

**REGIONAL COUNCIL OF GOYDER**

**Minutes** of the **CONFIDENTIAL** Meeting of the **Regional Council of Goyder** held on **16<sup>th</sup> October 2018** in the Terowie Institute Hall, Terowie commencing at **2:45pm**.

**1. ATTENDANCE****1.1 Present****1.1.1 Councillors Present**

Crs. S.P. Matthey (Mayor), J. M. Kellock (Deputy Mayor), J.H. Neal, B.A. Rule, W. D. Gebhardt, D.J. Venning.

**1.1.2 Staff Present**

Mr. D. J. Stevenson (Chief Executive Officer), Mr. G. Campbell (Finance Manager), Mr. L. Wallis (Works Manager), Ms. E. J. Moore (Executive Services Officer).

**7.2 Deputation – Project Manager Tom Jenkins NEOEN**

Moved: Cr. Gebhardt

Seconded: Cr. Kellock

- 185/18 1. Pursuant to Sections 90(2) and 90(3)(d) of the *Local Government Act, 1999* Council ordered that all members of the public be excluded from attendance at the part of the meeting relating to this item, except the following persons:**

- David J. Stevenson (Chief Executive Officer)
- Griff Campbell (Finance Manager)
- Lee Wallis (Works Manager)
- Emily Moore (Executive Services Officer),

To enable the Council to consider an item in confidence on the basis that Council considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the following information or matter in relation to commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party: and
- (ii) would, on balance, be contrary to the public interest

- 2. That accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or discussion confidential.**

**CARRIED**

*Confidential presentation presented (attached below)*

Moved:Cr. Dunn

Seconded: Cr. Neal

- 186/18 1. Council has received, reviewed and considered the information supplied and pursuant to Section 91(7)(a)(b) of the *Local Government Act, 1999* the Council orders that the information shall be kept confidential, being documents or**

information (or part) relating to a matter dealt with by the Council on a confidential basis under Sections 90(2) and 90(3)(d) of the *Local Government Act, 1999*.

2. On the grounds that the information relates to commercial information of a confidential nature (not being a trade secret) the disclosure of which –
- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party: and
  - (ii) would, on balance, be contrary to the public interest
- This order shall operate until 16<sup>th</sup> October, 2018 and will be reviewed in 6 months.

**CARRIED**

4.00pm      *The confidential meeting closed*

CONFIRMED MAYOR..... DATE ..... / ..... / .....

CONFIRMED CEO ..... DATE ..... / ..... / .....

NEOEN



## Goyder Wind, Solar and Storage

CONFIDENTIAL

*October 2018*



# Integrated renewable energy business



## Development

The technical, economic and environmental feasibility of each project is determined during the development stage via surveys of potential, soil and environmental impact. A designated project manager liaises with the parties concerned, including local residents and authorities.



## Finance

We finance our projects with a combination of capital and long-term borrowing. Our policy is to involve local financial institutions in our projects. Our own capital increases regularly and constitutes a solid foundation enabling us to make long-term investments.



## Construction

As a responsible construction project manager, we are directly involved in the construction work for the power plants we operate. We ensure that each plant is a sustainable asset, with a life span of several decades. As far as possible, we use the services of local businesses.



## Operations

We take the utmost care of our power plants and ensure they are always in excellent working order. Our specialists supervise operations and undertake maintenance whenever necessary. In some markets, we also supply electricity.

## Key figures



**1,793 MW**  
Installed  
and forthcoming capacity



**€187 million**  
Forecast revenue  
per annum



**N°1 independent energy  
specialist**  
in France



**Worldwide operations**  
On five continents

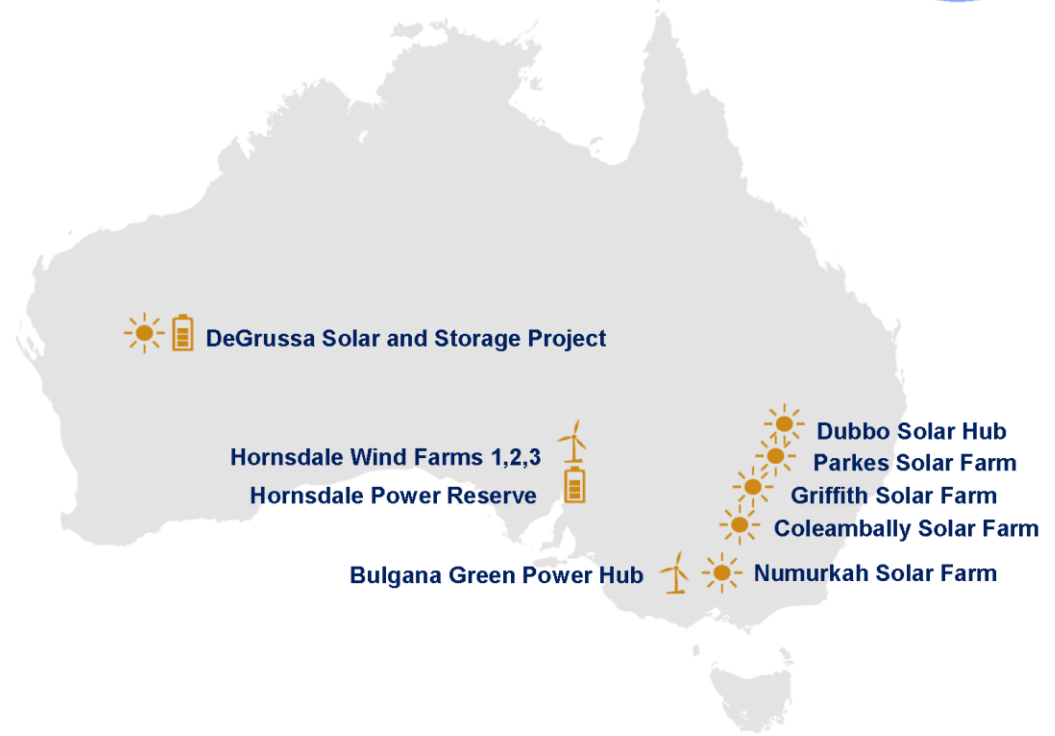
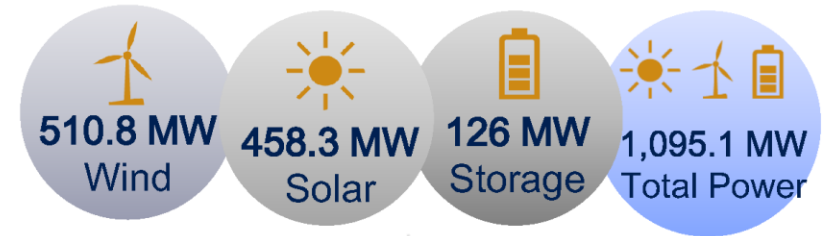


**€1.5 billion**  
already invested



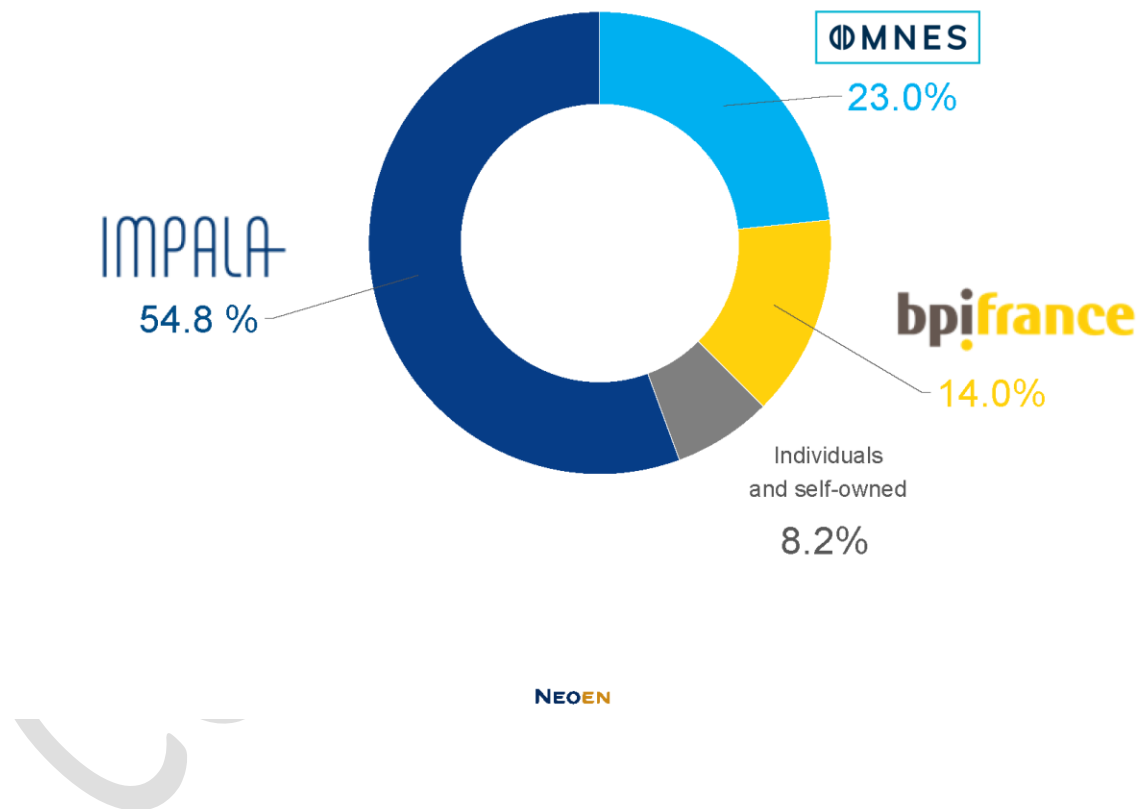
**5,000 MW**  
The goal for 2021

# Neoen Australian Projects 2018



NEOEN

## Committed shareholders







# HORNSDALE

## WIND FARM



- 309 MW (99 turbines)
- North of Jamestown
- EPC: Siemens
- Connected to Mount Lock 275kV substation constructed by ElectraNet

# HORNSDALE

## POWER RESERVE

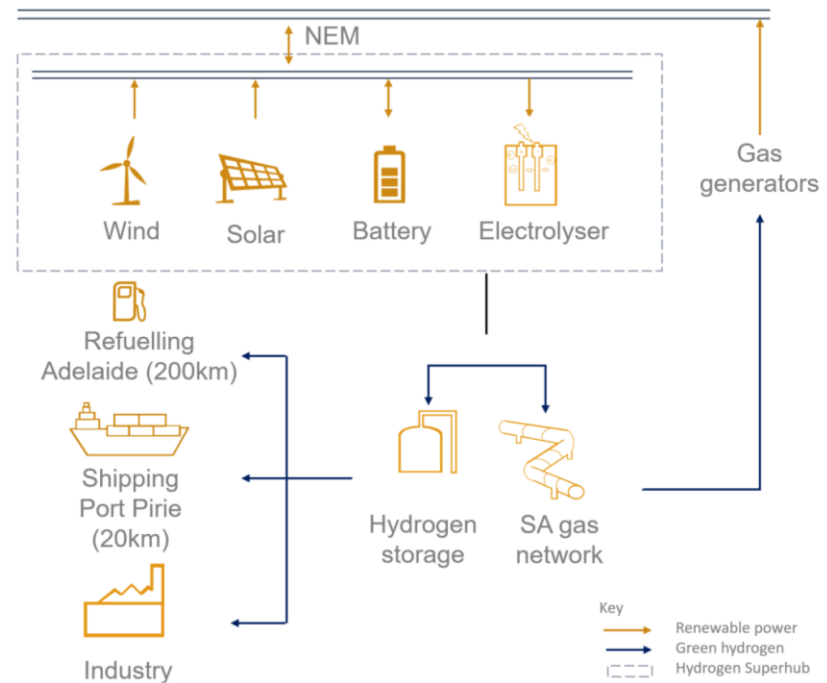


- 100 MW/129MWh
- 1 hectare

**Largest** lithium-ion battery in the world

## SA projects under development

- Hornsdale Solar
- Crystal Brook Energy Park
- Crystal Brook Hydrogen Superhub
- Goyder wind, solar and storage



## South Australia: Window to future Australia

### Now

- 0.8 GW coal withdrawn
- 2.6 GW installed gas (price setter)
- 1.5 GW installed wind (price taker)

### The future

- 3.5 GW+ proposed wind and solar (and growing)

### The challenge

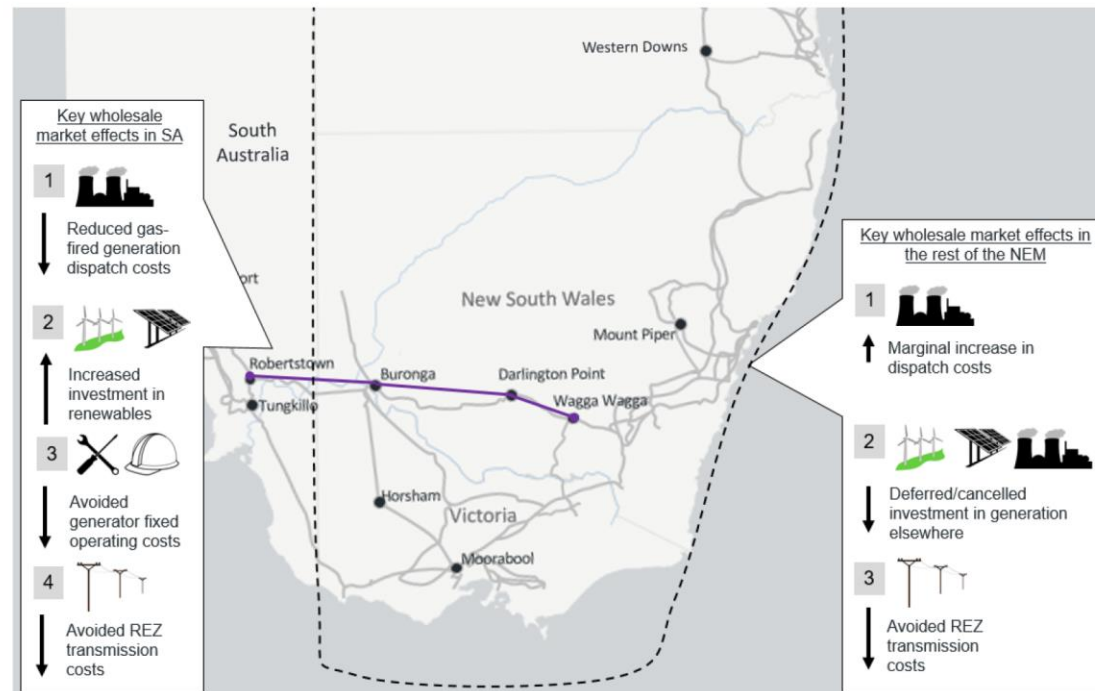
- General congestion due to generation from new renewables
- Further network constraints imposed as a result of network stability / limited available fault current

Source: AEMO - SA generation

# Proposed interconnection with NSW

## The SA opportunity

- SA supplies low-cost generation to NSW
- Decreased consumer costs in SA and NSW
- Decreased emissions across NEM



ELECTRANET RIT-T PADR 2018

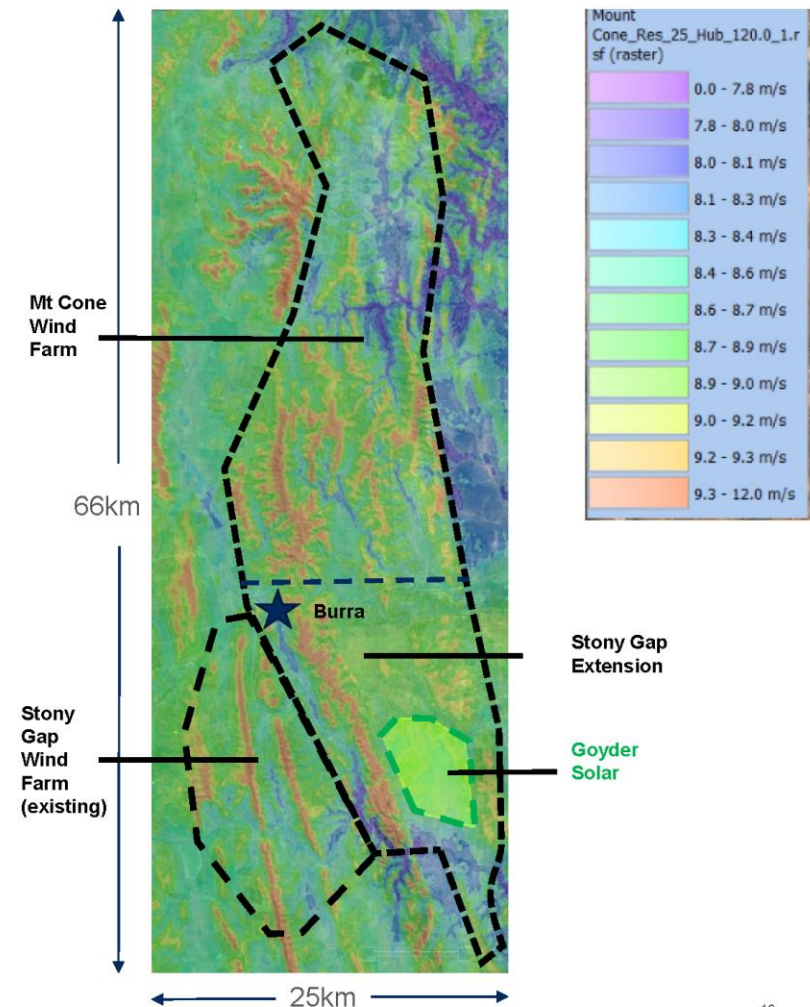




Goyder Wind, Solar and Storage

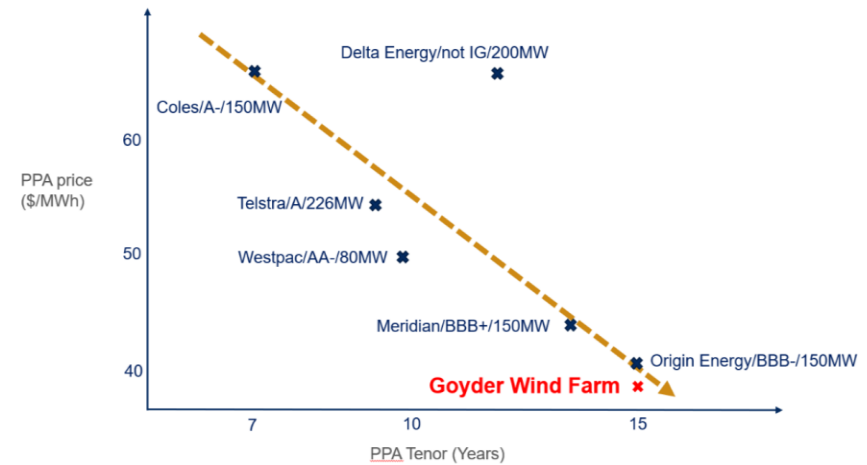
# Goyder Renewable Project

- Goyder will be the largest ever South Australian energy project, incorporating up to:
  - 1000MW of wind
  - 600MW of solar
  - 1000MW of 2 hour battery storage
- May be built across two stages
  - A 400MW first stage (possibly including Stony Gap) can be built without any major grid works, and connected into the existing Robertstown 275kV substation.
  - Once the proposed SA/NSW interconnector is in place, the full size Goyder has the potential to replace the current market functions of gas generation in South Australia, and sell cheap generation and services into NSW.



## Project benefits

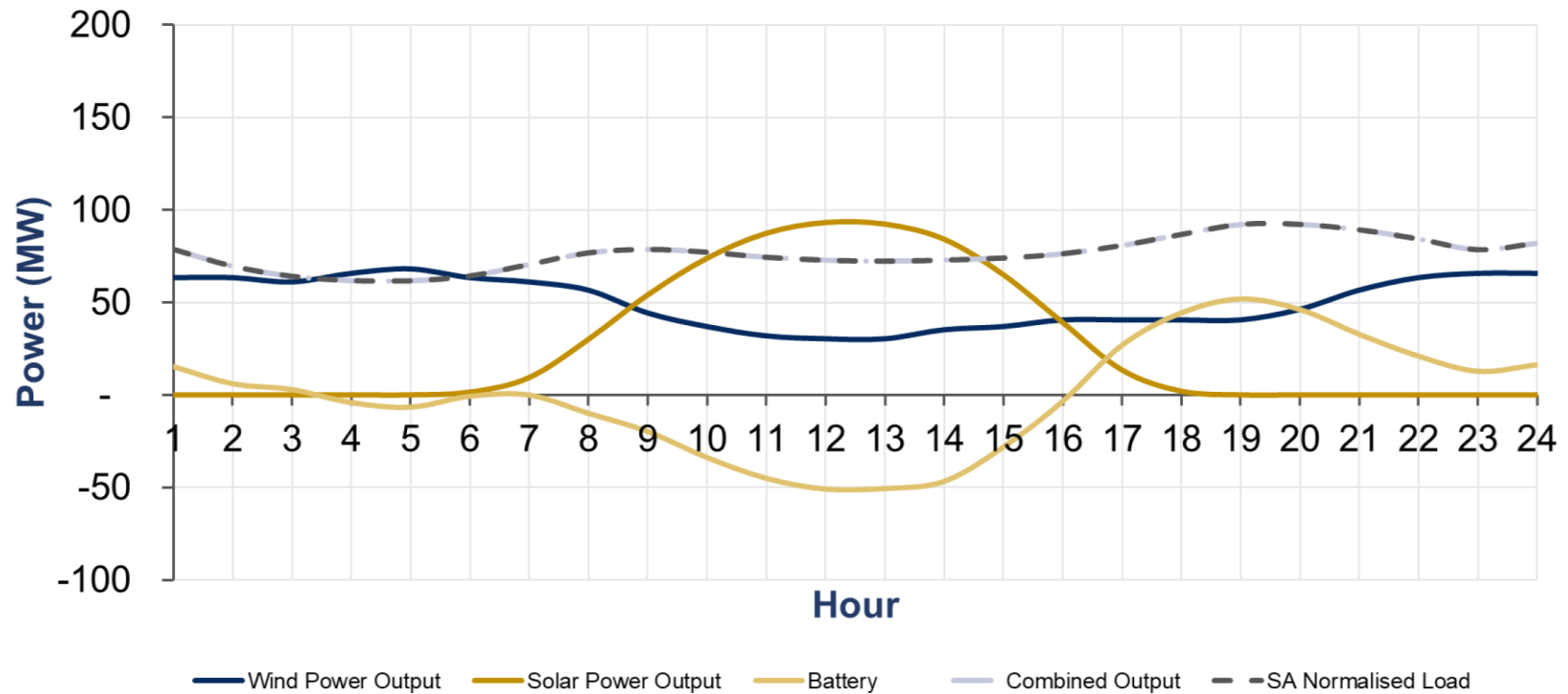
- **50% wind capacity factor**; the windiest large-scale wind site in Australia
- Excellent **solar resource** on site; comparable to Neoen's best NSW sites
- **Motivated landholders** with large parcels of land
- **Community experience** with existing wind farms
- Very **few neighbours**
- Use of **marginal agricultural land**
- **Limited ecological** impacts
- **Supportive, proactive local council**



Anticipated record-breaking price for firm electricity supply



## Goyder Wind Farm: Firm Power Concept



# Community benefits

- Large number of involved landholders
  - increased shared benefits
  - Strengthened support for project
- Jobs
  - 250+ local jobs during construction (~2yrs each stage)
  - 20+ ongoing full time jobs
- Significant local and state investment
  - \$1bn+
- Community Fund
  - Final contribution ~\$100,000 per annum x stages
  - Modelled on success of Hornsdale Community Fund



## Project timelines

Goyder Target Milestones		Date
	Development Approval lodged	Q2 2019
	Development Approval received	Q4 2019
	Connection application lodged	Q1 2019
	Connection application received	Q4 2019
	Procurement commenced	Q3 2019
	Notice to proceed	Q1 2020
	First Generation Goyder Stage 1	Q4 2021
	Generation from Stage 2 of Goyder	Available post interconnector commissioning (2022)
Other Important Milestones		Date
	Interconnector preliminary works package (SA govt, Electranet)	Q4 2018
	Final Financial Modelling for SA/NSW Interconnector RIT-T	Q4 2018
	Planned SA/NSW Interconnector Commissioning	2022 - 2024

## Next steps (2-6 months)

- Work with council to identify and engage key local stakeholders and potential project allies
- Identify and meet with project neighbours
- Community open day
- Commence DA studies



*Megan Ward*

*State Leader, South Australia*

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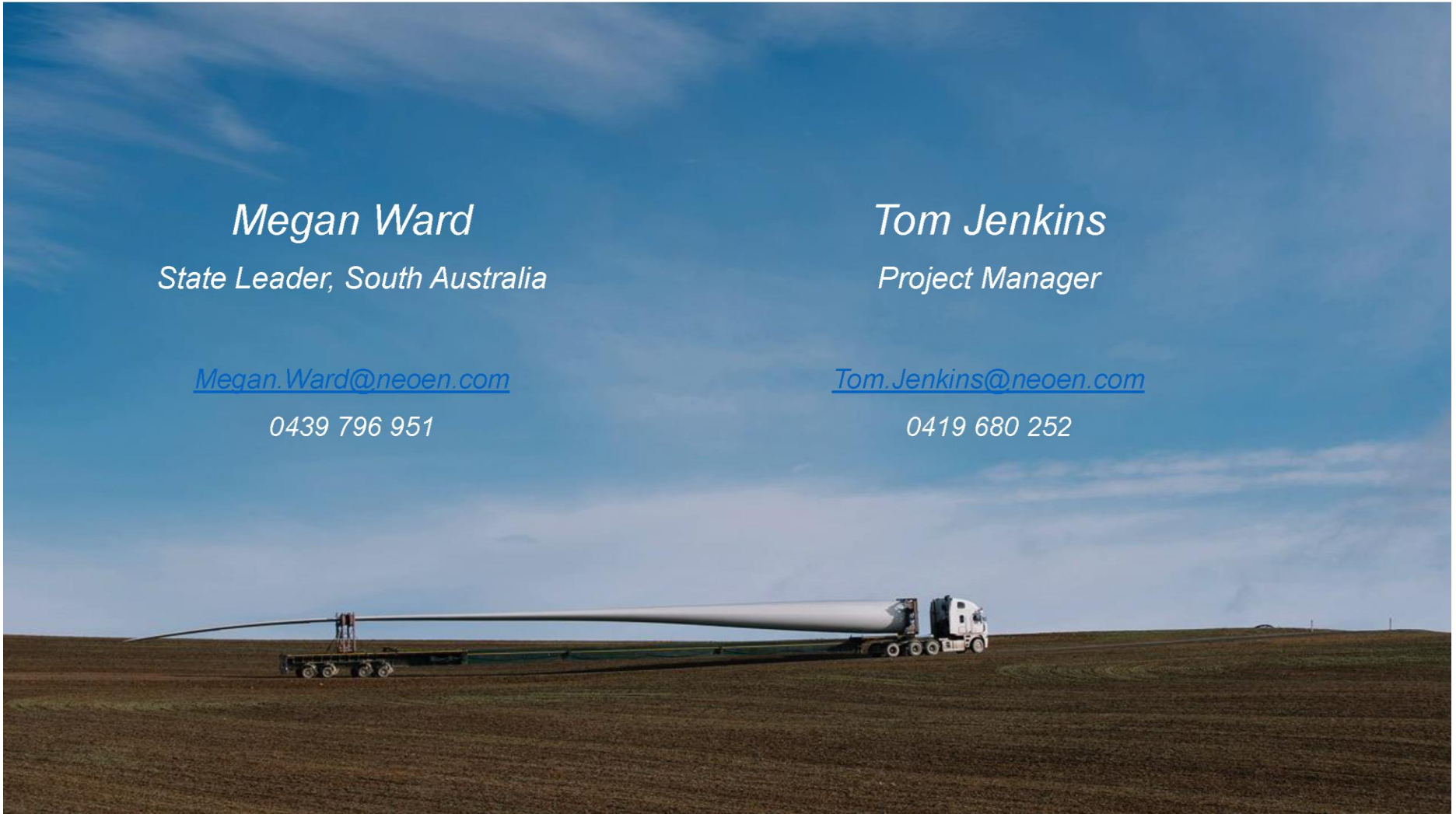
0439 796 951

*Tom Jenkins*

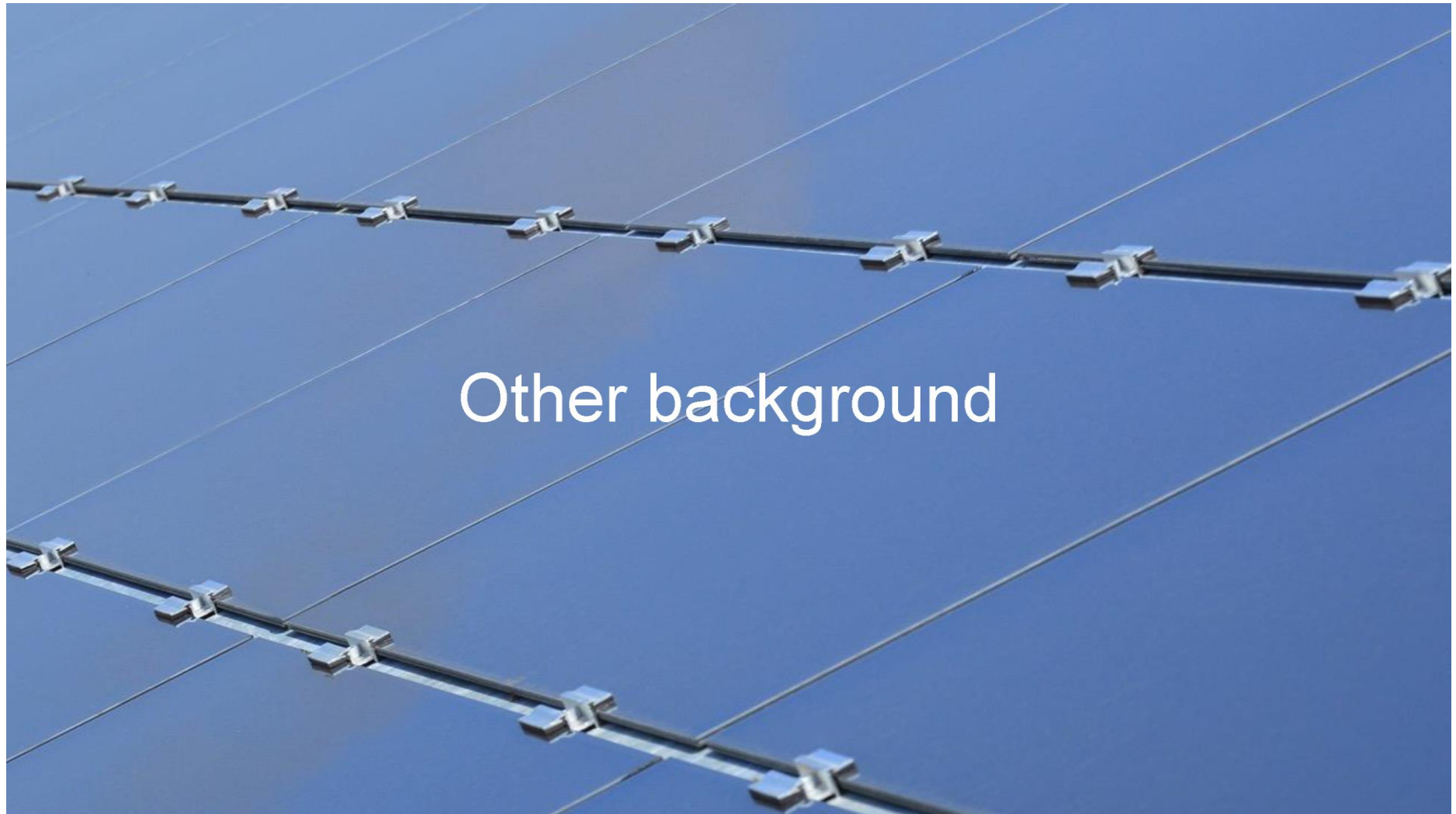
*Project Manager*

[Tom.Jenkins@neoen.com](mailto:Tom.Jenkins@neoen.com)

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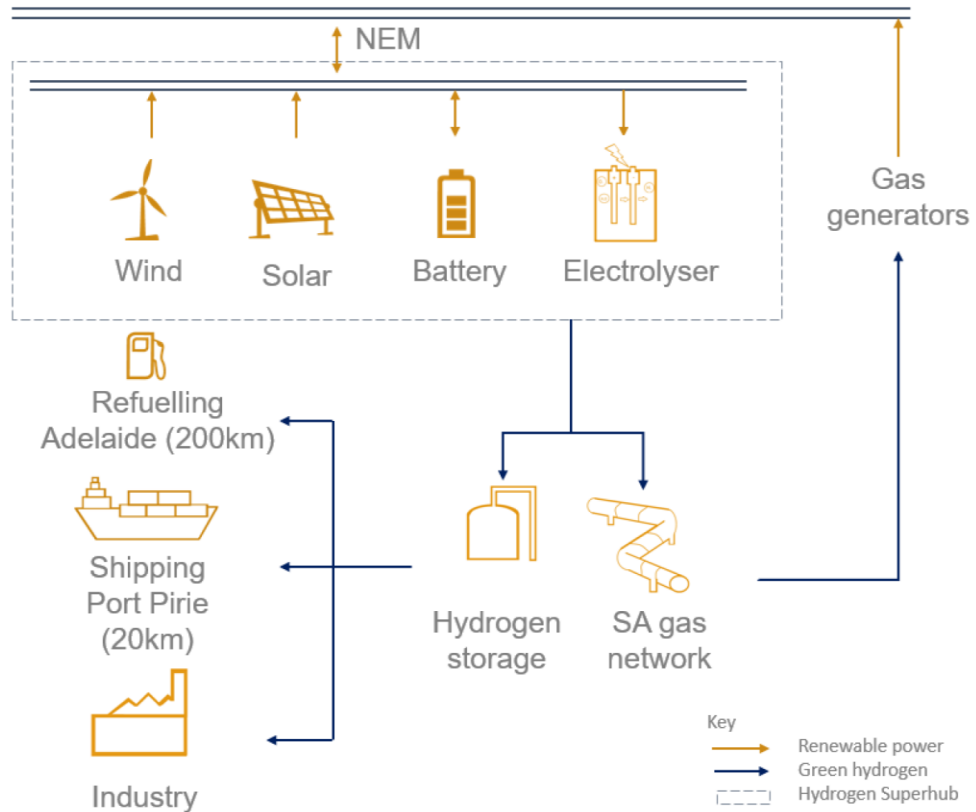






# CRYSTAL BROOK

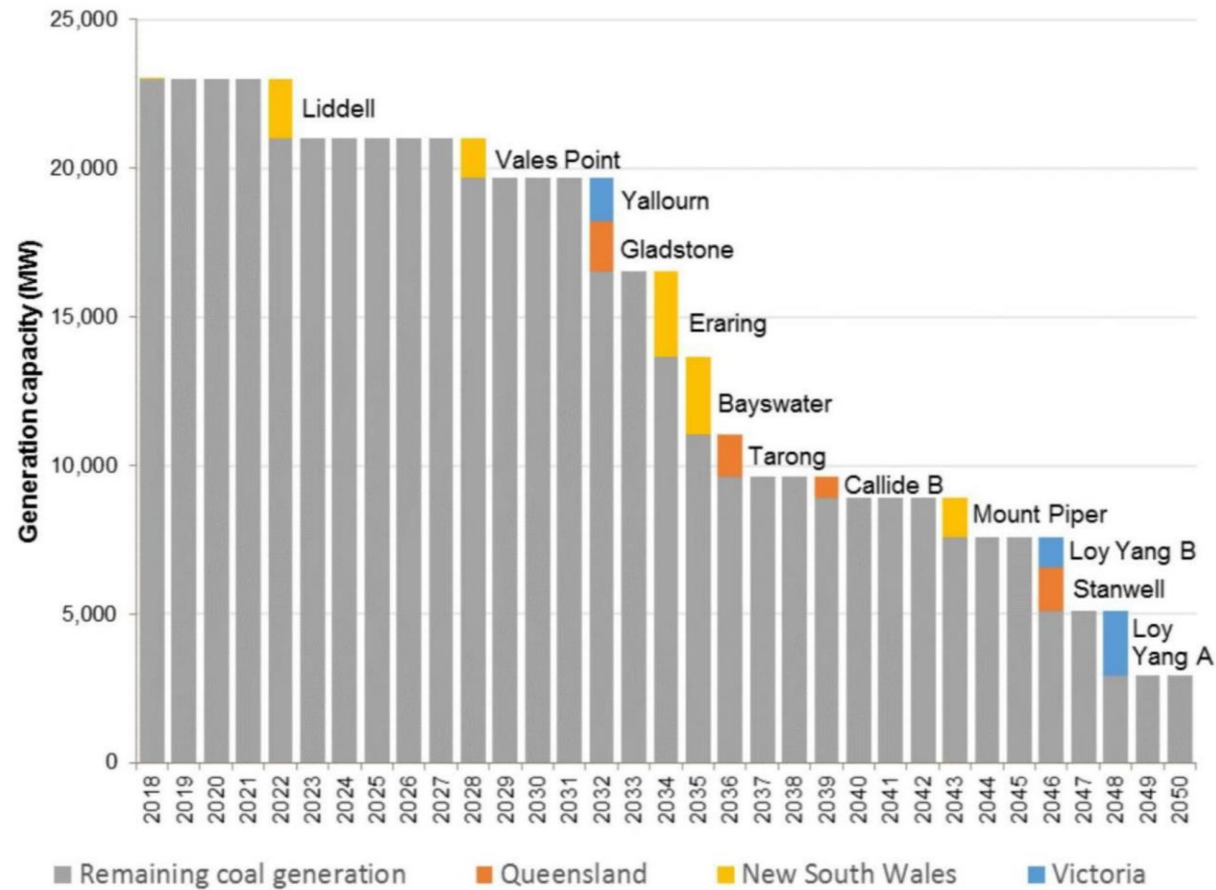
## HYDROGEN SUPERHUB



- 50MW hydrogen electrolyser, producing 20,000kg of hydrogen per day
- Powered by 100% renewable energy

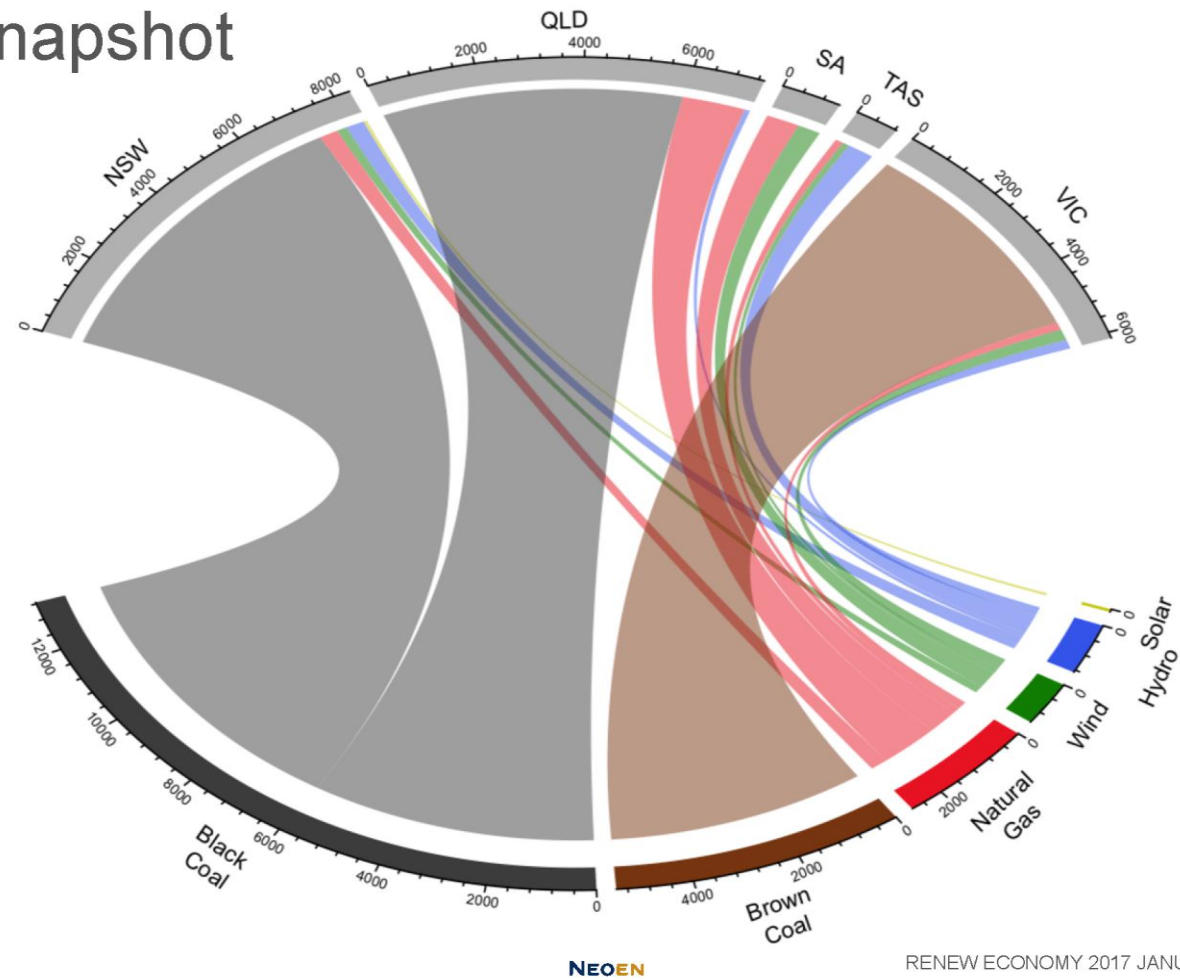
### Target

- Cost competitive with natural gas
- International export of SA renewables

**Figure 4 NEM coal generation fleet operating life to 2050, by 50th year from full operation or announced retirement**



# NEM Snapshot



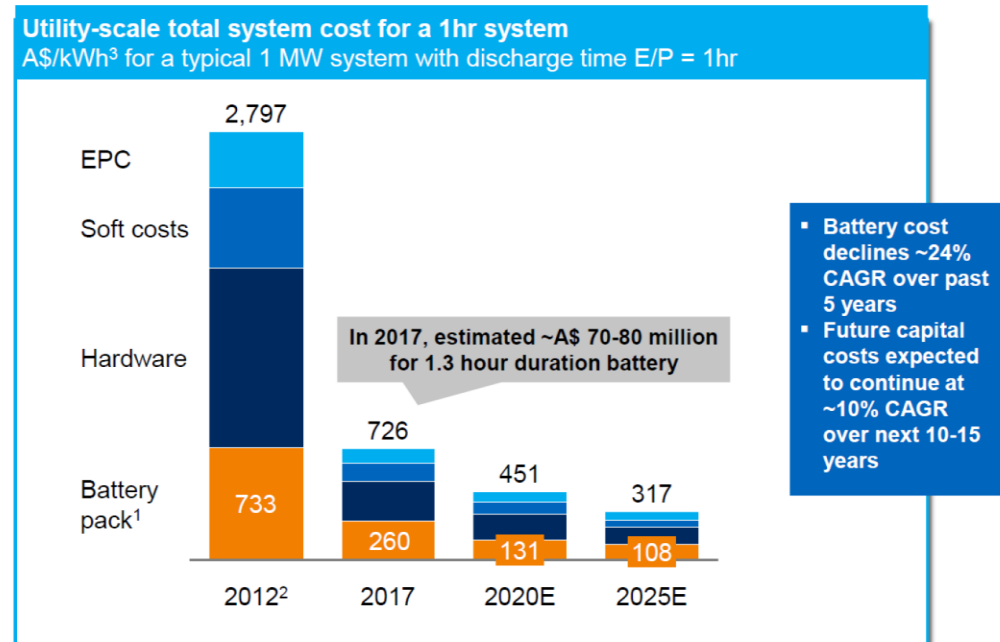
RENEW ECONOMY 2017 JANUARY MARKET SNAPSHOT

# Role for storage

- 100MW battery systems estimated to fall in cost by 50%+ by 2025
- Economies of battery scale and more efficient large project connection costs (300MW+) will also contribute to battery viability

## The SA opportunity

- SA supplies low-cost **reliable** generation to NEM
- Enable industrial user supply below market price
- Support new technology & industrials



1 Including cell, BMS and pack; Battery pack costs from McKinsey Battery Model (2017)  
2 2012 BOS breakdown assuming same % as split as 2015 (no 2012 BOS breakdown available)  
SOURCE: McKinsey Battery Model (2017); Expert interviews (2017); GTM Research (2016); McKinsey sanitized client projects

3 Conversion ~US\$ 0.75 per A\$ 1

McKinsey & Company 4