

Clean Energy Program Annual Report

Reporting Period:

Year 4

(from 23 December 2017 – 22 December 2018)

NGRWF-REP-039-03

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Executive Summary

- This document reports on the implementation status of the Gullen Range Wind Farm Clean Energy Program Stages 1 and 2, and the Clean Energy Program fund statement, including information of allocated funds and their use for Year 4 (from 23rd December 2017 to 22nd December 2018).
- During Year 4 of the Clean Energy Program, a total of 23 Stage 1 applications were received, 27 Energy Efficiency Audits were carried out (including applications received at the end of Year 3) and 27 Stage 1 vouchers were issued to applicants.
- Regarding Stage 2 of the Clean Energy Program, 21 applications were approved by the Energy Committee, with the total value of all the approved grants for Year 4 amounting to \$140,523. The average approved grant value was \$6691.58. The Solar Reimbursement Package was the most popular Stage 2 package amongst applicants.
- At the end of Year 4, the Clean Energy Program fund was in deficit by \$174,070 on accrual basis, indicating that New Gullen Range Wind Farm (or NGRWF, as the owner and proponent of Gullen Range Wind Farm) has voluntarily committed \$174,070 more to the program than is required under the wind farm Development Approval. NGRWF has advanced funding from future years of the Clean Energy Program to cover this shortfall. No roll-over of Clean Energy Program funds into the Community Fund has been required due to the Clean Energy Program being in deficit on accrual basis.

1 Introduction

Gullen Range Wind Farm was granted a Project Approval from the NSW Land and Environment Court in 2009. 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). The proponent for the Gullen Range Wind Farm is New Gullen Range Wind Farm Pty Ltd (NGRWF).

The Project Approval (ref 07_0118) for the development was modified by the Planning Assessment Commission in 2015. The Project Approval includes Condition 5.6, requiring NGRWF to operate a Community Enhancement Program (CEP). The Community Enhancement Program includes a Clean Energy Program (CLEP) 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 on their home or business and a monetary contribution, in the form of vouchers, toward energy efficiency upgrades, such as energy efficient light bulbs or more efficient shower roses. This stage aims to assist the resident in having the knowledge required to apply for grant funding in Stage 2 of the CLEP.

Stage 2 is divided into two further stages:

Stage 2A – Solar Reimbursement Package – assists Clean Energy Program eligible residents by providing a grant for 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 by providing a grant for works to improve 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 2017 to 22nd December 2018, otherwise referred to as Year 4 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", subsequent to the reporting period. It 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 4 (from 23rd December 2017 to 22nd December 2018).

3 Clean Energy Program Stage 1

3.1 Energy Efficiency Audits

A total of 23 applications were received from Clean Energy Program eligible residents between 23rd December 2017 and 22nd December 2018, as shown in Table 1.

Table 1 shows when applications were received and processed during Year 4 of the Clean Energy Program

Date	Quarter	Number of Applications Received and/or Processed
Received December 23 2017– March 22 2018	1	7
Received March 23 – June 22 2018	2	8
Received June 23 – September 22 2018	3	3
Received September 23 – December 22 2018	4	5
Total number of applications received		23
Unprocessed applications carried over from Year 3		5
Processed applications during the year		27
Unprocessed applications carried over to Year 5		1

Out of the 23 applications received during Year 4, 22 were provided with energy efficiency audits in Year 4 and the remaining one applicant was provided with energy efficiency audit at the start of Year 5. Energy efficiency audits were also performed in Year 4 for five applications received in Year 3. Only the 27 applications that were processed are included in Year 4's Clean Energy Program fund statement below. The remaining 1 application was processed in Year 5 and will be reported on in the Year 5 Annual Report.

The total number of audits in Year 4 was 27.

3.2 Vouchers for Energy Efficiency Upgrades

With each audit report, a voucher valued at \$150.00 (to be spent at Bunnings) was given to Clean Energy Program eligible applicants to be used toward energy efficiency upgrades recommended in their Stage 1 Energy Efficiency Audit Report. As there were 27 Clean Energy Program audits in Year 4, a total of 27 vouchers were issued to eligible applicants.

4 Clean Energy Program Stage 2

A total of 21 Stage 2 applications were received from eligible residents between 23rd December 2017 and 22nd December 2018, as shown in Table 2. Four submissions were received marginally after 22nd December 2017. At the discretion of the Energy Committee they were treated as though they were received prior to that date.

All of the 21 Stage 2 applications reviewed by the Energy Committee were approved.

Table 2 shows the number of Stage 2 applications received and approved in each Funding Round during Year 4 of the Clean Energy Program

Funding Round Dates	Quarter	Number of Applications Received	Number of Applications Approved
December 23 2017 – March 22 2018	1	9	9
March 23 – June 22 2018	2	4	4
June 23 – September 22 2018	3	3	3
September 23 – December 22 2018	4	5	5
	Total	21	21

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 4, 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 & Energy Efficiency Improvement	No. of approved grants in Funding Round ending 22/03/2018	No. of approved grants in Funding Round ending 22/06/2018	No. of approved grants in Funding Round ending 22/09/2018	No. of approved grants in Funding Round ending 22/12/2018	Total for Year 4
Stage 2A- Solar Reimbursement Package	Solar PV System	7	4	2	4	17
	Solar Hot Water	1	0	0	0	1
	Stage 2A – Total	8	4	2	4	18
Stage 2B- Home Energy Efficiency Improvement Package	Home Insulation - wall cladding	0	0	0	0	0
	Window coverings - curtains & blinds	0	0	0	1	1
	Double glazing	1	0	1	0	2
	Stage 2B – Total	1	0	1	1	3

5 Clean Energy Program - Year 4 Fund Statement

The average approved grant value for Year 4 was \$6691.58, which is below the Target Allocation Value of \$6740 for Year 4 (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 4 was \$140,523.

Table 4 below summarises income and expenditure of the Clean Energy Program from 23rd December 2017 to 22nd December 2018. The table shows the total amount of funds remaining at the end of Year 4 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 4

The fund statement for Year 4 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 (shown in the ‘Actual Sums’ column) will likely lag behind allocated expenditure (shown in the ‘Allocated Sums’ column) as

1. Stage 2 system installations can take several months to be undertaken, following which payment to the supplier becomes due,
2. Applicants may not immediately spend the full value of their Stage 1 vouchers, and
3. Independent member costs usually become due following the review periods, meaning that some of the payments (e.g. for the quarterly four funding round and annual report reviews) will not be made until the following Clean Energy Program financial year.

Table 4 Fund Statement for Year 4 of the Clean Energy Program, 23 December 2017 to 22 December 2018

Year 4 – ending 22 December 2018		
Item	Actual Sums \$	Allocated Sums \$
Community Enhancement Program funds accumulated gain/deficit brought forward from prior year (Year 3)	49,992	(86,846)
CEP contribution from NGRWF for Year 4 (\$60,809.00 base figure indexed for CPI from base year using CPI Q3 data of 112.5 (2017) and 96.3 (2010))	71,039	71,039
Stage 1 – Cost of vouchers	(2,560)	(4,050)
Stage 1 & 2 – Cost of Energy Efficiency Expert	(10,934)	(10,582)
Stage 1 & 2 – Cost of Independent Member (capped at \$3,000 (indexed) for administration costs as defined in Community Enhancement Program Table 2, section 4.1, version ref NGRWF_P_003 Rev 1)	(4,631)	(3,108) ***
Stage 2 - Cost of grants issued	(126,978)	(140,523)
Community Enhancement Program funds accumulated gain/deficit carried forward to next year.	(24,072) **	(174,070) *

*Value used to calculate if there are deficit funds that will be advanced from future years (Year 5)

** Inherent to the design of the Program is that actual expenditure will likely lag behind allocated expenditure as (1) some Stage 2 system installations may not have been completed by the end of the Year 4, (2) some applicants may not have spent their Stage 1 vouchers and (3) some Independent member and Energy Efficiency Expert costs for Year 3 were paid for in Year 4.

The cash deficit was funded by NGRWF.

*** Actual incurred cost was \$3,575. It was adjusted to \$3,108 to meet the requirement of cost capping. NGRWF will pay the excess amount of \$467 above the cost cap.

6 Conclusion

During Year 4 of the Clean Energy Program, a total of 23 Stage 1 applications were received, 27 Energy Efficiency Audits were carried out (including applications received at the end of Year 3) and 27 Stage 1 vouchers were issued to applicants. Regarding Stage 2 of the Clean Energy Program, 21 applications were approved by the Energy Committee, with the total value of all the approved grants for Year 4 amounting to \$140,523. The average approved grant value was \$6691.58. The Solar Reimbursement Package was the most popular Stage 2 package amongst applicants. At the end of Year 4, the Clean Energy Program fund was in deficit by \$174,070 on accrual basis, indicating that NGRWF (as the owner and proponent of Gullen Range Wind Farm) has voluntarily committed \$174,070 more to the program than is required under the wind farm Development Approval. NGRWF has advanced funding from future years of the Clean Energy Program to cover this shortfall. No roll-over of Clean Energy Program funds into the Community Fund has been required due to the Clean Energy Program being in deficit on accrual basis.

7 Declaration

During Year 4 of the Clean Energy Program, NGRWF 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.

A handwritten signature in black ink that reads "Derek Forwell". The signature is written in a cursive style with a large initial 'D'.

(Sign)

on behalf of the Energy Committee:

Date: 5/8/2019