

Shoalhaven Solar Farm

Briefing for the Shoalhaven Community - 25th July 2019



Shoalhaven Solar Farm

Purpose of Briefing

- Update the community on the developments since the previous briefing in December 2018.
- Gain your feedback on our approach and the project.
- Identify the potential for future investor support.
- Start the conversation, should the project proceed, to determine the investor participation structure. This is very much an open issue at this stage.

**THIS EVENINGS BRIEFING SEEKS YOUR ENGAGEMENT
PLEASE ASK QUESTIONS OR CONTRIBUTE AT ANY POINT**

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To be clear

For the avoidance of doubt we explicitly state to all present and to those considering this presentation on line, that we are not seeking investment or promoting investment in this project at this time. That time may come, in which case more definitive information on the opportunity and risks would be forthcoming.

Shoalhaven Solar Farm The Sub-Committee

The volunteer Repower Solar Farm Sub-committee is unchanged from December 2018;

David Brawn

Bob Hayward

Terry Kearney

John Kubale

Peter McVay

Walter Moore

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The background story - 1

- A Repower sub-committee was formed in late 2017 to explore the potential for a local large scale solar scheme.
- The North Nowra waste disposal site was identified and discussions with SCC confirmed the availability of this site for the scheme. Council provide material support to progress the scheme.
- Throughout 2018 Repower and SCC participated in an ARENA funding study, managed by Institute for Sustainable Futures, UTS to explore the requirements to develop social access solar gardens.
- The study was completed in November 2018 with a defined project and supporting legal and marketing advice. Repower committed to proceed with the planning for a scheme.
- The essence of the project was a not for profit community owned scheme, developed and operated for the benefit of the Shoalhaven community. It was a modified approach to that contemplated at the commencement of the study.
- The North Nowra site was identified as a portion of a wider Native Title claim which Council endeavoured to resolve, but this has not been possible.

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The Background Story - 2

Our proposed approach as of December 2018;

We determined that the administrative and legal requirements to establish the UTS concept (social access) from the start was beyond our resources.

Our modified approach was to establish a community owned and managed solar array funded by investors, grants and commercial debt.

Investors would receive a notional loan based return until the loan is discharged, similar to existing Repower projects. At a point in time the scheme would be unencumbered and able to fund social benefits from the surplus cash flow.

The arrangement of direct offsets for individual electricity accounts, based on energy generated and assigned to each participant's stake, remained a possibility for future consideration.

Developments since December 2018 have modified the approach still further.

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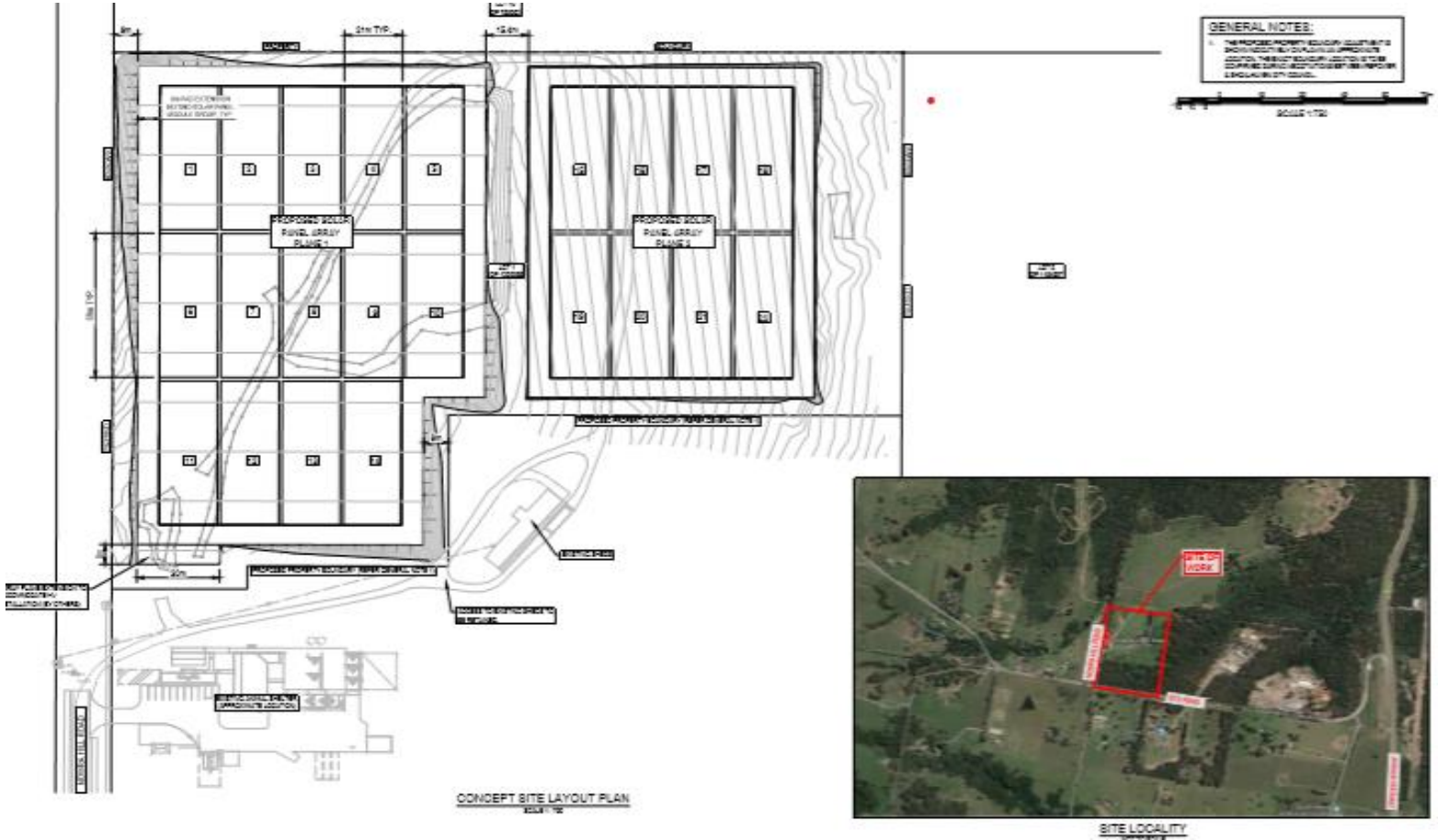
The Background Story - 3

Events since December 2018 which have shaped the current proposal;

- February 2019 - NSW government announced \$30 million Regional Community Energy Fund with grant funding support for 'Shovel Ready' community led renewable energy schemes. Repower determined to apply.
- Native Title claim unresolved, consequently Council staff identified an alternate site which Council resolved to make available.
- Repower, with Council support, determined the new site was suitable.
- Unfortunately insufficient time was available to complete the demanding requirements of the RCEF grant application in May.
- Repower determined proceed to develop the project to 'shovel ready' in anticipation of a second round of grant availability. That second round is yet to be announced.

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The South Nowra Rd (off BTU Rd) Solar Layout.



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Statistics of the BTU Road Proposal

- A 4ha portion of the site.
- 22 solar array cells each of 29x20 panels. 12,760 panels in total.
- Aggregate annual generation approximately 5,400MWh.
- Fixed panels supported by the PEG system.
- 8,000 cu.m of soil to be relocated on site to create required graded platforms.
- Capital cost in the order of \$4.5 million.
- We are receiving substantial technical support from both a solar farm design engineer and a contractor experienced in similar scale projects.

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The Retailer Proposal

An essential component of a viable scheme is a contract with a retailer to purchase the generated power and on sell it.

Over an extended period we have examined a number of options and proposals.

In May we met with a retailer and established the **potential** for them to purchase all the power generated, assist with the pre-development approvals and be an equity participant in the scheme.

This potential participation is yet to be confirmed.

IF realised this is a material change to our previous concept for the project delivery and ownership.

It significantly enhances the prospect of building a viable scheme in which community participation remains a key aspect.

We are bound by a non disclosure agreement whilst the retailer undertakes due diligence to determine whether or not to commit.

Shoalhaven Solar Farm Shoalhaven Council Support.

The support Shoalhaven CC has been critical to reach this point. This support was predicated on the project being an entirely community owned not for profit scheme with a social benefit.

Immediately we became aware of the potential for the material change we notified SCC to establish their reaction. This resulted in a report to the Strategy and Assets committee on 23rd July 2019.

The committee resolved;

- ***Council endorse the Repower Shoalhaven funding model, whilst removing any further in-kind contributions made by Council. That Council delegates authority to the CEO to negotiate the following with Repower Shoalhaven:***
- ***A lease for use of the land;***
- ***A behind the meter energy cost (per KWh) to power the Animal shelter.***
- ***Any income from rent and ground maintenance related savings to be directed into the newly established council Revolving Energy Fund (MIN19.419), for investment in energy efficient projects by Council.***

This resolution is not anticipated to influence the viability of the scheme.

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Next Steps

We are now in a holding position pending the retailer's resolution on their participation. We hope this will be resolved in the next few weeks but it may take longer.

We are seeking a meeting with Council to quantify the consequence of their resolution.

We will continue to prepare the RCEF grant application in anticipation of a second round.

If the retailer commits to the scheme **and** we reach agreement on the terms, we will call another community meeting to resolve how we organise ourselves to participate as customers, investors and partnering owners.

If the identified retailer arrangement is not realised we will seek alternate arrangements with another retailer.

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Your response

Our primary objective is the development of a solar farm in the Shoalhaven.

We are committed to realise social and community benefits arising from the project.

We request your comments and feedback on the approach we are taking.

We welcome suggestions on the future arrangements and community participation.