is an important issue as it has a direct impact on tourism property, such as the Subject Property

3.5 The Profile of the Immediately Affected Area⁶

3.5.1 It seems that this information (in the BAR's) was obtained from the Socio-Economic Impact Assessments compiled by Urban-Econ in January 2021. These portions of the BAR's contain a number of inaccuracies. These inaccuracies include information on tourism, agricultural operations and visitor numbers, all essential issues in an assessment such as being undertaken here

3.5.2 Where at first this section of the report refers to *"the land on which the proposed wind farm... will be located"* (1st paragraph), it also refers to *"the area surrounding the proposed wind farm"* (2nd paragraph). From this, we conclude that this section deals with the farms on which the wind farms are to be developed, as well as (at least) the neighbouring properties. It will therefore include the Kwandwe Private Game Reserve, located to the north east of Wind Garden and directly adjacent to Frontier

3.5.3 Some of the inaccuracies in the description of the receiving environment include⁷:

- (i) *"Tourists (predominantly local hunters or visitors) will visit the farms to hunt (normally for biltong), hike or utilise bike trials"*

And

"Approximately 42 international tourists visited the area in a year (32 for hunting purposes, 5 for leisure or game viewing, and 5 for eco- or adventure purposes)"

Figures supplied by Kwandwe indicate that in terms of numbers, some 85% of visitors are international tourists, being about 8,418 bed nights per annum on average. What is however more important is that the contribution of foreign visitors is ±95% to income, with the average rate per room for a local guest being about 35% of that of a foreign guest

⁵ PDP, page 56

⁶ WGBAR page 144, FBAR page 142

⁷ WGBAR page 145, FBAR page 142



The importance of foreign tourism is therefore significantly underplayed in the BAR's and the motive for doing so is not clear. This could possibly be attributed to the small sample of farms surveyed, disregarding a major player and neighbour such as Kwandwe

- (ii) *“Agricultural operations (including hunting and tourism) in the directly affected area employ approximately 30 people”*

Kwandwe informed us that, on average, they employ around 256 persons. Most of these workers live in the staff villages on the property, together with their families. The figure of 30 persons is therefore incorrect and seemingly grossly underestimated, once again the manner in which information is reported in the BAR's underplays the importance an operation such as Kwandwe has on employment and the supply of housing in the area

- (iii) *“Approximately 335 domestic tourists visited the area in a year (115 for hunting purposes, 70 for leisure or game viewing, and 150 for eco-or adventure purposes).”*

It is possible that this statistic is based on figures of 2020, which was not a “normal” year for the hospitality and tourism industries. To use this to determine the effect of a wind farm, that will be in operation for at least 20 years and take a further 2.5 years to construct, is disingenuous. Based on the information obtained from Kwandwe, in excess of 3,000 guests visited the reserve in 2019. About 14% of this was South Africans, some 420. If this figure of 420 is added to the other game, eco-tourism and leisure farms in the area, it is obvious that the figure of 335 is not accurate. This type of inaccuracies taints the objectivity of the report as a whole, resulting in a perception of bias

3.5.4

The profile of the immediately affected environment is in our opinion the starting point of such a study, identifying the subjects / issues that must be evaluated. As an example: if the base information is that only 42 international tourists visit the area annually, the effect of losing these tourists is deemed minimal. If a more realistic amount of say 4,000 is used, the loss of income once these guests no longer visit the area is far more substantial - changing the effect of the wind farm on the receiving community from “Low” to “High” (see discussion under paragraph 3.6.3 below). The accuracy of this information is therefore essential - an attribute that these reports seem to lack



3.6 Visual Impacts⁸

- 3.6.1 This will in our view be one of the most important factors to consider, taken its “visible” effect on the surrounding areas. If an area, marketed for its scenic beauty, is visually scarred, it loses its appeal and marketability. Once demand diminishes, values decline. We will therefore also refer to specific portions in the Visual Impact Assessments (“VIA’s”) for Wind Garden and Fronteer, both compiled by Logis and completed in February and March 2021⁹
- 3.6.2 In the VIA’s the methodology of the study is explained. This indicates that the potential visual exposure is firstly determined, whereafter the visual distance to the facility is determined. This taken into account the “reduced impact over distance” principle. After this, the areas of high viewer incidence are determined, with consideration of the visual absorbency capacity of the landscape. From this a visual impact index is calculated, i.e. the magnitude of the visual impact. This forms the basis of the impact significance determination, i.e., the impact as a function of extent, duration and probability, which is then reflected in an impact statement
- 3.6.3 Lastly, the preferred alternative is proposed, including possible mitigation measures to limit the impact of the project during its various stages. The impact is indicated as a score, where a score below 30 points is deemed low (no direct influence on the decision to develop) and a score between 30 and 60 points is deemed “Medium / Moderate”. Here the impact could influence the decision to develop in the area. Where the score is above 60, the impact is regarded as “High”, i.e., “*the impact must have an influence on the decision to develop in the area*”¹⁰. This will be discussed in more detail later
- 3.6.4 Where the land use and settlement patterns of the area is discussed in the VIA’s, it is noted that there are a number of protected areas in the region, including Kwandwe. The Indalo Protected Environment, of which Kwandwe forms a part, and a number of owners of informal private protected areas, game farms and stock farms surrounding the projects generally oppose the construction of wind turbines within the region. It is noted that these properties generally “*rely on the natural environment of the region in order to function effectively*”¹¹

⁸ WGBAR page 206, FBAR page 203

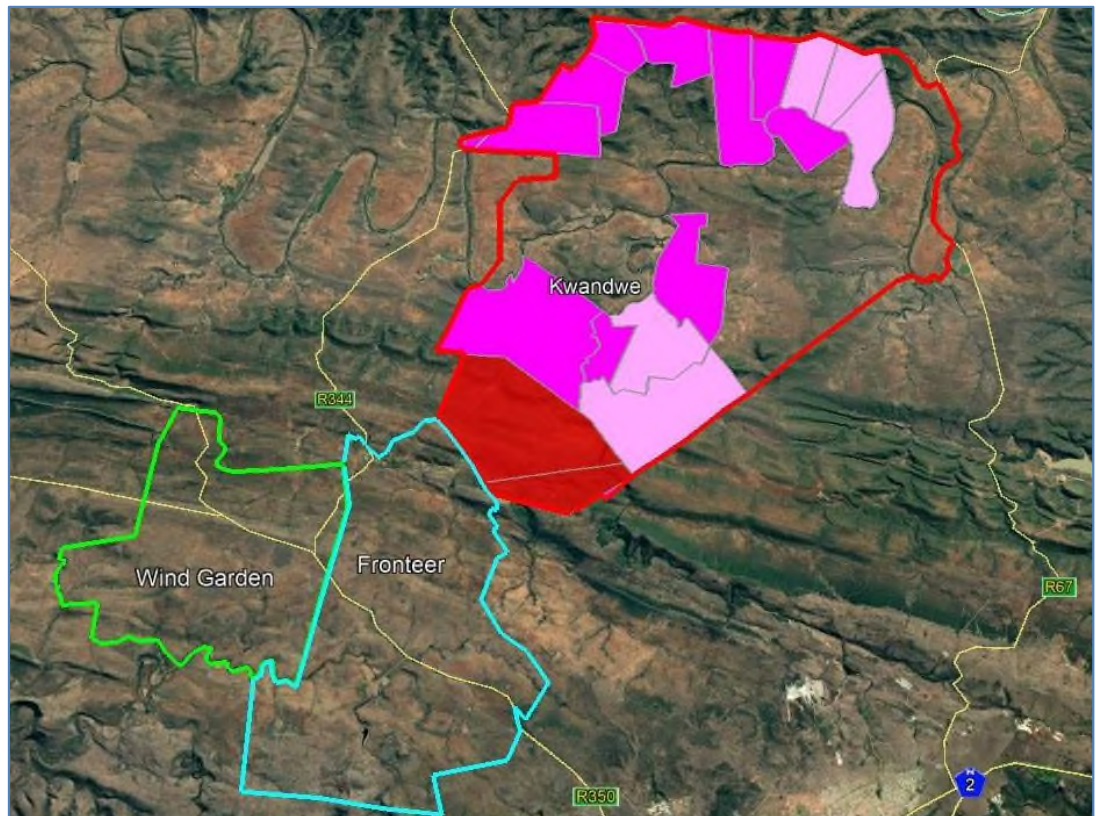
⁹ WGBAR and FBAR Annexure K

¹⁰ WGVIA page 53, FVIA page 52

¹¹ WGVIA page 14, FVIA page 14

3.6.5 After evaluation of each of the two projects, the effect on the area is described as “Very High”, i.e., for potentially sensitive visual receptors within a 5km radius. As distance increases, the impact is reduced (according to the VIA’s), i.e., a “High” impact for properties within a 5 and 10km radius, and “Moderate”, i.e., 10 to 20km. Farms are listed in terms of the impact of each project. The two VIA’s have a similar result, indicated on **Figure 3**. This in itself is peculiar, as the two projects do not share the same proximity to Kwandwe. In the below figure, a “Very High” impact is indicated in red, a “High” impact in dark pink and a “Medium” impact in light pink

Figure 3: Impact per Project on Kwandwe



3.6.6 From this it is evident that the bulk of Kwandwe is affected by either of the wind farms. A significant drawback of this process is that each project is assessed as a stand-alone project, i.e., their combined effect is not indicated and is downplayed as a result. In total, some 6,089ha (i.e., more than 12,000 rugby fields) will be improved with 85 turbines. This will make it one of the bigger contiguous wind farm areas in the country

- 3.6.7 With this in mind, it is safe to say that the combined effect will be significantly larger than the already significant effect reflected above, as indicated for each of the two wind farms as separate projects. This is also acknowledged by the writer of the VIA's, when it is stated: *"The combined visual impact or cumulative impact of up to four wind energy facilities is expected to increase the area of potential visual impact within the region. The intensity of visual impact (number of turbines visible) to exposed receptors, especially those located within a 5-10km radius of the proposed Wind Garden (/ Fronteer) WEF, is expected to increase when considered in conjunction with other existing or proposed WEF's"* ¹². This could well result in the current "High" impact areas changing to "Very High" impact, and the "Moderate" impact changing to "High" impact
- 3.6.8 **Figure 3** does not show the effect of ancillary impacts on Kwandwe and other tourist ventures in the area. At present, the area and Kwandwe is accessed by means of rural roads, through a relatively unspoilt agricultural area. If the two wind farms are approved and development goes ahead, owners, visitors to game reserves and tourists will have to drive through the middle of these wind farms, with 50 units to the west of the R350 route (the 47 units of Wind Garden and three units of Fronteer) and 35 units of Fronteer on the eastern side of the road. This impact will be exacerbated by the generally undeveloped character of the landscape, with the VIA's indicating this impact to be "High". The area's sensitive visual receptors, i.e., people travelling along these roads, residents of rural homesteads and tourists passing through or holidaying in the region, would consider visual exposure to this type of infrastructure to be intrusive. It is even *"possible that the potential visual impacts may exceed acceptable levels within the context of the receiving environment (an area with an established tourism industry)"* ¹³. The writer further states that the concern and potential opposition from affected land owners and tour operators within the region is valid, as the visual impact is expected to be of high significance. This is exacerbated by the fact that conventional mitigation methods are not available
- 3.6.9 Although the writer of the VIA's indicate that this will not impact on visitor and tourist numbers to the area, this opinion is speculative and is based on the findings in the Socio-Economic Impact Assessment Report, which will be discussed later. Suffice to note at this stage that we do not agree with this opinion

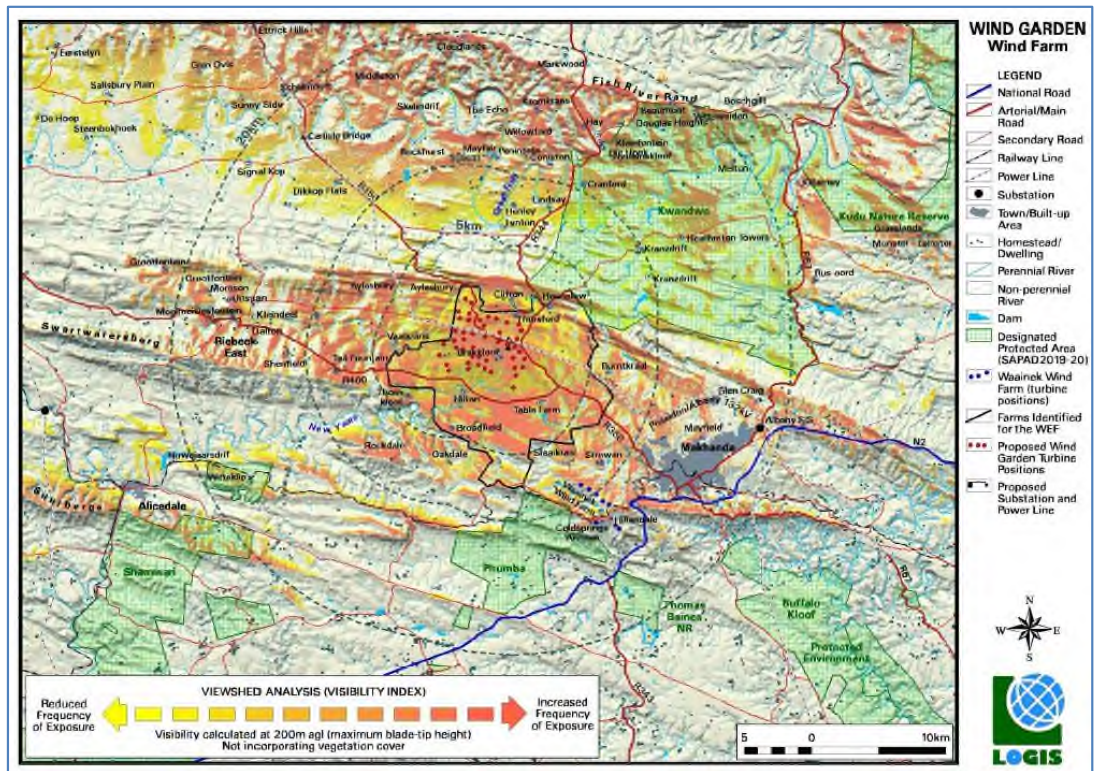
¹² WGVIA page 69, FVIA page 68

¹³ WGVIA page 71, FVIA page 70

3.6.10 In the discussion of the visual impact in the BAR, it is stated that the “High” impact of the projects should be viewed in the context of some potential moderating factors¹⁴. The first of these is that the turbines will in most instances be only “partially exposed”. This is in our opinion not only partially untrue (see paragraph 3.6.7 above), but of limited relevance. Visitors to the area and the eco-tourism found here are looking for a “Wild Africa” experience¹⁵, and this is not compatible with turbines - be it a part of a turbine or the whole structure

3.6.11 The second factor states that fewer turbines are expected to be exposed to the north due to the shielding effect of the escarpment. This too is not accurate, as much of the high-lying areas to the north are impacted by the proposed wind farms. See below **Figure 4**: Map 4, extracted from the VIA’s, where the portions indicated in yellow (least) to brown (most) depict the frequency of exposure. The Frontier VIA has a similar map on page 28

Figure 4: Map 4, extracted from the Wind Garden Visual Impact Assessment



¹⁴ WGBAR page 207, FBAR page 203

¹⁵ WGBAR page 220, FBAR page 217

- 3.6.12 The third factor is that *“the generally longer distances of observation (i.e., beyond 10km) is expected to mitigate the impact to some degree”*. It is not stated what this degree is, but it is evident from **Figure 4** that the longer distances do not necessarily mitigate the effect. In fact, most of the properties in the brown band (e.g., Kromkrans, Skelmdrif, Coniston and Hay where the impact is significant) are between 10km and 20km from the wind projects. This moderating factor is therefore not factually correct
- 3.6.13 Another impact that is identified in the BAR’s as a possible visual disturbance is the aircraft warning lights mounted on top of the wind turbines. The BAR’s indicate that the lights have the potential to be visible from “great distance” (no distance is identified or indicated in terms of the extent of impact and therefore this impact is unquantified), as they ought to be as a warning system to approaching aircraft. It notes that one way to mitigate this disturbance is to use new technology, activating the lights when an aircraft is detected nearby. As this option is not approved by the Civil Aviation Authority, it should not be seen as a possible mitigation method in connection with these project impacts. There is the chance that the new technology will not be approved by the CAA, by which time it will have erroneously been included and evaluated in this process as a mitigating option. The report is thus seen as misleading by adding this as a mitigation option for the identified impact
- 3.6.14 A “sense of place” is described as the experience of the environment by a user, based on his or her cognitive experience of the place. An impact on this sense of place is one that alters the visual landscape to such an extent that the user experiences the environment in a less appealing or less positive light. For a rural area, such as the direct neighbourhood area surrounding the project sites, the sense of place is based on its undeveloped nature. With the two wind farms, this is to a large degree lost
- 3.6.15 The BAR’s indicate that the impact on the sense of place within the region (i.e., beyond a 20km radius) is expected to be of low significance¹⁶. However, it does not refer to the sense of place for users of the areas within the 20km radius. In our opinion, the visibility of the two projects is such that the users could view the area in a more negative light, thereby indicating a “High” or even “Very High” impact. As this affects the experience of the area, it could affect marketability of property and thus value. This is not discussed in the VIA’s

¹⁶ WFBAR page 208, FBAR page 205



- 3.6.16 There are nine Impact Statements applicable to the Operational Phase. Five of these indicate “High” negative impacts, even with mitigation. This relates to:
- (i) the visual impact on residents and visitors within a 5km radius - a score of 64
 - (ii) the visual impact on observers travelling along roads within a 5km radius - a score of 64
 - (iii) the visual impact on observers travelling along roads within a 5km to 10km radius - a score of 60
 - (iv) the visual impact on residents and visitors within a 5km to 10km radius - a score of 60
 - (v) the visual impact of operational, safety and security lighting at night - a score of 60
- 3.6.17 The visual impact on residents and visitors within a 10km to 20km radius is rated as “Moderate” (a score of 52), but as pointed out under paragraph 3.5.9 above, this is not in line with the evidence in the VIA’s. The accuracy of this score is thus suspect
- 3.6.18 This results in six of the nine impact statements relating to visual disturbances being “High Negative”. One would therefore expect that the last step of the methodology discussed before comes into play, i.e., where *“the impact must have an influence on the decision to develop in the area”*. Contrary to this, the reports conclude that although *“it is possible that the potential visual impacts may exceed acceptable levels within the context of the receiving environment (an area with an established tourism industry), the proposed development is not considered to be fatally flawed”*¹⁷. This conclusion in our opinion makes a mockery of the visual impact assessments and can at best be regarded as optimistic. This is especially in view of the average score of ± 47 for the 10 visual impact statements in the reports

3.7 Socio-Economic Impacts

- 3.7.1 The two Socio-Economic Impact Assessment Reports (“SEIA’s”) were both compiled by Urban-Econ Development Economists and completed in January 2021. Chapters 6 and 7 of the SEIA’s deal with tourism (hospitality) and property values. Much of our comment will therefore focus on this

¹⁷ WFBAR page 215, FBAR page 211



3.7.2 The information referred to under paragraph 3.5 was seemingly obtained from the SEIA's. The profile of the immediately affected environment ¹⁸ is in our opinion the starting point of such a study, identifying the subjects / issues that must be evaluated thoroughly and accurately during the process. The accuracy of this information is therefore essential to the credibility of the EIA process and assessments undertaken. In this case much of this information in the SEIA's is inaccurate, casting doubt on the outcomes determined

3.7.3 With regard to international literature reviews, the SEIA's refer to a number of studies undertaken to determine the impact of wind energy facilities on business tourism. Each of these studies relied upon by the BAR's will be discussed briefly:

- (i) The first study referred to was undertaken in Iceland in 2020. It comprised a questionnaire survey, with topics such as tourist and resident's perceptions to the area, the two existing wind turbines, attitudes towards various types of renewable power infrastructure and concerns about climate change. The questionnaire was supported by landscape photographs. After reading the report, the following issues (not all discussed in the SEIA reports of Urban-Econ) were deemed noteworthy:
 - a. At the time of the study Iceland had only two wind turbines, i.e., a very limited impact in an area this size. This can hardly be compared to the current proposals entailing 85 structures to be erected on a ±6,000ha piece of land
 - b. The beauty of Iceland lies largely in its nature, i.e., mountains, volcanoes, large ice caps, glacial rivers, etc. When taking a photo of this, orientation is far less important than when taking a photo of for instance an elephant or rhino, with a view of turbines in the background. The Iceland study does not reflect this unique aspect of the receiving environment around Kwandwe
 - c. Iceland has a fairly mountainous landscape, with the effect that man-made disturbances can be hidden, away from tourism gateways
 - d. The location of the new wind farm in Iceland that was the subject is not deemed a tourist area, even though one has to travel through the area to get to the tourist destination. As such, it is not comparable with the neighbourhood area / receiving environs of the Subject Property

¹⁸ WGSEI page 24 and FSEI page 24



- e. The monetary benefits that accrue to residents (including rental for the property on which the farms are developed and increased retail spending in the construction phases) result in residents being more positive about wind farms than tourists. As tourists indicated that wind farms should be prohibited in national parks and beautiful landscapes in general, one can assume that the typical tourist to the neighbourhood area will be distracted by the two wind farms. This could result in a change of destination or shorter stays, affecting the towns and their economies. This could very well result in the overall medium to long term effect being more negative than positive
- (ii) The New Hampshire study was undertaken in 2013. The following is noteworthy:
- a. Many of the studies indicate that over time, negative perceptions seem to decline, especially among residents. As this specific wind farm was constructed in 2008, the residents will have been used to it five years later. It was developed and they could not change it - so staying negative will have been in vain. This however does not mean that it did not affect the economy or property market, it only means that it was too late to take action, as the damage had been done
 - b. New Hampshire is known for its forests and is fairly mountainous. It might be possible that the wind farm was less visible due to the area it was situated in
 - c. The reasons for visits to the area was:
 - Pleasure - 54.8%
 - Friends / Relatives - 22.1%
 - Outdoor - 8.6%
 - Personal (shopping, graduation, wedding, medical) - 5.6%
 - Business - 5.3%
 - Events - 3.6%

This means that at least 36.6% of visits were destination based, without an option of going elsewhere once the wind farm was constructed
 - d. This type of visitor will not change his / her location behaviour, as their reason for visiting the area is not affected by the visual or other disturbances caused by wind farms. This is a totally different type of visitor than the current tourist to the neighbourhood area of Wind Garden and Fronteer. As this study is not at all comparable to the neighbourhood area that is being discussed here, it should not have been included in the SEIA's



- (iii) The Northumberland Study was undertaken in 2014. Some of the key issues with this study include:
- a. This survey was aimed at “potential” visitors - i.e., visitors who have not yet experienced the beauty of the area, nor were they aware of the possible effects of a wind farm. To stay positive in this type of scenario is more likely than when one has experienced an area - there is a better understanding of what the effect of such an operation could be
 - b. This is also one of the limitations that the authors placed on the study, i.e., it *“does not assess the actual impacts of wind farms on tourism because of its geographical remoteness to Northumberland. It therefore only gives an indication of potential visitor intentions, not actual visitor intentions”*¹⁹
 - c. Other statistics that are contained in the Northumberland study but which are not contained in the SEIA’s are:²⁰
 - Of the 410 respondents, 11% (45) would be discouraged from visiting Northumberland due to the wind farms and two thirds of those are male
 - 19% (78) indicate that their decision to visit Northumberland is likely to be affected by wind farms
 - 30% of respondents will definitely or may be encouraged to book a holiday / visit to somewhere other than Northumberland in the future because of the presence of wind farms
 - d. It is thus evident that only the “positive” conclusions (i.e. those conclusions which are intended to enhance or promote the positive socio-economic benefits of the project) were selected by the authors of the SEIA’s, not even mentioning the above negative feedback. This one-sided and selective reporting is not evident of an unbiased and objective opinion and this casts doubt over the unqualified use of these reports and the objectivity of the authors of the SEIA’s
- (iv) The Scottish Study was conducted in 2008. It comprised both a face-to-face survey and an internet survey. Some of the findings of the in-person survey are:
- a. Some 44% of respondents indicated that they don’t like to see several wind farms in the same view²¹

¹⁹ Evolution of the impacts of onshore wind farms on tourism on Northumberland, UK, 2014, page 3

²⁰ Evolution of the impacts of onshore wind farms on tourism on Northumberland, UK, 2014, Page 45

²¹ The economic impacts of wind farms on Scottish tourism, 2008, page 127



- b. The general trend was that wind farms had a limited effect on decisions to visit the area again
- The internet survey focussed on two groups: the first UK based, the second US based. Some of the key issues include:
- a. Of the 606 UK residents surveyed, only 34% (206) indicated that the reason for their visit was “to see Scotland”. The remainder was there for destination based purposes, eg. shopping, friends & family, an event or business
 - b. Of the 103 US based visitors, 68% (70) indicated their reason to visit as “to see Scotland”
 - c. The total number of visitors in this survey is 709. Of this, only 267 indicated the reason for their visit as “to see Scotland”. This is less than 38%. This fact alone makes this study problematic, as the majority of visitors to the neighbourhood area of Wind Garden and Fronteer Wind Farms will be there to see the country side and the scenic beauty the area offers. The study is therefore not suitable to be used in the SEIA’s as a basis for the potential or the actual impacts of these two wind farms on tourism in the area
- (v) The 2012 study in Ireland was a follow-up on a previous study, concluded in 2007. As such it is more focussed on changes in behaviour and attitudes in the intervening period rather than on future decisions. The differences indicate that over time, the percentage of respondents that had no opinion decreased from 49% to 23%. Those that were positive changed from 32% to 47% and those that were negative changed from 17% to 30%. This indicates that people either got used to the wind farms over time, or that they had more negative experiences with them. This study does not show how wind farms impacted tourism to start with, so it has limited value in the SEIA’s presented here
- (vi) The 2017 study conducted in Portugal is of very limited use, as only 68 visitors and 21 residents were interviewed. Other key issues include:
- a. Of the 68 visitors, 53 were Portugese and 15 were Spaniards (i.e. 17% foreign tourists)



- b. The study does not contain any information on the reason for visiting the area. If for instance the reason was to visit friends and family, the existence of a wind farm will have a limited impact on the visitor experience. This could well be reason for the anecdotal comment that “visitors continue to come to Sortelha”²²
- c. The sample size of this study makes it a poor comparable for the Wind Garden and Fronteer projects and it add limited value to the findings of the SEIA’s

3.7.4

With regard to “RSA Studies”, the authors requested several accommodation establishments to complete questionnaires²³. As limited information is supplied on the type of questions posed or the replies received, we cannot comment on the accuracy of the conclusions drawn from this survey. The following is however essential to note:

- (i) Only eight establishments were contacted
- (ii) Of these three are in Makhanda, i.e. a bed and breakfast establishment, a backpackers lodge and a guesthouse. None of these are focussed on the experience of nature, but rather cater for over-night guests or visitors to the town. This is a fatal flaw in the “study”, due to the following reasons:
 - a. Being located in Makhanda, a wind farm some 5km from the town will have a limited impact on guest numbers or income. This is due to the limited visual and other disturbances it causes in Makhanda
 - b. The type of guest frequenting these type of establishments in Makhanda has no resemblance to the type of guests to the farms and lodges in the neighbourhood area surrounding the projects. The guest requirements for establishments in Makhanda will therefore vary significantly, making a comparison impossible
- (iii) Three establishments contacted are in Jeffrey’s Bay / Oyster Bay: a multi-use venue, a lodge and self catering accommodation
 - a. Once again the distance from wind farms is not reflected, so the evaluation of the evidence presented is impossible
 - b. It may be that these three establishments are shielded from the wind farms by mountains or vegetation, with the only effect a drive-by (compared to a view being affected)

²² Wind Farms and Rural Tourism, 2017, page 250

²³ WGSEIA page 44, FSEIA page 44



c. With our basic knowledge of the hospitality market in the area it is however safe to assume that the type of guest to these three ventures will have totally different hospitality requirements, most likely not aimed at the nature / eco-tourism market and in any event no way comparable to Kwande

(iv) The last two respondents are located in Cookhouse. The same issues noted under paragraph (iii) above are also applicable to the two ventures in Cookhouse

3.7.5 With this in mind, we are of the opinion that limited value can be placed on any of the conclusions drawn from either the international or local studies used in the two SEIA's. The type of project impact specific to the receiving environment, the type of tourist, the purpose of visits and the level of visual and other impacts differ vastly between the studies and the neighbourhood area, that they are very limited use. There is however one study that is not covered by the SEIA's presented, i.e. the only one that we could find that has an opposite finding, i.e. that there is a significant change in tourist behaviour once a wind farm is developed

3.7.6 This study, "Gone with the wind? The impact of wind turbines on tourism demand" was completed in August 2015, by Tom Broekel and Christoph Alfken²⁴. Due to the technical nature of the report, we will not go into detail, only noting the key issues and conclusions drawn from the study:

- (i) Contrary to other studies relying on surveys and interviews, this study focusses on statistics on tourism and a comparison to the location of turbines in Germany
- (ii) Spatial panel regression techniques are used to determine their relationship
- (iii) Four other studies are also noted in this report, all based on surveys. This was used to show the anomalies in this type of study and also to determine the pitfalls that had to be avoided in the new study²⁵
- (iv) As in South Africa, Germany experienced a significant growth in wind farms, from close to 0 in 1984 to 23,095 turbines at the end of 2012

²⁴ The Institute of Economic and Cultural Geography, Leibniz University of Hannover, Germany

²⁵ Gone with the wind? 2015, page 5



- (v) There is a difference in the relationship between inland tourism and wind turbines, and coastal tourism and wind turbines. This is ascribed to the visitor requirement being different, with coastal visitors requiring “close to nature” vacations²⁶. This will therefore be comparable to the type of tourism in the SEIA’s study areas
- (vi) The study found a negative relationship between the installed capacity of wind turbines in municipalities and tourist demand. In addition to this, tourist demand is negatively related to the ratio between the number of wind turbines installed within and in the vicinity of municipalities. This second conclusion was however only observed in one model
- (vii) One conclusion that is still open for discussion is the positive relation between the number of installed wind turbines in the surroundings of a municipality and tourist demand. The authors’ explanation for this is that tourists avoid areas with high and further increasing turbine densities. Tourists prefer to stay in the same district, but another location, not more than say 20km away, where the density of wind turbines is lower. This is evident in the fact that areas with a lower density of turbines show an increased tourist demand when the density in other close-by areas are increased
- (viii) *“Tourists tend to avoid their preferred destinations when these are characterised by large wind turbine numbers and the surrounding regions offer locations less exposed to wind turbines. These tourists want to stay in the greater region and therefore close locations in the vicinity of their original destinations, with less turbines”²⁷*
- (ix) The studies revealed a negative relationship (in log form) of -0.01. This implies that a 1% increase in the installed wind turbine capacity relates to a reduction of 0.01% in the occupancy rates in the same and subsequent years. However, as general occupancy rates increase on an annual basis, this negative impact is difficult to observe in reality²⁸

²⁶ Gone with the wind? 2015, page 15

²⁷ Gone with the wind? 2015, page 17

²⁸ Gone with the wind? 2015, page 17

- 3.7.7 As far as we could determine, the SEIA specialist did not attempt to engage Kwandwe or its guests about the potential impacts of the Wind Garden or Fronteer projects. In light of this glaring omission, Kwandwe consulted its client base in order to offer an insight into how its clients would respond to the construction of wind farms in close proximity to it. It was also to determine how tourists who are familiar with the landscape and the eco-tourism product offered by Kwandwe would perceive the development of a wind farm in close proximity to Kwandwe
- 3.7.8 In this regard, clients who have visited Kwandwe in the past were asked for their opinions. The result is therefore a good indication of how these tourists perceive wind farm related impacts and also how it might influence their behaviour and choices in future, regarding tourism destinations. Three questions were asked:
- (i) Would the nature and type of infrastructure that is visible from Kwandwe be of relevance to your visual / aesthetic experience of the landscape?
 - (ii) Would being able to see a wind farm during both the day and the night (due to red electronic aviation lights) impact on your choice of destination for a wildlife tourist experience in South Africa?
 - (iii) How would the visibility of wind farms from within Kwandwe Game Reserve impact on your decision to visit Kwandwe?
- 3.7.9 The opinions of the respondents can be supplied on request, but the following comment can be seen as a summary:
- (i) The scale and location of wind turbines would appear as visually intrusive and alien features in an otherwise undisturbed landscape. This would be harmful to the special character and natural beauty of Kwandwe Game Reserve
 - (ii) The visual dominance of the wind turbines throughout the day and night would inevitably impact on my choice to visit Kwandwe as a tourist destination
 - (iii) The visibility of wind farm from within Kwandwe would mean that unfortunately I would no longer visit Kwandwe to enjoy the unique tourist experience currently offered



- 3.7.10 This respondent is a Chartered Town Planner and Senior Director at Pegasus Group, one of the UK's leading planning consultancies. He has extensive experience of preparing and assessing Environmental Impact Assessment for major development proposals. He further states: *"I acknowledge the contribution that wind farms can make in addressing climate change. Nevertheless, wind farm developments need to be sited in appropriate location and avoid sensitive landscapes. In this instance, the benefits of wind power should be balanced against the harmful environmental impacts on the natural landscape and the harmful economic impacts on the local tourist industry"*
- 3.7.11 With this mind, we are of the opinion that the SEIA's conclusions on the impact on tourism, i.e., that the wind farms will not significantly negatively influence the tourism industry or impede the influx of visitors to tourist facilities or ledges within the region, are flawed. This is due to the studies used as basis for the conclusions are not comparable, nor compatible to the situation in the neighbourhood area
- 3.7.12 An important international study indicating a conclusion to the contrary of the reported studies was disregarded and there was no engagement with Kwandwe, one of the largest hospitality enterprises in the area and affected party, or many other tourist operations in the area, on this matter. As far as we could determine, there was also no primary research of the tourism market, nor was there any meaningful attempt to assess the actual impact of the projects on tourism in the area. The conclusion that tourist numbers will not be affected is thus in our opinion incorrect and not representative of actual trends

3.8 The Impact on Property Values

- 3.8.1 Chapters 7 of the two SEIA's have no relevance to the Subject Property or the areas in which the two wind farms are to be located. The writer refers to the "Non-Urban" areas of Makana, the Blue Crane Route and Kouga, with *"rural areas similar to that of the proposed development"*²⁹. From this one will assume that farms will be the subject of the study, but what is in fact studied is the housing market - i.e., the residential property market that comprises vacant land / plots, freehold houses and sectional title apartments. This is a totally different market to that of the direct neighbourhood area, with the result that none of the conclusions drawn have any bearing on or relevance to the Subject Property or the receiving environment. Examples of this housing / residential applications are as follows (own underlining):

²⁹ WGSEIA page 48, FSEIA page 48