



Kavarna Wind Farm, Bulgaria


**Public Disclosure and
Consultation Plan**


AGE

May 2008

RSK GENERAL NOTES

Project No: P80154
Title: Public Consultation and Disclosure Plan
Client: AGE
Issue Date: May 2008
Issuing Office: Glasgow

Authorised by:  Project Manager Date: 22/05/08

Authorised by:  Project QA Rep Date: 22/05/08

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1 INTRODUCTION

1.1 Project Description

AES GEO Energy, majority acquired by the US Power and Utility company AES (known as AGE for the purposes of this plan), intends to build a wind farm in the territories of the villages of (see Figure 1 below):

- Bulgarevo
- Sveti Nikola
- Hadji Dimitar
- Rakovski; and
- Porouchik Chounchevo
- In the Municipality of Kavarna

The wind farm will have a generating capacity of 156 MW and will include the following facilities:

- 52 Vestas V90 wind turbines and foundations (62 turbines were originally planned but were subsequently reduced due to environmental mitigation measures introduced by the relevant authority);
- underground 33 kV electricity cables from the turbines to the sub-station; and
- an electrical sub-station;
- an overhead 110 kV electricity cable from the Project substation to the national power transmission system of the Republic of Bulgaria.

The project was initiated early in 2003. An EIA of the project has been undertaken, including a public disclosure exercise in December 2006, and the environmental permit was issued in March 2007.

The Project has been subject to full permitting by the Competent Bulgarian Authorities, in line with National and European Union requirements. AGE has approached, among others, a number of International Financial Institutions and Equator Principle signatory banks for provision of financing for the project. In line with the potential Lenders requirement a PCPD is being developed as part of the Bank's due diligence for considering financing the Project. Consequently this PCDP is structured to assist with the Lenders decision process for financing the project

1.2 Objectives of the Public Consultation and Disclosure Plan (PCDP)

The objectives of the PCDP is to ensure that there is a consistent and co-ordinated approach to the stakeholder consultation during the design, construction, operation and ultimately decommissioning of the wind farm in the region of Kavarna.

This document sets out the project programme and the plan for public consultation which will provide timely information about the project, provide opportunities for those groups to voice their opinions and concerns in a way which is most appropriate to their circumstances and provide an opportunity for feedback and discussion on aspects of the project in which they have an interest.

The PCDP is a living document which will be revised over time to reflect information gained during the consultation period. This document has been developed for initial release to stakeholders with a particular interest in the project in May 2008.

The document provides:

- the approach to be taken to consultation at local and national levels to address issues raised in the Environmental Impact Assessment (EIA) and consent conditions;
- process for ensuring that issues raised by stakeholders are addressed by the developer and their contractors;
- Identifies resources which will be required to implement and monitor the consultation proposals; and
- outlines a grievance mechanism for local stakeholders.

A plan of the proposed wind farm is provided in Figure 1.

The objectives of the PCDP is to set out how public consultation and stakeholder liaison will be managed during the project lifetime. The plan will supplement public consultations undertaken to date to fulfil EBRD and IFC guidance on public consultation.

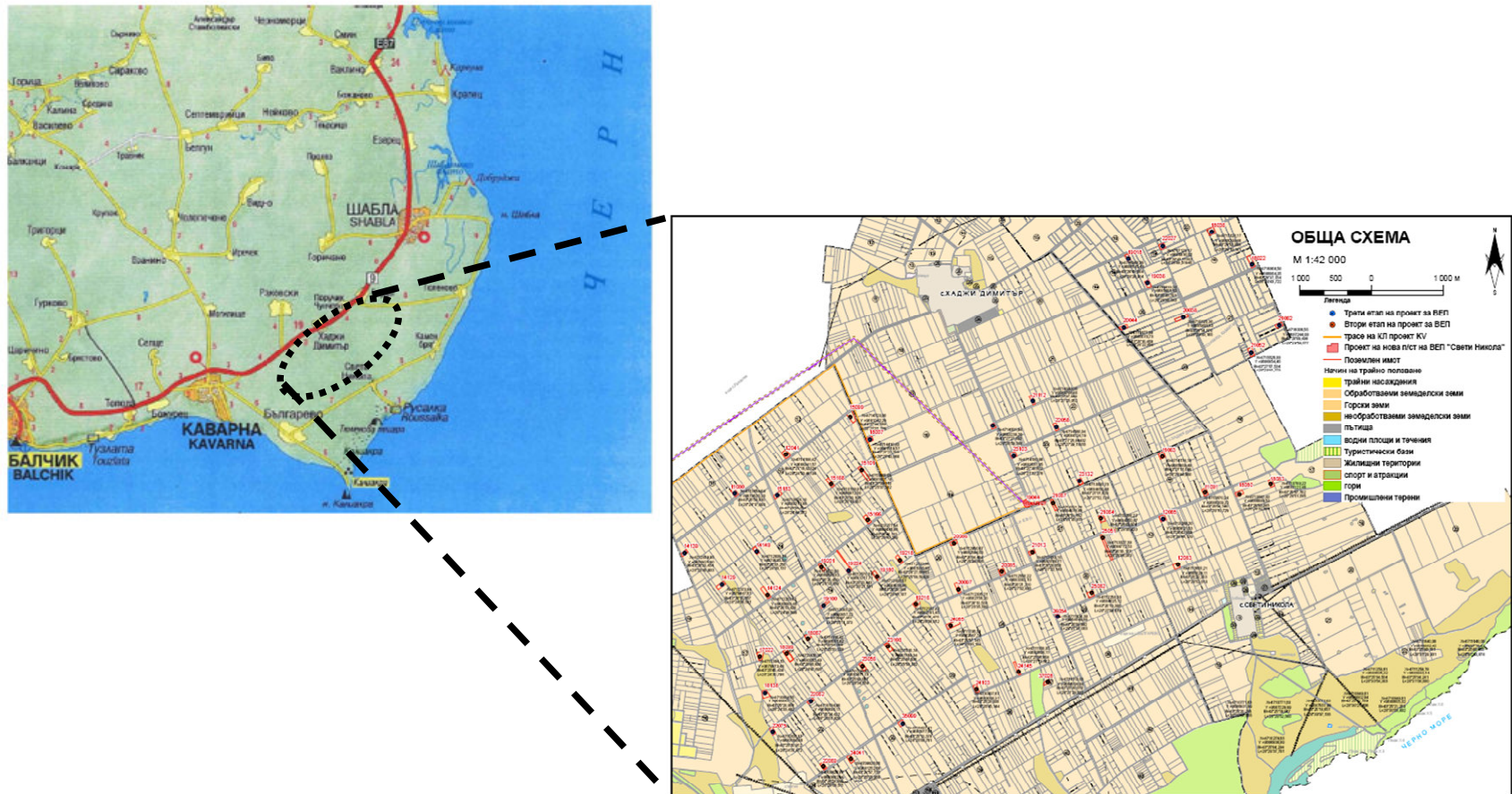
The public consultation and disclosure plan will contain:

- Identification of stakeholders at national and local level;
- An outline for consultation at the local and national levels, though final design, construction operation and decommissioning;
- Identify how issues raised by the project stakeholders are to be addressed in the detailed design, the construction, operational and decommissioning plans and procedures;
- Identification and provision of suitable resources required to implement the plan, and procedures to monitor implementation; and
- Grievance mechanisms for local stakeholders.

1.3 Project Programme

It is intended that the Project will be implemented in one stage involving construction of a substation, electric power network and 52 wind generators with installed capacity of 156 MW in 2009.

Figure 1: Location of the Proposed Wind Farm (Kavarna)



1.4 Definition of Stakeholders

Stakeholders can be defined as those people and organisations who may affect, be affected by, or perceive themselves to be affected by, a decision or activity. For the Project, the stakeholders range from the following main groups:

- The general public
- Non-governmental Organisations;
- Statutory regulatory authorities;
- Visitors to the region;
- Local landowners and other potentially affected industries

Through the consultations undertaken during the EIA for the Project and subsequent work thereafter, a list of stakeholders has been developed and is provided in Appendix 1. It is acknowledged that, as the Project develops, more stakeholders may be identified and engaged. In this regard, once identified, each stakeholder will be characterized in terms of their interests, concerns and requirements and will be captured within this PCDP document.

2 REGULATORY CONTEXT

2.1 Introduction

Public consultation activities identified in this PCDP and undertaken to support the development of the Kavarna Wind Farm Project in Bulgaria will conform to:

- Bulgarian regulations;
- Guidelines established by international financing institutions, specifically the World Bank, International Finance Corporation (IFC), and the European Bank for Reconstruction and Development (EBRD);
- European Commission Directives (though not required by law); and
- Relevant International Conventions for Public Participation

The main Bulgarian requirements are set out below.

2.2 Bulgarian Standards for Public Consultation

Article 95 Para 2 of the Environmental Protection Act (promulgated State Gazette issue 91/2002, amended and supplemented) and chapter three of the Ordinance on the conditions and procedure for conduct of EIA (promulgated State Gazette issue 25/2003) relate to the scoping and preparation of EIA Report. These stipulate that consultations must be held in relation to the requirements of Art 95 Para 23.

During the EIA of the Project, the MoEW Regional Inspectorate of Environment and Waters – Varna required consultation (Letter ref 26-00-260/17.01.2006), this specified the following organisations:

- National Department for Environmental Protection with the Ministry of Environment and Water
- Ministry of Health
- Regional Directorate of Agriculture and Forests
- NEK for the connection to the existing electric power transfer network
- The National Institute for Historical Monuments with the Ministry of Culture
- Geoprotection Ltd. Varna
- Interested environmental protection non-government organisations

In line with National requirements, the regional inspectorate required that the results of the consultation process, what issues were raised, and how they are being addressed were to be included in the Environmental Statement (ES). These consultations were undertaken during the EIA for the development and reported in the ES (provided as part of the financial disclosure package).

Preparation of a Non Technical Summary (NTS) is required in compliance with Article 12 Para 2 of the Ordinance and item 27 section 1 of the final provisions of the Environmental Protection Act as a separate document accessible for use by the public. An NTS was prepared for the project and subsequently updated to take into account requirements of potential lenders.

3 OVERVIEW OF CONSULTATION DURING SCOPING AND EIA

3.1 Introduction

The formal consultation process started in the period March – July 2005 after consultations carried out with RIOEW- Varna when Geo Power lodged detailed territorial plans (DTP's) for nine sites for land in the village of Bulgarevo for a decision as to whether and EIA would be required. In July 2005 Geo Power was informed by RIOEW – Varna that an EIA was not required for the developments, this was subsequently withdrawn in July 2005 following Geo Power's decision to increase the project's size and complaints from BSPB.

Geo Power subsequently accepted the requirement for an EIA in accordance with the Law for the Conservation of the Environment "Environmental impact assessment of the investment offers" as modified 2004. Geo Power included a description of the project, its location and a brief summary of the potential impact, namely birds and cumulative effects. The MoEW provided a recommended list of consultees in February 2006 (in accordance with article 95, para 3). These consultees included:

- National Department for Environmental Protection with the Ministry of Environment and Water
- Ministry of Health
- Regional Directorate of Agriculture and Forests
- NEK for the connection to the existing electric power transfer network
- The National Institute for Historical Monuments with the Ministry of Culture
- Geoprotection Ltd. Varna
- Interested environmental protection non-government organisations

The MoEW did not mention specific names of non governmental organizations (NGOs) so Geo Power invited, among other potential stakeholders, BSBP and Green Balkans to the public consultation. They also asked that the developer include a summary of the consultation process in the EIA and including consultees comments and whether they have or have not been taken into account in the EIA process.

Geo Power subsequently submitted terms of reference for the EIA to Varna and notified them of the fact that the Department of Zoology, BAS, would be undertaking autumn and spring migration surveys and that ET Ekoem would be employed to undertake consultation and complete the ES report.

Geo Power submitted the ES in RIOEW –Varna in April 2006. An expert council to assess the EIA for the development was held on the 2nd March 2006. On the 20th April 2006 Geo Power were informed that the evaluation of the EIA was 'G' (according to article 14, para 2) and was not deemed to

be sufficient to make a decision and a request was issued to correct a number of omissions.

Geo Power provided the additional information in the form of an addendum to the EIA (Volume II) in June 2006.

In parallel to the EIA process, Geo Power were in contact with the MoEW and the National Department for Environmental Protection requesting clarification of the boundaries of the proposed Natura 2000 sites in the region. A workshop was held on the 22nd November 2006 at the offices of RIoEW in Varna with the municipal experts and representatives of the developers to discuss the Natura 2000 sites. Dimitar Donchev represented Geo Power at the meeting.

In October 2006 the Director of RIoEW – Varna informed Geo Power that the information submitted with the EIA report was sufficient to make a decision and evaluated a mark 'B'. This subsequently triggered the procedures for public consultation of the EIA. MoEW issued a letter to Geo Power setting out the requirements for public consultation including provision of copies of the EIA for public viewing for the statutory period.

Letters were issued by Geo Power to 38 statutory and non statutory consultees on the 9th November 2006 informing them that copies of the EIA had been made available for public viewing during working hours in Kavarna Municipality, the RIoEW offices in Varna and Geo Power offices in Sofia.

3.2 Summary of the public consultation process undertaken to date

The public consultation meeting was arranged for the 19th December 2006 and was advertised in local and national newspapers in November 2006, announcements were placed on the notice boards in RIoEW - Varna and the Kavarna Town Hall, formal invitations were posted to the statutory consultees and a record of the posting and receipt of these letters is held on file and was submitted to RIoEW.

The public consultation meeting took place on the 19th December between 10.30 and 12.30 in the Conference Hall of Kavarna Municipality, Kavarna. Thirty seven people attended (approximately 18 were from the developers side, including technical specialists).

The consultation facilitated by presentations from Geo Power, AES and the technical specialists. Following the presentations there was a question and answer session.

Copies of the non technical summary were also distributed to those who attended the meeting (50 were printed). The proceedings were recorded by video. Minutes of the meeting (formally agreed with the Municipality and Geo Power), a list of attendees and a letter from the BSPB/Birdlife Bulgaria regarding the public consultation were submitted to the MoEW. Clarification was subsequently provided by Geo Power to Kavarna Municipality in response to the questions raised.

Formal approval of the project was issued on 23rd March 2007 with conditions. No appeals or objections to the approval were received within statutory 14 day period. A letter from Geo Power had been received within this period requesting a partial repeal based on clarification of some of the conditions, but it was subsequently withdrawn.

4 IDENTIFICATION OF LOCAL AND NATIONAL STAKEHOLDERS

4.1 Introduction

A register of stakeholders consulted during the scoping and EIA process have been compiled into a stakeholder consultation register with contact details (address, telephone, mobile, e-mail) of the identified stakeholders as far as they could be established.

As the spreadsheet contains personal contact details it is considered confidential and will be used for the internal purposes of the Project. However, in lieu of the spreadsheet, a list of these stakeholders has been provided in Appendix 1, categorising them in accordance with Section 4.2 below.

The spreadsheet and overall PCDP forms a live document and will be updated as and when new stakeholders are identified through the pre-construction, construction, operation and decommissioning of the Project or when new issues or existing circumstances change. In each case, new stakeholders will also be categorised in accordance with Section 4.2 below, and communicated with in accordance with the commitments in this PCDP.

4.2 Stakeholder categorisation

The stakeholders have been grouped into specific consultation categories during an internal conference call with AGE on the 21st May 2008 at which the approach to stakeholder engagement was discussed. The discussion positioned stakeholders according to their interest and knowledge of the project and their position in the community of stakeholders.

Following the stakeholder mapping process the stakeholders were grouped into the following general categories:

- comprising individual landowners directly affected by the proposals, representatives of public authorities that have had an input to consent conditions and will have an influence on the approval and execution of the project. Geo Power met with all of these stakeholders during the EIA process. Geo Power will subsequently hold face-to-face meetings with these stakeholders to present the construction monitoring, reinstatement and operation management plans;
- comprising individuals, communities and representatives of organisations that are have a local interest in the project (either they are located close by or they are potential suppliers) with whom Geo Power would want to hold a face-to-face meeting to present the construction programme and request information and assistance;

- comprising representatives of organisations including NGOs, which Geo Power would typically supply with written information about the project and subsequently follow up individually for feedback; and
- comprising representatives of organisations or communities that have provided information during the EIA, who may be interested in the project and would be provided with information if it was requested.

Stakeholders identified to date are in Annex A

The consultation to be undertaken during the different stages of the project (preconstruction, construction, operation and decommissioning) will vary. The following sections seek to provide an outline approach to be taken over the life of the development.

5 CONSULTATION PRE CONSTRUCTION

AGE, as the developer, will work with the landowners, local communities and the regulatory authorities to ensure that there is a clear set of consent conditions and that those affected communities for the sites, access roads and temporary construction areas have been notified of the construction timescale and the potential temporary and permanent effects.

AGE has established a website specific to the Project which will be kept up to date with relevant announcements www.geopowerbg.com and disclosure documentation as it is published. AGE recognise, however, that whilst this provides a central and largely accessible source of project information, other commitments are required to supplement this approach and reach those stakeholders that may not have access to the website.

At this stage of the Project, the objectives of AGE will be to:

- Identify any significant new issues that may have arisen prior to construction;
- Provide suitable and appropriate advanced notice and detail of the commencement of the works;
- Outline the Project programme and highlight key milestones and times of potential disruption;
- Understand any community related issues that may impact on construction;
- Monitor and respond to concerns and issues raised in relation to the construction and operation of the wind farm;
- Set out clear lines of communication (as per the grievance procedure detailed in Section 8 below)
- Manage any complaints prior to construction.

The resources to be provided in order to support these requirements will be the employment of a Stakeholder Manager who will be tasked with the overall management of the PCDP and its commitments and requirements. Disclosure documents and procedures that will be provided and used during this phase of the Project will include but not restricted to:

- The project specific website above;
- Newsletters;
- Community meetings;
- Draft Project Environmental Management and Monitoring Plan (EMMP)
- Draft Emergency preparedness and response Plan;
- Draft Waste Management Plan;
- Draft Pollution Prevention Plan;
- Draft Water Management Plan;
- Draft Traffic Management Plan;

- Draft Reinstatement Plan;
- Draft method statements.

6 CONSULTATION DURING CONSTRUCTION

AGE, as the wind farm operator, will be ultimately remain accountable for relations with the affected communities but the primary responsibility for daily liaison with communities during the construction phase will be borne by the construction contractor. The operator will therefore require the contractor to develop its own plan and more detailed proposals for community liaison. This will build on the approach outlined by the operator and discussed in this section.

The objectives of the contractor's stakeholder engagement plan during the construction phase will be to:

- Forewarn communities of any activities that they should be aware of prior to commencement (e.g. short term disruption);
- Provide communities affected by the project with information on the progress of work and implications for these communities;
- Inform the operator of any community related issues that may impact on construction;
- Monitor implementation of mitigation measures and the impact of construction via direct monitoring and feedback from communities;
- Identify any significant new issues that may arise during the construction period; and
- Manage any complaints against the operator / contractors and communities.

The role of the operator during construction will be to:

- Provide guidance and advice to the contractor on the liaison with local communities;
- Compile consent condition reports and liaise with the regulatory stakeholders;
- Monitor and audit the contractors stakeholder engagement plans; and; and
- Update the PCPD to reflect stakeholder engagement.

In addition to AGE's Stakeholder Manager, the resources to be provided in order to support these requirements will be the employment by the contractor of a community liaison officer and agricultural liaison officer (although it is possible that these two roles would be fulfilled by one individual). Disclosure documents and procedures that will be provided and used during this phase of the Project will include but not restricted to:

- The project specific website above;
- Newsletters where required to provide updates on project process;
- Ad hoc day to day liaison with stakeholders;

-
- Any significant changes to the adopted Project Environmental Management and Monitoring Plan (EMMP) and associated other plans (as listed under pre-construction above);
 - Any significant changes to method statement;
 - Results of monitoring undertaken on site'

7 CONSULTATION DURING OPERATION

During the operational phase, it is likely that community relations for this project will be managed by AGE from Sofia for national stakeholders and from Kavarna for local stakeholders. The objective of the community relations programme will be to:

- Maintain constructive relationships between communities, stakeholders and the operators, to assist in the operation of the Project;
- Maintain awareness of safety issues among communities in the vicinity of the wind farm;
- Ensure compliance with land use constraints among land owners; and
- Ensure compliance of the operating and reporting requirements (including monitoring requirements);
- Report incidents and accidents; and
- Monitor community attitudes to the wind farm operating company.

Disclosure documents and procedures that will be provided and used during this phase of the Project will include but not restricted to:

- The project specific website above;
- Newsletters where required to provide updates on project operations and any significant changes relating to operations on site;
- Ongoing results of monitoring undertaken on site;

The documents will be made available to Stakeholders according to their category and the relevant of the information being provided in terms of their concerns and function.

Stakeholder will be met on request. The disclosure of results of bird studies and interpretation of these results will be undertaken. As part of this process a stakeholder forum at the site will be undertaken once a year for the first 3 years to discuss the results of the findings of the studies.

8 CONSULTATION PROCESS

8.1 Disclosure of Draft Final EIA and Open Room

In line with international best practice, the ES and NTS will be made available to stakeholders as part of the Lenders due diligence process. The initial EIA has been publicly available since 2007 and will be also made available on the Project internet site from May 2008 until the project is commissioned (www.geopowerbg.com). The ES and available information will be supplemented with further additional information, as the project progresses. This will include results of bird monitoring undertaken during the construction and operation of the wind farm.

An additional notification will be advertised in newspapers within Bulgaria, advertising the opportunity to review the ES and provide comments. The general public in the villages affected by the project will be additionally informed via the local community information bill-boards at the local community administrations and by placards posted in the settlements.

Interested public can access the NTS and ES documents at the municipality administration centres as well as Geopower's regional office in Sofia and Kavarna. An open house will be organized to provide additional opportunity to view the details of the ES and summary of the project. Details relating to locations and hours of opening will be published in the newspaper advertisements and the local bill-board notifications and placards posted in the villages.

Comments and suggestions can be submitted in writing to AGE directly or be left at the municipality offices over a 2 month period starting from the first day of public availability of the ES document (22nd May).

Within this 2 months period, AGE will organise a 2 day Open Room event in Kavarna where AGE representatives and AGE consultants will be available to explain the planned project and to address questions. Various information and presentation material will be provided (such as leaflets, posters with photorealistic simulation). Comments and suggestions received will be recorded for consideration by AGE. An additional one day open house meeting will be organized in Sofia.

8.2 Additional Disclosure of Information

Information on the Project will be made available on the website of Geopower (<http://www.geopowerbg.com>) including contact details for inquiries or request for further information. Copies of the NTS will also be provided on Lenders web site as they undertake their respective consultation processes,

Information provided will comprise topics such as the actual status of the project implementation status, the ES and information material. The web site will be updated to provided additional information as the project is being developed.

The information will be placed on the website at the time when respective information becomes available.

8.3 Timetable of Disclosure and Consultation activities during project preparation

Initial project information disclosure and stakeholder consultation is scheduled for end of June, early July 2008. Disclosure of the ES documents is foreseen in June and July 2008, and the *Open House* Information event for early July 2008.

9 GRIEVANCE MECHANISM

9.1 General

A local communities complaints procedure will be implemented to ensure that all complaints from local communities are dealt with appropriately, with corrective actions being implemented, and the complainant being informed of the outcome. It will be applied to all complaints from affected parties.

The operator will be responsible for collating written complaints and co-ordinating responses to all complaints

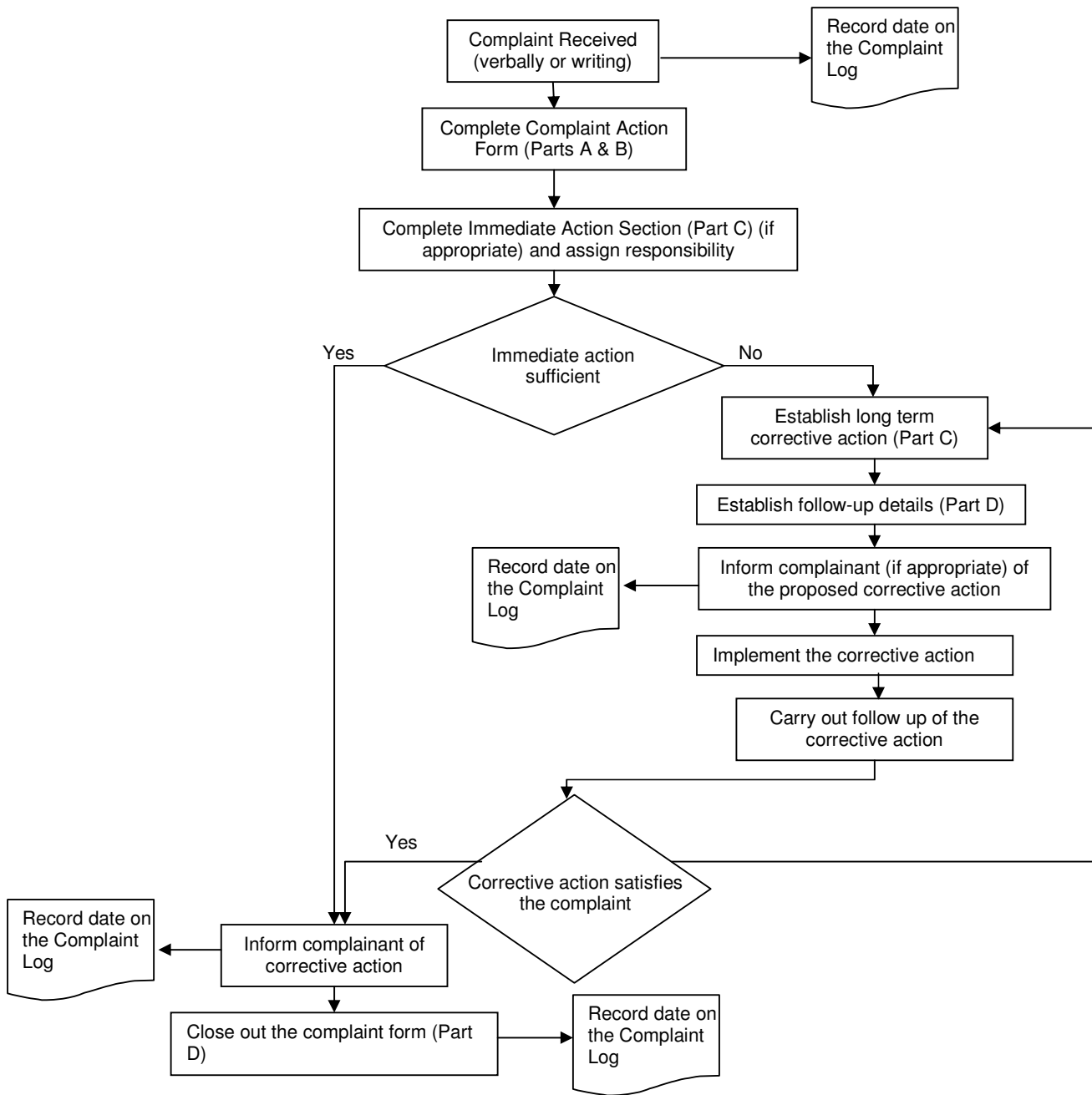
A grievance form is attached in Annex B

9.2 Procedure

All complaints will be handled in accordance with the flowchart below. Both verbal and written complaints will be entered into the complaints log, including the date, the complainant contact details, the nature of the complaint and close out date.

A complaints action form recording the corrective action and sequence of correspondence (written and verbal) until the complaint has been resolved will also be maintained for each recorded complaint.

Figure 3: Complaints procedure



Appendix A

Stakeholders

MOEW
RIOEW Varna
Institute of Botany
Institute of Zoology
Central Laboratory on common ecology to BAS
Department Civil Protection – Dobrich District
Kavarna Municipality
National Institute for Cultural Monuments
NEK EAD - high voltage grid company
Ministry of Energy and Energy Resources
MEW, “Preventive activities” Dept., “Protection of air purity” Dept. and “Waste Management” Dept.
Bulgarian Society for the Protection of Birds
NMP-BAS Bats Research and protection group

Stakeholders

RIPCPH - Dobrich
Investigation and production of oils and gas JSC
Ministry of Health
Executive Environment Agency
Ministry of regional development and public works
Regional administration Dobrich
Water supply and sewer company – Dobrich
Regional directorate Agriculture and Forestry - Dobrich
The municipality of the village of Bulgarevo
The municipality of the village of Sveti Nikola
The municipality of the village of Hadji Dimitar
The municipality of the village of Rakovski
The municipality of the village of Porouchik Chounchevo

Stakeholders

Faculty of Biology, Sofia University St. Kliment Ohridski
Republican Infrastructure Fund
Bulgarian Investment Agency
University of Forestry
Global Carbon
Irrigation systems - Dobrich
Union of Hunters and Fishermen in Bulgaria
The punitive and fishing battalion Kavarna
The punitive and fishing battalion Bulgarevo
SEWRC
Economic Development Agency
Traffic Police
Power supply
BNP Paribas
Ministry of Transport and Communications
Agency of Regional Development
Animal farms

Appendix B

AGE Public Grievance Form

AGE Reference No:	
Full Name	
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	By Post: Please provide mailing address: _____ _____ _____ By Telephone: _____ By E-mail _____
Preferred Language for communication	Bulgarian English
Description of Incident, Grievance or Concern:	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of Incident/Grievance	One time incident/grievance (date _____) Happened more than once (how many times? _____) On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	
Signature: _____	
Date: _____	
Please return this form to:	