

GOULBURN *COMMUNITY-OWNED* **SOLAR FARM**

INFORMATION PACK



GOULBURN COMMUNITY
ENERGY COOPERATIVE

A Letter from the Chairperson

THIS DOCUMENT IS AN INVITATION TO JOIN OUR CO-OPERATIVE.

Global warming has become the primary world issue of our time. The majority of Australians want action to be taken. As a key component of the solution to global warming, renewable energy has become a major growth industry. The Goulburn Community Energy Co-operative has been established to develop, own and operate one of Australia's largest co-operatively owned solar farms. Built on solid commercial principles, our local ownership ensures that it will play a leading role in the environmental, economic, and social sustainability of the local community.

Members of the Co-operative are more than simply investors in the Australian renewable sector: they are also active participants within and voting members of the Co-operative. Not only do they contribute to our community, they also provide a positive response to the challenges presented by global warming.

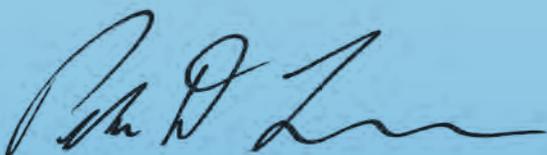
This Co-operative Membership and Share Offer comes at an exciting time. The recent signing of the construction contract of the farm with Komo Energy Pty Ltd (Komo) by CE4G Inc is a major milestone that sees the project one step closer to its aim. And the agreement with Komo removes virtually all financial risks for the Co-operative because Komo will build and finance the solar farm, with the Co-operative having the right to buy part or all the farm once the funds have been raised.

Positioned adjacent to the Sydney Road and Northern rail entries into Goulburn, on Bridge Street, the solar farm will be a local landmark demonstrating to residents and visitors the progressive nature of the city. At the same time, over the course of the project, the solar farm is projected to provide attractive, commercial financial returns.

Whilst many communities are still considering their response to climate change, the residents of the Goulburn region can be extremely proud of their local efforts to generate clean power and act as an example for future projects across Australia.



Please take the time to read this document, and the attached Disclosure Statement, and you will appreciate the promise of our solar farm. I look forward to welcoming you as a member of our Co-operative.



Peter Fraser,
Chairperson
Goulburn Community Energy Co-operative

INTRODUCTION

The Co-operative was formed because of a decision made by a local community association, Community Energy for Goulburn Inc (CE4G). CE4G has been the driving force to build the community owned solar farm in Goulburn since late 2014. The Co-operative grew out of research conducted by CE4G to find a suitable financial and governance entity that would best suit the ownership and operation of the solar farm.

The committee looked at different investment structures and decided that a co-operative (“the Co-op”) was the most democratic form of ownership because each vote does not depend on the number of shares held. Whether an investor holds 400 or 4000 shares, they only have one vote. No-one can use their voting power to support a vested interest. The Co-op is governed by NSW Department of Fair-Trading legislation.

The Co-op was established mid-2020 through registration via the NSW Department of Fair Trading after extensive advice from legal, accounting and governance advisers.

Board of Directors

GCEC Co-op is managed by a Board of Directors, who will resolve all matters relating to the management of the Co-operative and the SPV. The initial Directors will be elected by shareholders at the Formation Meeting and at subsequent Annual General Meetings.

A brief bio for each Director may be found on the GCEC Co-op website.

The following people have been elected as interim directors of the Co-op at the Formation Meeting:

Edward Suttle: BA, FAICD.

Company Director and General Manager; Vice-President of Community Energy for Goulburn Incorporated.

Peter Fraser: B.A., B.Div. Dip Ed.

Company Director and General Manager. President of Community Energy for Goulburn Incorporated.

Gretchen Alt-Cooper: FIPA, SSA, CFP.

Company Director and General Manager, Public Accountant, Treasurer of Community Energy for Goulburn Incorporated.

Primary Activities

The primary activities of GCEC Co-op, as stated in the Rules, are to:

- Develop, own, operate and manage renewable energy projects both IFM and BTM for the Goulburn community;
- Generate and supply energy from the GCEC Co-op renewable projects;
- Provide advice to its members to reduce energy usage and increase members’ energy efficiency;
- Raise community awareness of the benefits of sustainable and renewable energy.

The Site

The Bridge St site was suggested by the part-owner, Denrith Pty Ltd as a suitable site for the solar farm. It was identified as an appropriate site for the following key reasons:

- A suitable grid connection is running adjacent to the property;
- The site provides a good image for renewables and for the city;
- It is large enough for a farm of the scale originally planned;
- The Bridge St site is located approximately 2 kilometres from the centre of the city. The site is 1.8 hectares of private land located just south of Sydney Rd and west of the railway line. The land was slated for a recycling plant which did not eventuate, due in part to community concerns. The solar farm has not met any objections from the community.



Solar Farm site on Bridge St, Goulburn



THE TECHNICALS

SALE OF ELECTRICITY

There are three possible methods of selling the electricity generated, whether directly from the panels or via the battery:

Solar PV

- Number and type of panels: about 4000
- Orientation of panels: fixed north facing
- Total DC capacity of farm: 1.8 Mw
- AC output of farm: 1.2 Mw
- Area of land: approximately 2.2 hectares

Sale of Electricity

1. PPA — Power Purchase Agreement

In this method, energy is sold to one or more “loads” (normally large institutions, businesses, government agencies) at a fixed price over a fixed term. The institution may take all or part of the total output of the farm.

Pros: Certainty of revenue stream over fixed period (up to 5–10 years); if not fully subscribed, some output can still be sold through options 2 and 3.

Cons: Price is normally lower than what can be achieved through other methods.

Battery

The Goulburn community owned solar farm will be the first of its kind in Australia. Not only will the solar farm pump renewable energy into the grid, but installing a battery will allow the project to sell into the grid at the most financially advantageous time of the day (usually the afternoon), but will also be used to stabilise the grid when it’s needed – and be paid a premium for that.

- Storage capacity of battery: 400 kW, 800 kWh

Sale of Electricity

2. Retail

The output of the farm is bought by a retailer and then on-sold to its customers as “Green Power”. Customers could be limited to people in the region (including Co-op members) as a first option and then others if not fully subscribed.

Pros: Certainty of revenue stream over fixed period (up to a year); members can purchase farm output from the retailer.

Cons: Price is normally lower than what can be achieved through other methods; customers might have to change retailers to the participating retailer.

Grid Connection

- Connection point: Nth west corner
- Line voltage at connection: 33 KV

Sale of Electricity

3. Merchant

Output is sold on the spot wholesale market through a broker.

Pros: On average, a considerably higher revenue stream than the first two options; less negotiation required, so easier to implement quickly; battery allows sale of energy at peak price points in the late afternoon.

Cons: The wholesale price changes every half hour, so revenue projections are more difficult; members do not have opportunity to purchase energy from the farm; Options 1 and 2 can be chosen at a later date.

The Co-op has chosen to initially use the Merchant method but may move to either of the other options in the future, or even a mix of two options.

THE FINANCIALS

Cost of the solar farm:	\$4.2M
Grant from NSW Government:	\$2.1M
Investor finance being raised:	\$2.1M
Minimum Investment:	\$400

The Goulburn Community Energy Cooperative has been established specifically to build and operate the solar farm. We are seeking investors to help finance the project, supported by a grant from the NSW Government. The total cost of the project is \$4,204,420, of which the NSW Government grant is 50%: \$2,101,211.



Reduced Risk

The grant significantly reduces the risk profile of the project and at the same time buttresses the project by effectively doubling the value of investor contributions and enhancing the return on investment. Each dollar investment is effectively worth two dollars in equity in the project.

The Cooperative is encouraging community members from the Goulburn Local Government Area to become owners in the solar farm thus ensuring that profits from the project stay in the community. Investors from outside the local LGA will also have opportunity to invest provided local investors are given first priority.

To invest in the project, you must first become a member of the Cooperative.

The Community Fund

A community fund is being set up to assist those living in energy poverty situations. The Co-op mission is not only to provide clean alternatives to coal and gas, it is to assist the disadvantaged within the Goulburn community, and is working with Anglicare Goulburn to establish a Community Fund which will have contributions from two sources:

- A percentage of the farm's annual profit will be retained, pre-dividend, for contribution to the 'Power Poverty Fund';
- Shareholders will be encouraged to put aside part or all their dividends as a tax-deductible donation to the 'Power Poverty Fund'.

By this time next year, the Co-op will have built a solar farm producing 100% clean electricity. The farm will be owned by members of the Goulburn community, with the dividends remaining within the local economy, and giving back to people within our local community that need our support. Anglicare, an organisation experienced in this field, will manage and distribute the fund to our community, where it is most needed.

How To Invest

To invest in the project, you must be a member of the Co-op and purchase a minimum number of shares. An Application Form is available with the Information Disclosure document and can be downloaded from the website:

<https://goulburnsolarfarm.com.au/>

Preference will be given to local investors.

You can also contact us by email projects@ce4g.org.au or phone 4822 7700 and we can email or send you the Application Form and Disclosure Statement.

Find out more about the project on the Q&A page.

Q&A

Q: Are there any fees for joining the co-operative?

A: There is a joining fee of \$10 and an annual fee, payable in advance, currently set at \$10. The Co-operative (“The Co-op”) cannot increase the annual fee without advising you first.

Q: What is the minimum shareholding?

A: The minimum shareholding is 400 x \$1 shares – approximately the price of one solar panel.

Q: What is the maximum shareholding?

A: The maximum shareholding is set by NSW Fair Trading (the government department with responsibility for the governance of the Co-op) and is 20% of the issued capital of the Co-op. As we are aiming to raise approximately \$2,000,000 for this project, that equates to 400,000 X \$1 shares.



Q: What sort of dividends can I expect?

A: Even if we were legally permitted to do so, the Co-op cannot promise a rate of return because performance is all in the future. However, we are aiming to provide a commercial rate of return, hopefully between 4% – 6%. One of the benefits of a Co-op structure is that each year it is the members who decide what the dividend will be and how often it will be declared, on advice from the Board. And remember, each member is entitled to one vote only, irrespective of shareholding.

Q: How do I receive dividends?

A: Dividends will be paid by bank transfer into your nominated bank account and you will be sent a dividend notice to your nominated email address. It is important to notify the Co-op if your details change.



Q: What happens if I want to leave the Co-op?

A: If you want to leave the Co-op you must sell or transfer your shares to someone else. The managing board may be able to help you find someone willing to take your shares.

Q: What happens to my shares if I die?

A: Your shares will be transferred to your legal personal representative (the executor of your estate) to be dealt with in accordance with your will.

Q: What happens if I do not pay my annual fee or fulfil my other membership obligations?

A: If you do not do so for 3 years and we do not know where to find you, we may cancel your shares.

Q: How does the co-operative help the disadvantaged in the community?

A: The Co-op will set aside a percentage of its profits each financial year to be applied to charitable purposes within the community. We will be working with local charitable organisations to ensure such support stays within the community and focuses on energy poverty. You can also direct us to apply part or all of your dividends to our nominated charity and you will receive both a dividend advice and notice of the donation.

FOR MORE INFORMATION —
VISIT OUR WEBSITE:

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A project of



DISCLAIMER*

This document does not provide investment advice. Applicants for membership and shares should seek their own professional investment advice. To the extent that information in this document constitutes financial product advice, it is general financial product advice only and provided only by the Co-op. The Offer does not consider a Recipient's individual investment objectives, financial situation, and needs (including financial and tax issues) as an investor. It is important that Recipients read the entire Rules and Disclosure Statement and carefully consider their investment objectives, financial situation, and needs (including financial and tax issues) and seek appropriate professional advice before deciding to apply for membership and shares.