



ACT Solar Power Facility Project

Industry Consultation Session
3 March 2009



Introduction

- ACT Government commitment: to market test a large-scale solar power facility for the ACT
- Today's session is the first formal step in this process



Session Objectives

- To inform industry about the project
- To answer questions from industry
- To invite industry feedback on the project
- To help refine objectives, scope and the proposed procurement process



Today's Program

- Cathy Hudson, A/g Chief Executive, Department of Environment, Climate Change, Energy and Water
 - Welcome and introduction
 - Session objectives
- Terry Weber, Partner, PricewaterhouseCoopers (PwC)
 - Today's program
- Andrew Cappie-Wood, Chief Executive, Chief Minister's Department
 - Background and objectives
 - Project scope
 - Government assistance
 - Feed-in-tariff
 - Location
- Robyn Hardy, Executive Director, ACT Procurement Solutions
 - Outline of proposed procurement process
- Feedback and Q&A

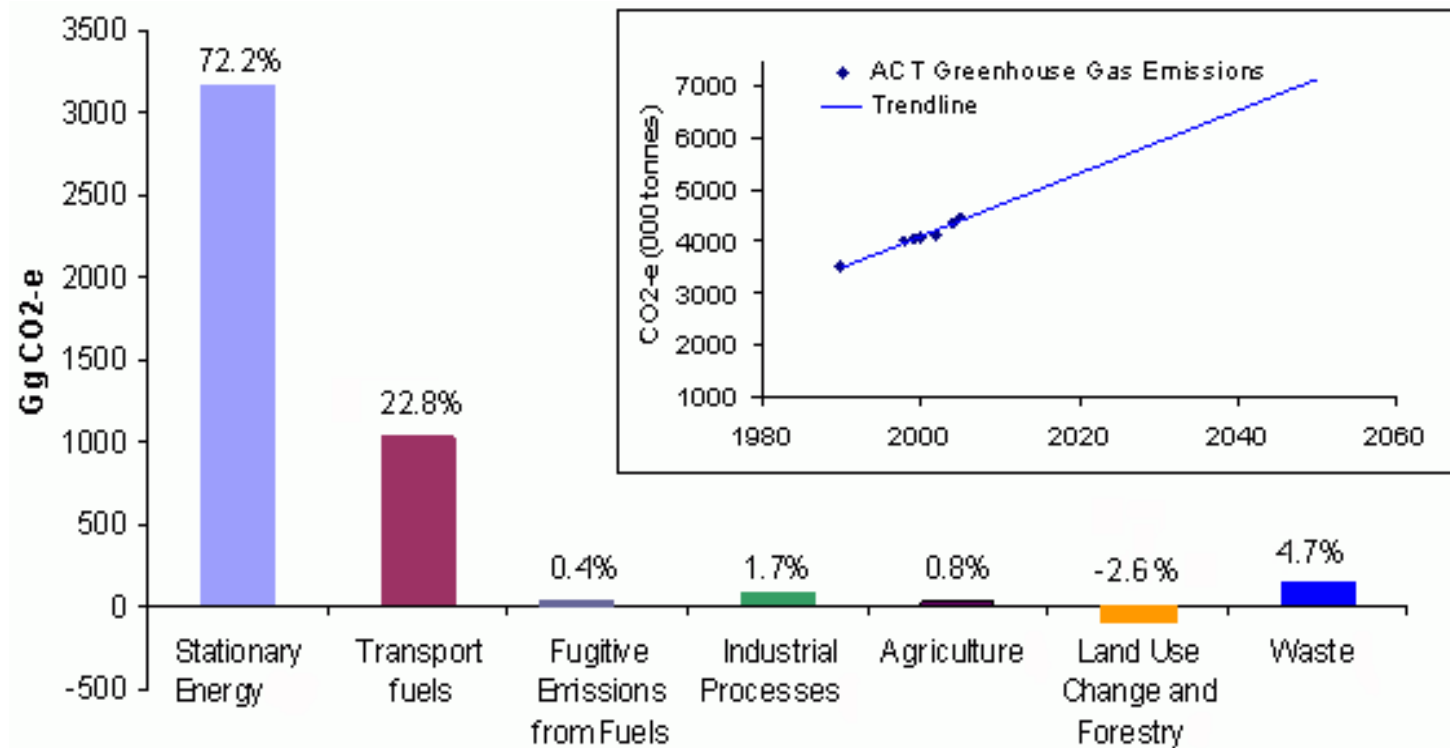


Why Solar in the ACT?

- Meets key environmental, economic and social goals of the ACT Government
 - Reducing the ACT's greenhouse gas emissions
 - Promoting increased use of renewable energy sources
 - Securing sustainable economic development in the ACT



ACT Emissions



Weathering the Change

- The Government's climate change strategy

- Released in July 2007

- Emissions reduction target

- A reduction of 60% of 2000 levels by 2050

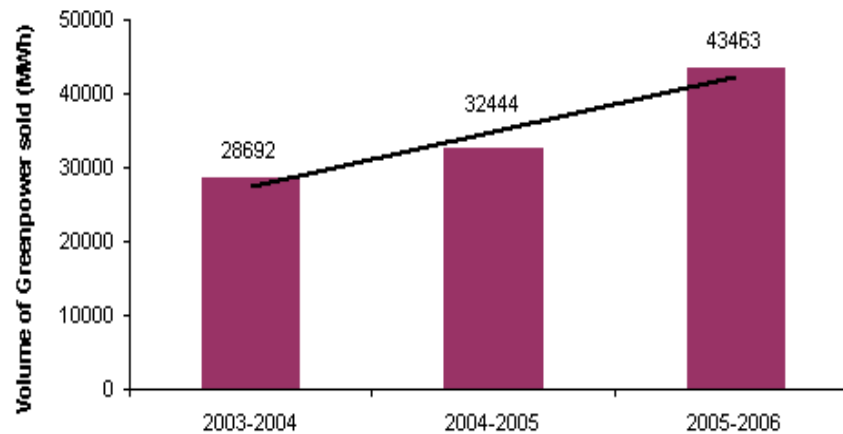
- Underpinning action plans to address four objectives.

- To be smarter in how we use resources
 - To design and plan our city to be more sustainable
 - To build our capacity to adapt to and manage climate change
 - Improve our understanding of climate change



Commitment to Renewable Energy

- Promoting increased use of renewable energy sources for greenhouse gas abatement



Total volume of renewable energy sold in the ACT, 2003–04 to 2005–06



Pre-Feasibility Study

- ACT Government and ActewAGL feasibility study undertaken by Parsons Brinckerhoff
- The feasibility study
 - Examined solar electricity generation technologies suitable for commercial power generation in the ACT
 - Released publicly 3 September 2008



Pursuing Solar Power

- Based on the feasibility study, the ACT committed to market test a solar power facility
- The process is not constrained by the findings of the study
- Interested in industry/expert opinions and ideas
- Community consultation – community engagement plan



Proposed Project Scope

- **Construction and development**
 - Solar power facility minimum capacity 80,000 Megawatt hours p.a
 - Adherence to Territory policy and guidelines
- **Technology**
 - Commercially proven
 - Capable of powering at least 10,000 ACT homes
- **Operation**
 - Commercially viable
 - Privately owned and operated



ACT Government Assistance

- ACT Government commitment to provide \$30 million
- Seeking feedback on the type of assistance



Federal Government Opportunities

- Infrastructure Australia
 - Critical economic infrastructure
 - Allocations guided by the national audit and infrastructure priority list
 - ACT identified the solar power facility as a high priority infrastructure project for allocations from the fund
 - Proposal well received by Infrastructure Australia



Federal Government Opportunities

- **Renewable Energy Demonstration Program**
 - \$435 million available in competitive grants for Australian companies
 - Targeted at renewable energy project proposals that are relatively mature and at the stage of commercial demonstration
 - Registration of Interest due 4 March 2009
 - Applications close 15 April 2009
 - Further information available from www.ret.gov.au
- **Potential eligibility of ACT solar facility**
 - Proponents urged to check the Commonwealth's terms and conditions



Solar Power – the Feed-in-Tariff

- Stage 1 of the Feed-in Tariff commenced 1 March 2009
 - Available to producers with renewable energy generation of up to 30kw capacity
 - 50.05 cents per kilowatt hour reimbursement for each unit of renewable electricity produced
- Stage 2 details still to be finalised



Locating the Solar Facility

- Identification of Territory owned sites
 - Can be made available to proponents for the solar facility project through contractual arrangements
- Site selection criteria
 - Preliminary assessments are underway
- Opportunity for proponents to propose own sites
 - Subject to the *Territory Plan* and the *ACT Planning and Development Act 2007*
- Community consultation process
 - Additional community consultation measures to those in the formal development application process



Proposed Procurement Process

- Two-stage procurement process
 - Call for Expressions of Interest
 - Detailed Request for Proposal/Tender
- Project selection and negotiation
- Watch www.procurement.act.gov.au



Indicative Project Timeline

Key Milestone		Indicative Timeline
Industry Consultation Session	Industry consultation session.	3 March 2009
	Closing date for industry feedback and questions.	12 March 2009
Stage 1 Call for Expressions of Interest (Call for EOIs)	Advertisement of Call for EOI.	28 March 2009
	Closing date for EOIs.	28 May 2009
	Evaluation of EOIs.	June 2009
Stage 2 Request for Proposals (RFP)	Distribution of RFP to shortlisted respondents.	July 2009
	Closing date for proposals.	September 2009
	Evaluation of proposals.	October 2009
Project selection & negotiation	Finalisation of contract negotiations with preferred proponent.	late November 2009
	Engage preferred proponent.	January 2010



Expressions of Interest

- Intended to close 28 May 2009
- Evaluation criteria likely to include:
 - identification and justification for the technology to be used
 - demonstrated previous experience
 - the estimated whole of life contribution to the Territory
 - the estimated cost and required support
 - risk identification and mitigation strategies
 - the preferred business model for the solar power facility
 - indicative timeframe for implementation



Further Stages

- Stage 2: Request for Proposals
 - Intended to be provided to a shortlist of candidates by July 2009
- Project selection and negotiation



Feedback and Q&A



Wrap Up

