

Clean Energy Program Annual Report

Reporting Period:

Year 2

(from 23 December 2015 – 22 December 2016)

NGRWF-REP-019-02

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1 Introduction

Gullen Range Wind Farm received project approval from the NSW Land and Environment Court on 4th August 2010. The Wind Farm consists of 73 wind turbines and is located in the Southern Tablelands region of NSW. Gullen Range Wind Farm has been fully operational from 23rd December 2014 (the Operation Date).

Gullen Range Wind Farm was granted a Project Approval (ref 07_0118) by the Land and Environment Court in 2009. This approval was modified by the Planning Assessment Commission in 2015. The Project Approval includes Condition 5.6, requiring Gullen Range Wind Farm to operate a Community Enhancement Program (CEP). The Community Enhancement Program includes a Clean Energy Program and a Community Fund. This document reports on the Clean Energy Program during the reporting period. The Community Fund is governed by Upper Lachlan Shire Council.

Community Enhancement Program funding has been accruing from 23rd December 2014. The anniversary of the Community Enhancement Program scheme is 23rd December every year until the Wind Farm is decommissioned.

The operation of the Community Enhancement Program was governed by Document ref: GR-PM-PRC-0001, Rev 6 until 1st September 2016. After this date, the Community Enhancement Program was subsequently governed by Community Enhancement Program Document ref: NGRWF_P_003 Rev 1. This Annual Report considers the revised Community Enhancement Program document which was effective during the annual report period, being the Document ref: NGRWF_P_003 Rev 1.

The Community Enhancement Program aims to provide financial contributions towards implementing clean energy improvements to properties within the target community. The Clean Energy Program comprises 2 stages. Stage 1 must be completed before Stage 2 can be applied for. The Stages are defined as follows:

Stage 1: Energy Efficiency Package – provides Clean Energy Program eligible residents with an energy efficiency audit and a monetary contribution, in the form of vouchers, toward energy efficiency upgrades, such as energy efficient light bulbs or more efficient shower roses.

Stage 2 is divided into two further stages:

Stage 2A – Solar Reimbursement Package – assists Clean Energy Program eligible residents with the installation of a solar hot water system, a solar PV installation, or a battery storage system for the purposes of providing household power.

Stage 2B – Home Energy Efficiency Improvement Package – assists Clean Energy Program eligible residents with improving the energy efficiency of their home, through installation of improved insulation, double glazing or other modifications set out in the section 5.7.1 of the Community Enhancement Program.

The reporting period described in this report is the period from 23rd December 2015 to 22nd December 2016, otherwise referred to as Year 2 of the program.

2 Purpose of This Document

This report aims to satisfy section 5.3 of the Community Enhancement Program - "...The Energy Committee will report on the Clean Energy Program annually, with a report issued by 23rd February every year. The report will be made available on the Gullen Range Wind Farm website".

This document reports on the implementation status of Clean Energy Program Stages 1 and 2, and the Clean Energy Program fund statement, including information of allocated funds and their use for Year 2 (from 23rd December 2015 to 22nd December 2016).

3 Clean Energy Program Stage 1

3.1 Energy Efficiency Audits

A total of 20 applications were received from Clean Energy Program eligible residents between 23rd December 2015 and 22nd December 2016, as shown in Table 1.

Table 1 shows when applications were received and processed during Year 2 of the Clean Energy Program

Date	Quarter	Number of Applications Received
Unprocessed applications carried over from Year 1		4
December 23 – March 22	1	3
March 23 – June 22	2	5
June 23 – September 22	3	5
September 23 – December 22	4	7
Total		24
Processed applications during the year		21
Unprocessed applications carried over to Year 3		3

Out of the 20 applications received during Year 2, 17 were provided with energy efficiency audits in Year 2 and the remaining 3 applicants were provided with energy efficiency audits at the start of Year 3 of the Clean Energy Program. Only the 17 applications that were processed are included in Year 2's Clean Energy Program fund statement below. The remaining 3 applications were processed in Year 3 and will be reported on in the Year 3 Annual Report.

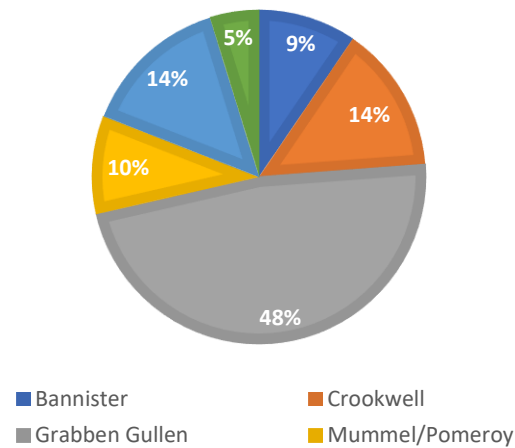
Energy efficiency audits were also performed in Year 2 for 4 applications received in Year 1.

The total number of audits in Year 2 was 21.

Audits were carried out for 21 properties located in 6 suburbs, as shown in Figure 1.

More than 351 energy efficiency recommendations were made to the 21 applicants in their Stage 1 Energy Efficiency Audit reports.

Figure 1 shows the proportion of 21 Energy Efficiency Audits undertaken in each of 6 suburbs near Gullen Range Wind Farm



3.2 Vouchers for Energy Efficiency Upgrades

A total of 21 vouchers valued at \$150.00 each (to be spent at Bunnings) were given to Clean Energy Program eligible applicants to be used toward energy efficiency upgrades recommended in their Clean Energy Program Stage 1 Energy Efficiency Audit Reports.

4 Clean Energy Program Stage 2

The Clean Energy Program was revised in 2016, following feedback from the target community. As a result of the revisions to the Clean Energy Program, Stage 2 of the program was not fully operational until 1st September 2016 (no Stage 2 applications were approved prior to this date). Due to significant changes to the Clean Energy Program, applicants who had already submitted their applications were required to amend and resubmit their applications, thereby ensuring compliance and consistency with the revised program guidelines. Consequently, the review of Stage 2 applications commenced after 1st September.

A combined total of 23 new and resubmitted Stage 2 applications were received from eligible residents between 23rd December 2015 and 22nd December 2016, as shown in Table 2. Of the Stage 2 applications, 22 were approved by the Energy Committee and 1 was declined, due to insufficient information. This applicant was invited to resubmit their application in a future funding round.

Table 2 shows the number of Stage 2 applications received and approved in each Funding Round during Year 2 of the Clean Energy Program

Funding Round Dates	Quarter	Number of Applications Received	Number of Applications Approved
June 23 – September 22	3	12	11
September 23 – December 22*	4	11	11
Total		23	22

*5 applications received shortly after 22/12/2016 were still considered in Funding Round Quarter 4.

Properties belonging to approved Stage 2 applicants were located in a total of 5 suburbs near Gullen Range Wind Farm, as shown in Figure 2.

Figure 2 shows the proportion of properties belonging to approved Stage 2 applicants located in each of 5 suburbs near Gullen Range Wind Farm

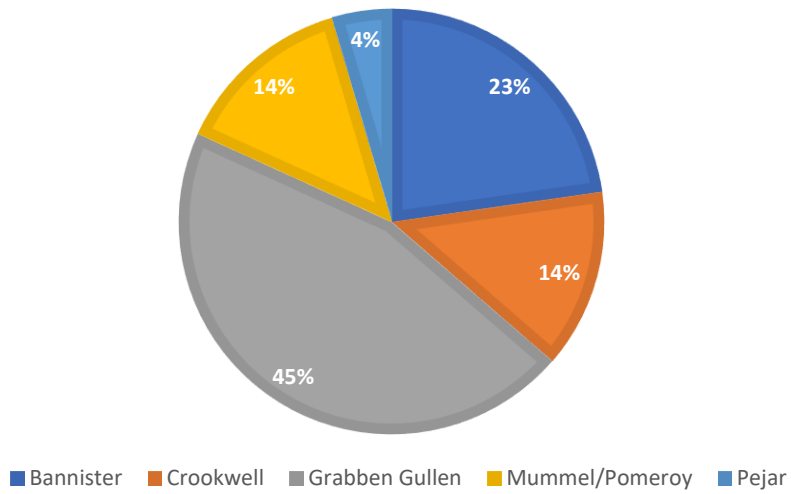


Table 3 shows the number of Clean Energy Program grants approved for each Stage 2 Package, including each type of energy efficiency improvement. The Solar Reimbursement Package was the most popular Stage 2 Package during Year 2, with the majority of grants going towards installing Solar PV systems.

Table 3 shows the number of approved Clean Energy Program grants for each Stage 2 Package, including each type of energy efficiency improvement

	Stage 2 Package and Energy Efficiency Improvement	Number of approved grants in Funding Round ending 22/09/2016	Number of approved grants in Funding Round ending 22/12/2016	Total for Year 2
Stage 2A- Solar Reimbursement Package	Solar PV System	7	6	13
	Solar Hot Water Service	4	3	7
	Stage 2A – Total	11	9	20
Stage 2B- Home Energy Efficiency Improvement Package	Home Insulation	0	1	1
	Double Glazing	0	1	1
	Stage 2B – Total	0	2	2

5 Clean Energy Program - Year 2 Fund Statement

The average approved grant value for Year 2 was \$6,206, which is below the Target Allocation Value of \$6500.00 for Year 2 (and is thus compliant with paragraph 5.7.2 of the Community Enhancement Program "...each year the Energy Committee will aim to ensure that the average value of approved applications will be equal to this Target Allocation Value"). The total value of all the approved grants for Year 2 was \$136,523.

Table 4 below summarises income and expenditure of the Clean Energy Program from 23rd December 2015 to 22nd December 2016. The table shows the total amount of funds remaining at the end of Year 2 after taking into account (1) the value of the actual income and expenditure and (2) the value of the allocated income and expenditure. More details about how the income and expenditure is calculated can be found in section 5.1 below and in the Community Enhancement Program document.

5.1 Basis for preparation of the Clean Energy Program fund statement for Year 2

The fund statement for Year 2 set out in table 4 below reports income, expenditure and the balances on both accrual and cash basis. The “Allocated sum” column reports the income, expenditure and the balance on accrual basis and the balance is used to determine whether any Clean Energy Program funds need to rollover into the Community Fund, as per the rollover condition described in Section 5.5 of the Community Enhancement Program document. In Table 4, this information is described in the column ‘Allocated Sums’.

The “Actual Sum” Column reports income, expenditure and balance on a cash basis to track actual annual cash flow relating to Clean Energy Program.

Inherent to the design of the Program is that actual expenditure will likely lag behind allocated expenditure as (1) Stage 2 system installations can take several months to be undertaken, following which payment to the supplier becomes due and (2) applicants may not immediately spend the full value of their Stage 1 vouchers.

Table 4 Fund Statement for Year 2 of the Clean Energy Program, 23 December 2015 to 22 December 2016

Year 2 – ending 22 December 2016		
Item	Actual Sums \$	Allocated Sums \$
CEP contribution from Gullen Range Wind Farm for Year 2 (\$60,809.00 base figure indexed for CPI from base year using CPI Q3 data of 108.6 (2015) and 96.3 (2010))	68,576	68,576
Community Enhancement Program funds carried over from year 1 (from Year 1 report)	54,279	47,987
Stage 1 – Cost of vouchers	(2,309)	(3,150)
Stage 1 & 2 – Cost of Energy Efficiency Expert	(10,054)	(7,689)
Stage 1 & 2 – Cost of Independent Member (capped at \$3,000 for administration costs as defined in Community Enhancement Program Table 2, section 4.1, version ref NGRWF_P_003 Rev 1)	(1,100)	(2,706)
Stage 2 - Cost of grants issued	(6,128)	(136,523)
Total Amount remaining at the end of Year 2	103,264	(33,505) *

*Value used to calculate if there are deficit funds that will be advanced from future years (Year 3)

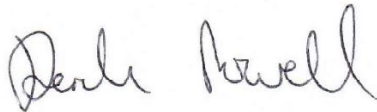
6 Conclusion

During Year 2 of the Clean Energy Program, a total of twenty Stage 1 applications were received, 21 Energy Efficiency Audits were carried out (including applications received at the end of Year 1) and 21 vouchers were issued to applicants. Regarding Stage 2 of the Clean Energy Program, 22 applications were approved by the Energy Committee, with the total value of all the approved grants for Year 2

amounting to \$136,523. The average approved grant value was \$6,206. The Solar Reimbursement Package was the most popular Stage 2 package amongst applicants. At the end of Year 2, the Clean Energy Program fund was in deficit by \$33,505 on accrual basis. Gullen Range Wind Farm will advance funding from future years of the Clean Energy Program when it is necessary to avoid an excessive waiting list for applicants. No roll-over of Clean Energy Program funds into the Community Fund has been required due to the Clean Energy Program being in arrears.

7 Declaration

During Year 2 of the Clean Energy Program, Gullen Range Wind Farm has complied with its commitment to operate a Clean Energy Program, under Condition 5.6 of the Ministers Conditions of Approval (MCoA) for 07_0118. The Committee has fulfilled its obligations under the Community Enhancement Program as described in this report.



(Sign)

DEREK POWELL

on behalf of the Energy Committee:

Date: