**Komo Service Pty Ltd**

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| Project: | **Goulburn Dispatchable Solar Farm** |
| From: | **Komo Service Pty Ltd** |
| To: | **Goulburn Solar Project Pty Ltd** |
| Date: | **20 September 2021** |
| Subject: | **Tender Recommendation – Early Services and Engineering Procurement & Construction (EPC)** |

## 1. PURPOSE

The purpose of this document is to provide background to the process and methodology of the tender process for the Goulburn Dispatchable Solar Farm project (the **"Project"**) and to consult with CE4G and the Coop on our tender recommendation.

## 2. BACKGROUND

### 2.1 Project background

The Goulburn Dispatchable Solar Project was initiated by Community Energy 4 Goulburn (**"CE4G"**) in 2016.

CE4G engaged Komo Energy to finalise the development and prepare the Project (initially as a solar farm only) for community investment.

CE4G and Komo Energy secured a $2.1 million grant from the NSW Government under the Regional Community Energy Fund (**"RCEF"**) for the project which enabled the addition of a battery component to ensure its dispatchability.

CE4G has facilitated the creation of Goulburn Community Energy Co-operative Ltd (the **"Coop"**) as the community investment vehicle. The Coop has raised approx. $1.9 million in community funds.

### 2.2 Project technology

The Project was submitted to RCEF as a 1.2 MW AC / 1.8 MW DC (East West or fixed North) and 400 kW / 800 kWh battery project, with an approximate value of $4.6 million.

The development has undergone a number of pivots and is currently geared towards 1.440 MW AC / 1.290 MW DC solar based on single axis tracking and 600 to 1,200 kW / 2,300 kWh battery storage. These pivots were used to address a changing energy market environment

in which daytime solar generation is losing value, but the value proposition of being able to day-time (diurnal) shifting of solar energy is improving. This was paired with a contemporaneous significant decline in battery cost and the emergence of a suitable central inverter solution earlier this year. The pivots also supported the grid connection strategy that would either demand an "AC coupled" environment in which solar and battery inverters do not add up to more than 1.5 MW or, as is now proposed, a "DC coupled" environment where the single inverter remains at 1.5 MW.

Part of Komo Service's role is the procurement and contracting with a suitably capable and experienced EPC contractor via a competitive tender.

## 3. REQUEST FOR TENDER – KEY DATES

| Item | Date / Timing |
|---|---|
| Expressions of Interest | 19 February 2021 |
| Issue of Tender | 16 March 2021 |
| Close of Tender | 5 May 2021 |
| Evaluation & Clarifications | May-June 2021 |
| Negotiation (incl. redesign & repricing) | July-August 2021 |

## 4. METHDOLOGY OVERVIEW

An open tender was pursued. An expression of interest was advertised via Komo Energy's website and its networks using LinkedIn and direct email.

All tenderers were asked to sign a Confidentiality and Process Agreement prior to being issued an RFT.

The RFT set out the project background, performance specification, project parameters and limitations, an EPC target price and evaluation criteria. Tenderers were open to choose their own design and technology selection.

Komo Service was responsible for tender preparation, managing the tender process, setting the evaluation criteria and evaluating the tenders.

Komo Service consulted with and kept the CE4G and the Coop updated of progress over time.

## 5. PROCUREMENT CONTEXT

Komo Service provides the following observations on the procurement context:

- The contracting market is very "tight" as construction and infrastructure spending has been a significant part of the Covid economic response. This has led to significant delays on tender and clarification submissions and higher pricing than what would have been expected 2 years ago.

- The international supply chain for solar and battery projects is under significant pressure and has seen substantial cost increases due to freight rates and component

pricing for solar modules, steel (relevant for mounting structure/trackers), copper and aluminium (relevant for cables). Foreign exchange movements had varying impact.

- The contracting market has been impacted by some high profile market exits and insolvencies and administrations affecting solar contractors and leading to greater risk adversity in contractors.

## 6. SUBMISSIONS SUMMARY

| Stage | No. |
|---|---|
| Expressions of Interest received | 18 |
| Confidentiality and Process Agreement signed & RFT issued | 14 |
| Tenders received | 6 |

The number of Expressions of Interest received and subsequently Tenders received is consistent with Komo Service's experience on similarly sized project opportunities.

## 7. EVALUATION CRITERIA

The following criteria and weightings were used for evaluation of the tenders received:

| No. | Criteria | Sub-Criteria | Weighting |
|---|---|---|---|
| 1 | Price & Finance | • Ability to deliver the Facility within the Budget identified in paragraph 5.1 ("Budgetary requirements")<br>• Detailed price breakdown as per Appendix 1 ("Evaluation Criterion 1 – Price and Finance")<br>• For solar component: cost metrics $/kWpeak and $/kWh, LCOE over 10 & 20 years (Komo Energy calculation)<br>• For solar component: value of the generated electricity in the NEM based on time of generation by nominated technology (Komo Energy calculation)<br>• For BESS component: cost metrics $/kWAC and $/kWh (Komo Energy calculation)<br>• Value of additional revenue streams arising from deployment of BESS<br>• Proposed milestone payment schedule | 30% |
| 2 | Proposed Solution | • Proposed technical solution (including makes and models of key equipment), site layout plan<br>• PV-Syst forecast yield and yield distribution for solar component. PV Syst inputs to be disclosed. The PV Syst modelling must include all loss factors to the point of connection (in particular transformer losses).<br>• Financial impact and commercialisation options for BESS<br>• Ability for BESS easily prioritise various operational strategies<br>• Understanding of the technical specification, design and project requirements | 15% |

| | | | |
|---|---|---|---|
| | | • Remote monitoring and operations and automation capability<br>• Public monitoring display of solar production and BESS<br>operation<br>• Site and materials waste management<br>• Any other value added to the project | |
| 3 | Financial Capability & Resources | • Contractor financial position (sufficient information about the contracting entity and its parent entity (if relevant) and its financial standing over the last 3 years and any credit rating available)<br>• Ability to provide performance security in an amount equal to 10% of the contract price plus the amount of any advance payment | 15% |
| 4 | Delivery Capacity & Resources | • Demonstrated knowledge of licences and accreditations required to deliver the works and services<br>• Demonstrated experience and ability to provide the Early Services<br>• Work in hand<br>• Resourcing considerations, including in light of actual or potential Covid-19 restrictions | 15% |
| 5 | Track Record | • Experience on projects of similar scale and nature in Australia, in particular in NSW and with Essential Energy<br>• Demonstrated past performance of delivering on-budget and on-time projects (referees required)<br>• Detail of material construction litigation undertaken on solar projects in the last 3 years<br>• Confirmation whether the Tender Participant has incurred delay liquidated damages on solar projects in the last 3 years<br>• Confirmation whether the Tender Participant has incurred performance liquidated damages on solar projects in the last 3 years<br>• Confirmation whether the Tender Participant has had any material WHS incident on solar projects in the last 3 years | 15% |
| 6 | Values Alignment | • Local sourcing of suppliers, sub-contractors & staff<br>• Indigenous policies, employment and contracting opportunities<br>• Sustainability policies<br>• Waste management<br>• Experience in working with community groups<br>• Other initiatives that add value to the project in terms of community and sustainability | 5% |
| 7 | Sample Plans | • Location (within NSW preferred)<br>• Additional services proposed<br>• Local Community Support<br>• Other potential benefits | 5% |

## 8. EVALUATION, SCORING AND SUBMISSIONS SUMMARY

6 Tenders were received.

Tenderer 2 was removed from the process after it went into administration. It has since left administration, but this was too late to consider whether it may be re-admitted.

The Tenderer with the most advantageous proposal was invited to participate in a further iteration of the Project during a limited period of exclusivity. The evaluation is based both on the comparisons drawn prior to the commencement of that exclusivity and the additional findings during that period exclusivity. This allowed Tenderer 6 to elevate its proposal, but Tenderer 6 would have been the lead evaluatee in any event.

The table below sets out the scoring of the six tenders against the evaluation criteria

| **Criteria** | **Tenderer 1** | **Tenderer 3** | **Tenderer 4** | **Tenderer 5** | **Tenderer 6** |
|---|---|---|---|---|---|
| 1 (/10) | 7 | 5 | 8 | 3 | 9 |
| 2 (/10) | 4 | 5 | 3 | 9 | 9 |
| 3 (/10) | 1 | 8 | 5 | 9 | 6 |
| 4 (/10) | 0 | 1 | 3 | 5 | 6 |
| 5 (/10) | 0 | 8 | 8 | 8 | 6 |
| 6 (/10) | 0 | 3 | 3 | 3 | 9 |
| 7 (/10) | 1 | 4 | 4 | 5 | 9 |
| **Weighted Score (/100)** | **29.0** | **51.5** | **46.0** | **59.5** | **76.5** |

## 9. PROPOSED TECHNOLOGY

The highest scored Tenderer proposes the following technology:

| **Item** | **Product** |
|---|---|
| Module | Trina Vertex 550W+ bifacial module |
| Mounting/Tracker | S-Rack Sigma Tracker |
| Inverter/Transformer | Fimer PVS980-CS compact skid |
| Battery | SAFT Intensium Max 20 High Energy 2.3 MWh |
| CompAp | InteliSys Hybrid control system |

## 10. RECOMMENDATION & BENEFIT SUMMARY

Tenderer 6 is a consortium of Smart Commercial, Solar Professionals and Goulburn Solar and their tender received the highest score upon initial review[redacted]