It's time to make energy easy

Solar PPA's explained

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PowerPoint contents

- What is a Solar PPA?
- PPA benefits for customers & councils
- Your energy bill vs a solar PPA?
- PPA versus other solar solutions
- Case studies
- PPA Market Segments – value vs suitability
- Q&A

Other supporting contents

- Bayside Council Angelo Aestis Aquatic Centre case study (including financial model)
- Weblink for all PPA proposals

3. What is a Power Purchase Agreement (PPA)?

Legal definition

Under a Power Purchase Agreement (PPA), the energy supplier provides the energy consumer with electricity for a specified term at a specified rate. Ownership of the system remains with the energy supplier for the term of the agreement. The energy supplier takes full responsibility for the purchase, installation and maintenance of the system for the term of the agreement.

Key Points

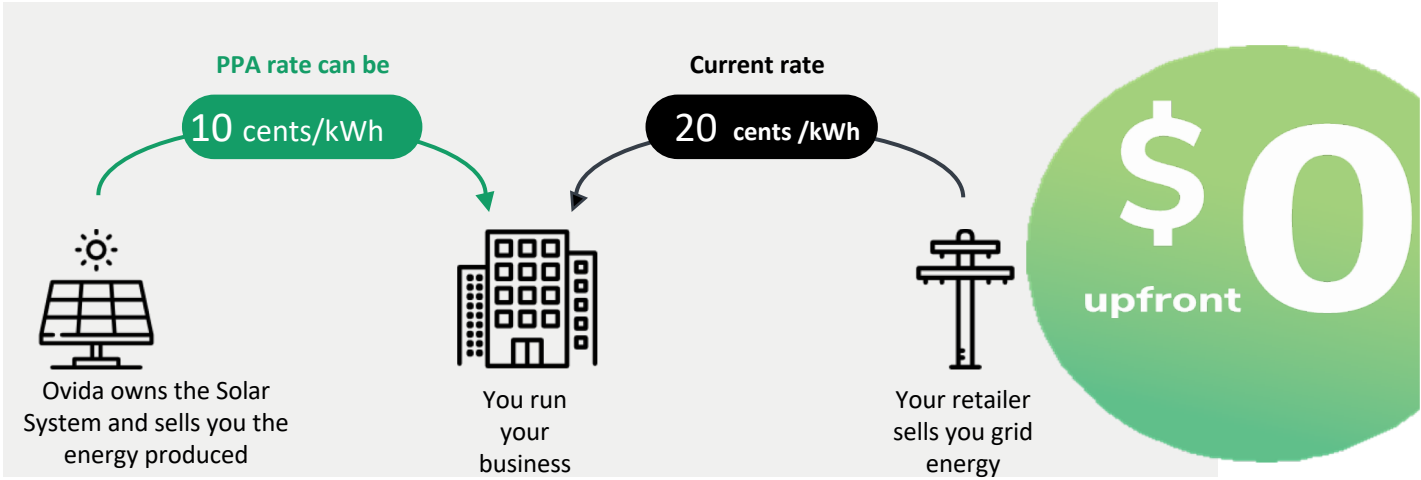
Energy Plan:
The PPA operates just like your current electricity plan - instead of buying electricity from the grid, you are buying the solar energy generated on your roof, at a lower rate.

Tailored Solution:
Every solar system is designed with the customer's needs in mind.

Greater Certainty:
The starting PPA rate will only be increased by CPI annually, providing the customer with greater certainty on their future electricity costs.

$0 Upfront:
The PPA provider will purchase and install the solar system at their own expense, meaning no upfront costs for the customer

No Maintenance:
The PPA provider will monitor, maintain and repair the solar system, all at their own cost.



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Core Benefits of a PPA

Customer benefits

No upfront investment – Free up your capital to invest where it's needed most.

Lower cost – Access cheaper electricity generated onsite.

Certainty – Lock in a low solar rate escalated only by CPI.

Flexibility – Option to transfer or offer to purchase the system at any time.

Boost your balance sheet – Leverage Ovida's balance sheet so you retain your capital.

Hassle Free – No maintenance, fully insured and seamless process.

Adding value to the property – Solar improves the attractiveness of the property.

Term length flexibility – 7, 10 ,15 even 20 year term lengths.

Reduced carbon emissions – Help the planet and lead by example. Each kWh of solar power offsets ~1kg of Carbon

PPAs are Perfect for Local Government

Reaching your energy pledge fast

FEATURE	BENEFITS
 No upfront investment	• Free up your capital to reinvest in more pressing community projects. • Or invest in even carbon abatement projects (i.e. land care). • Or invest in other energy-saving solutions.
 Save Money	• Save money immediately and well into the future. • Free up cash for other activities. • Lock in your rates to achieve price certainty.
 Hassle Free	• PPA provider will maintain the system at their own cost • Fast track council procurement processes by using the approved NSW LPG PPA contracts • Let the risk sit with the PPA provider - if the solar doesn't generate, you don't pay.
 Renewable target	• Each kW of solar equates to ~50 full grown trees in terms of a carbon offset per annum • Quick and easy way to hit your renewable energy target • Lead your community by example, while saving money
 Suitable for tenants	• Completely transferable between tenants • Flexibility to buyout at any time • Attractive for the landlord as well

How will your current bill change?

Traditional Energy Model

59% Generators & retailers

31% Network

1% Regulators

9% Environmental

DETAILED CHARGES

ENERGY CHARGES

Energy Charges	Quantity	Unit	Rate	Unit	MLF	DLF	Amount $ (Ex GST)
Peak	59,055.400	kWh	17.773500	c/kWh	0.99900	1.08400	$11,366.52
Off-Peak	56,811.800	kWh	10.385600	c/kWh	0.99900	1.08400	$6,389.47
Sub-Total							$17,755.99
GST							$1,775.60
Total Energy Charges							$19,531.59

NETWORK CHARGES

Network Provider: UMPLP | Tariff: LV

Network Charges	Quantity	Unit	Rate	Unit	Amount $ (Ex GST)
Demand and Capacity					
Block 1 Demand	567.78	kVA	8.217000	$/kVA	$4,665.45
Fixed					
Access Charge	30	Days	10.275000	$/Day	$308.25
Volume					
Peak	115,867.200	kWh	3.820000	c/kWh	$4,426.13
Sub-Total					$9,399.83
GST					$939.97
Total Network Charges					$10,339.80

REGULATED CHARGES

Regulated Charges	Quantity	Unit	Rate	Unit	DLF	Amount $ (Ex GST)
AEMO Participant Charge	115,867.200	kWh	0.037400	c/kWh	1.08400	$46.97
AEMO Ancillary Charge	115,867.200	kWh	0.062300	c/kWh	1.08400	$78.25
Sub-Total						$125.22
GST						$12.52
Total Regulated Charges						$137.74

ENVIRONMENTAL CHARGES

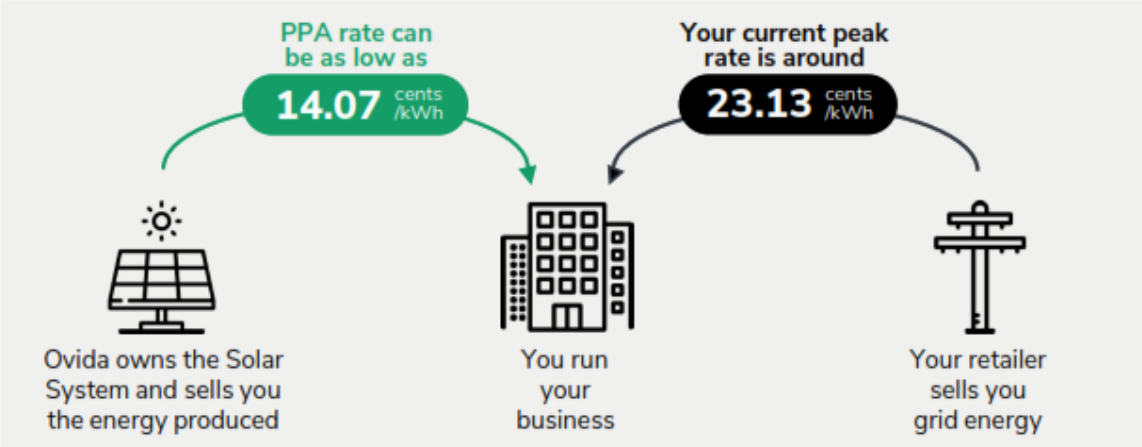
Environmental Charges	Quantity	Unit	Rate	Unit	DLF	Amount $ (Ex GST)
SREC Charge	115,867.200	kWh	0.683000	c/kWh	1.08400	$857.85
LREC Charge	115,867.200	kWh	1.365000	c/kWh	1.08400	$1,714.44
Sub-Total						$2,572.29
GST						$257.22
Total Environmental Charges						$2,829.51

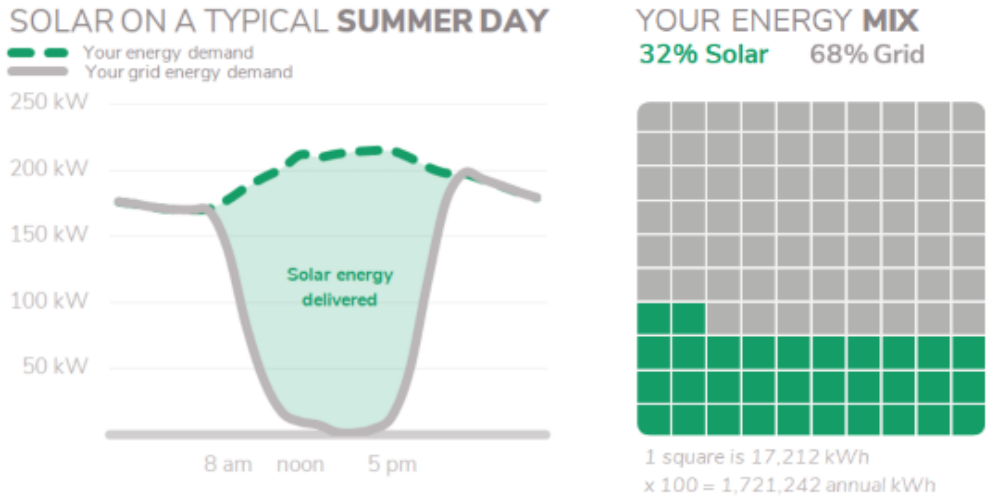
23.13 cents/kWh is the daylight rate which is what solar offsets, which is everything not highlighted in yellow

Fixed network charge comprising only 1% of the total bill is the only part that solar cannot offset

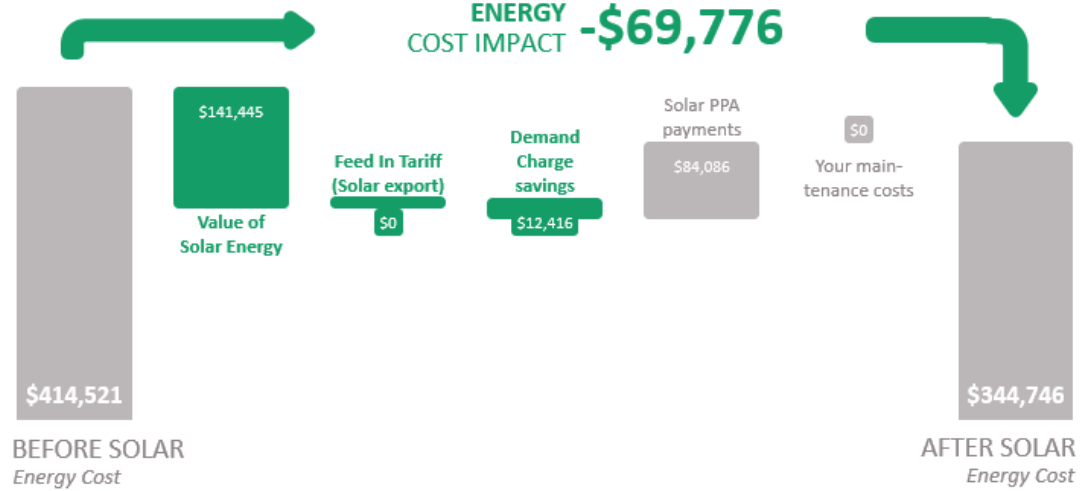
How does a solar PPA work?

400kW 15 year PPA offer for a hospital in SA SA





Total Annual Energy Solar Savings



Comparison of ownership, leases & outright purchase of solar

	PPA	Lease	Outright Purchase
Best value for money • Assuming investment rate of return is 0% (this does not hold true if the business has a rate of return)	?	?	✓
Sits off the balance sheet • Does not impact the customers lending criteria	✓	✗	✗
No upfront cost • Customer can save on electricity without any capital investment	✓	✗	✗
Easy & peace of mind • No ongoing maintenance costs • The system is maintained and cleaned without customer involvement • Hardware and operating risks sits with PPA provider • Insurance	✓	✗	✗
Premium solar system • Premium solar system can be procured under any options. However the warranty and O&M changes between the different options	✓	✓	✓

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Bayside City Council Case Study

Total Annual Energy Solar Savings

Bayside council potential solar PPA portfolio at a glance:

- **Installed solar:** 256kW across 5 sites
- **Savings in year 1 including demand charges:** $16,636 (ex GST)
- **Total carbon abatement:** 301 Tonnes per year (equivalent to 18,030 trees planted in a year)

Site	System Size	Y1 Solar Output	Upfront CAPEX*	Current Daylight Rate	Y1 PPA Rate
Angelo Aestis Aquatic Centre	99.99 kW	149,034 kWh	-$145,000	10.5 c/kWh	**8.00 c/kWh**
Rockdale Library	60 kW	78,959 kWh	-$87,000	10.5 c/kWh	**8.75 c/kWh**
Rockdale Admin Building	60 kW	86,021 kWh	-$87,000	10.5 c/kWh	**8.35 c/kWh**
Bayside Community Nursery	13 kW	16,963 kWh	-$19,500	32.3 c/kWh	**13.60 c/kWh**
Botany Aquatic Centre	23 kW	31,416 kWh	-$34,500	10.2 c/kWh	**10.37 c/kWh**

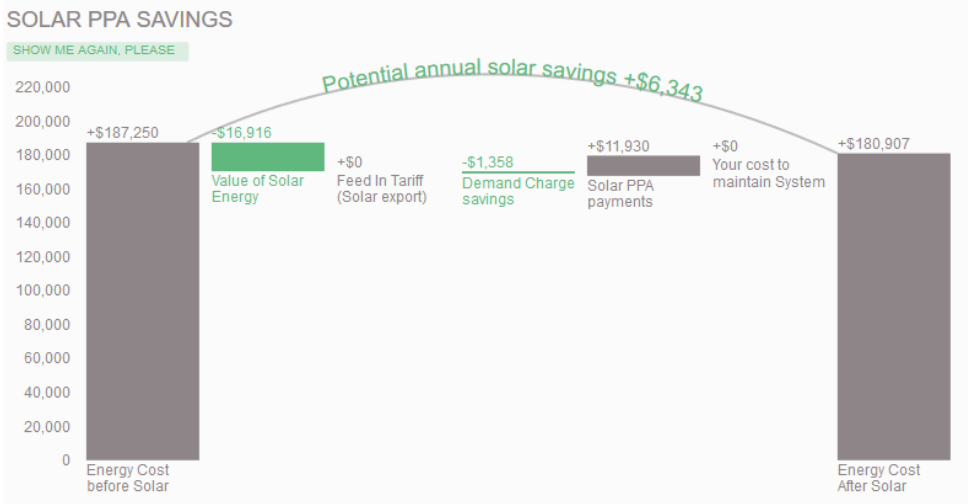
** excluding STC rebates*

Angelo Aestis Aquatic Centre - Bayside Council

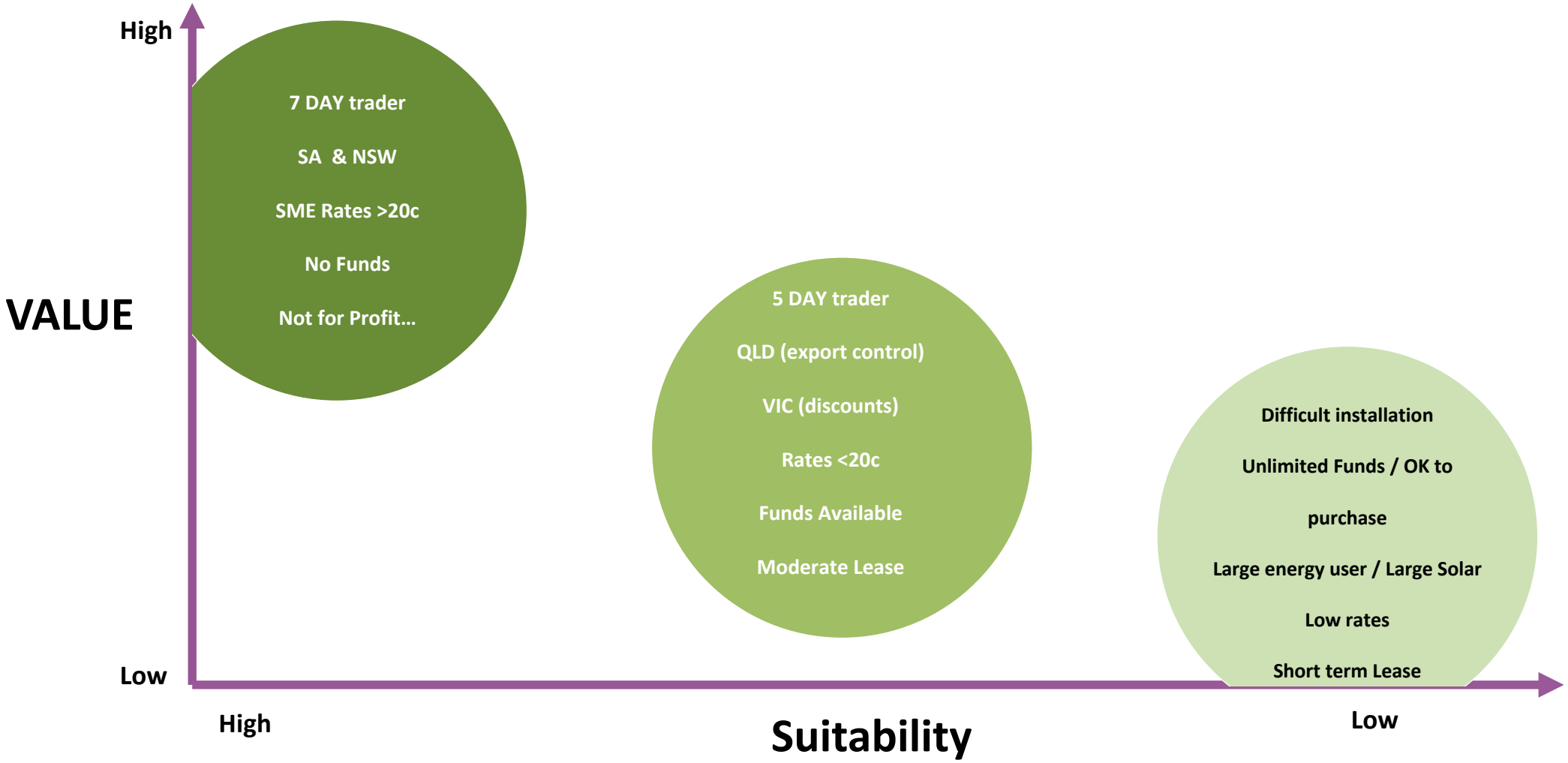
100 kW
Solar system size

10 %
Reduction in grid kWh (1st year)

1,749
Tonnes CO2 Offset (over term) [2]



PPA Market Segments – value vs suitability



QUESTIONS?