

Application for Electricity Generation Licence

Bannerton Solar Park

April 2018



Document Title	Bannerton Solar Park: Application for Electricity Generation Licence
Classification	Public
Recipient	Victorian Essential Services Commission
Producer	Peter Lord
Date	23 April 2018

Executive Summary

Foresight Solar Australia Pty Ltd (“**FSA**”) is applying for a licence to generate, sell and supply electricity in relation to a greenfield solar project in Bannerton, Victoria (“**Bannerton Solar Park**”). This application is being made in accordance with *the Guidance Notes for Applications for Electricity Licences* and the *Transfer of Existing Electricity Licences* published by the Essential Services Commission (ESC) in November 2006.

Bannerton Solar Park

Bannerton Solar Park is located 75 kilometers south-east of Mildura, Victoria. Bannerton Solar Park will consist of comprises of over 300,000 solar panels, and it will supply electricity to the local distribution network at a voltage of 66Kv. It supports the local grid through assisting with summer irrigation pumping loads, a result of the widespread almond farming in the region. The Notice to Proceed was issued to EPC Contractor of Bannerton Solar Park in October 2017, and onsite construction works began in January 2017. It is anticipated that Bannerton Solar Park will begin generating electricity in July 2018.

Key stakeholders

FSA is a special purpose vehicle which owns the rights to Bannerton Solar Park. The equity investment is provided by Foresight Solar Fund Limited (“**FSFL**”) and KIAMCO Global Infrastructure Fund III (“**KIAMCO**”) with a minority stake held by Hanwha Energy Corporation (“**Hanwha**”). FSFL is a Jersey-registered, closed-end investment company which is listed on the London Stock Exchange. KIAMCO is a fund whose investors and beneficiaries include *inter alia* the Korea Development Bank and Woori Bank. Hanwha is an independent power producer who supplies electricity and steam to the largest National Industrial Complexes in South Korea. The construction of Bannerton Solar Park is financed through equity investment and long-term debt from the Clean Energy Financial Corporation (“**CEFC**”).

Key counterparties and contracts

Bannerton Solar Park will be managed by Foresight Group Australia Pty Ltd, an Australian subsidiary of Foresight Group LLP (“**Foresight Group**”) under a long-term asset management arrangement. Foresight Group is a leading independent infrastructure and private equity investment manager. Further information on Foresight Group LLP can be found at <http://www.foresightgroup.eu/> and in section E of this application.

The operations and maintenance (“**O&M**”) services will be provided by UGL Pty Ltd (“**UGL**”) in the first two years of the project’s operational lifecycle, following which the O&M services shall be re-tendered and awarded to the most suitable counterparty. UGL has also been engaged to design and construct the plant under an Engineering, Procurement and Construction (“**EPC**”) agreement. Further information about UGL can be found at <http://www.ugllimited.com/> and in section K of this application.

Bannerton Solar Park will benefit from two separate offtake agreements; a Power Purchase Agreement (“**PPA**”) with Alinta Retail Sales Pty Ltd (“**Alinta**”) and LGC Sale & Purchase Agreement with the Victorian Government.

This application consists of the following sections:

1. Glossary of key terms
2. Information on the applicant and the application
3. Experience in the energy industry
4. Objectives
5. Financial viability
6. Technical capacity
7. List of Appendices

1. Glossary

AEMO	Australian Energy Market Operator
EPC	Engineering, Procurement and Construction
FGA	Foresight Group Australia Pty Ltd
FSA	Foresight Solar Australia Pty Ltd
LGC	Large-scale Generation Certificate
NEM	National Electricity Market
PPA	Power Purchase Agreement
O&M	Operation and Maintenance
FSFL	Foresight Solar Fund Limited
GIF III	KIAMCO Global Infrastructure Fund III
CEFC	Clean Energy Financial Corporation

2. Information about the applicant and the application

Table 1 (below) contains the required information about the applicant, and Chart 1 (also below) shows the corporate structure of the applicant.

Table 1 - Information about the applicant

Company name	Foresight Solar Australia Pty Ltd
Company number	ACN 611 378 584 ABN: 19 611 378 584
Registered address	Level 35 One International Tower 100 Barangaroo Ave Sydney NSW 2000 Australia
Contact person	Peter Lord Portfolio & Financial Manager Foresight Group LLP [REDACTED] [REDACTED] [REDACTED]
Details of any prosecutions or regulatory complaints	No prosecutions or regulatory complaints have been commenced against FSA, any other company or person related to or associated with FSA as defined by reference to the Corporations law, or any key personnel in any jurisdiction.
Incorporation details	FSA is an Australian proprietary company registered under the Corporations Act 2001 (Cth). The Certificate of Registration and the Constitution of FSA are provided in Appendices C and E, respectively.
Details of shareholders	FSA is a subsidiary of KIAMCO Hanwha Foresight Bannerton Pty Ltd, an Australian proprietary company. The Shareholder Register, containing details on the shareholders and any other persons with an interest in FSA, is provided in Appendix G.
Broad nature of the proposed participation in the Victorian electricity industry	Generation of electricity from a solar photovoltaic installation into the Victorian distribution network.

Chart 1 - Corporate structure of FSA

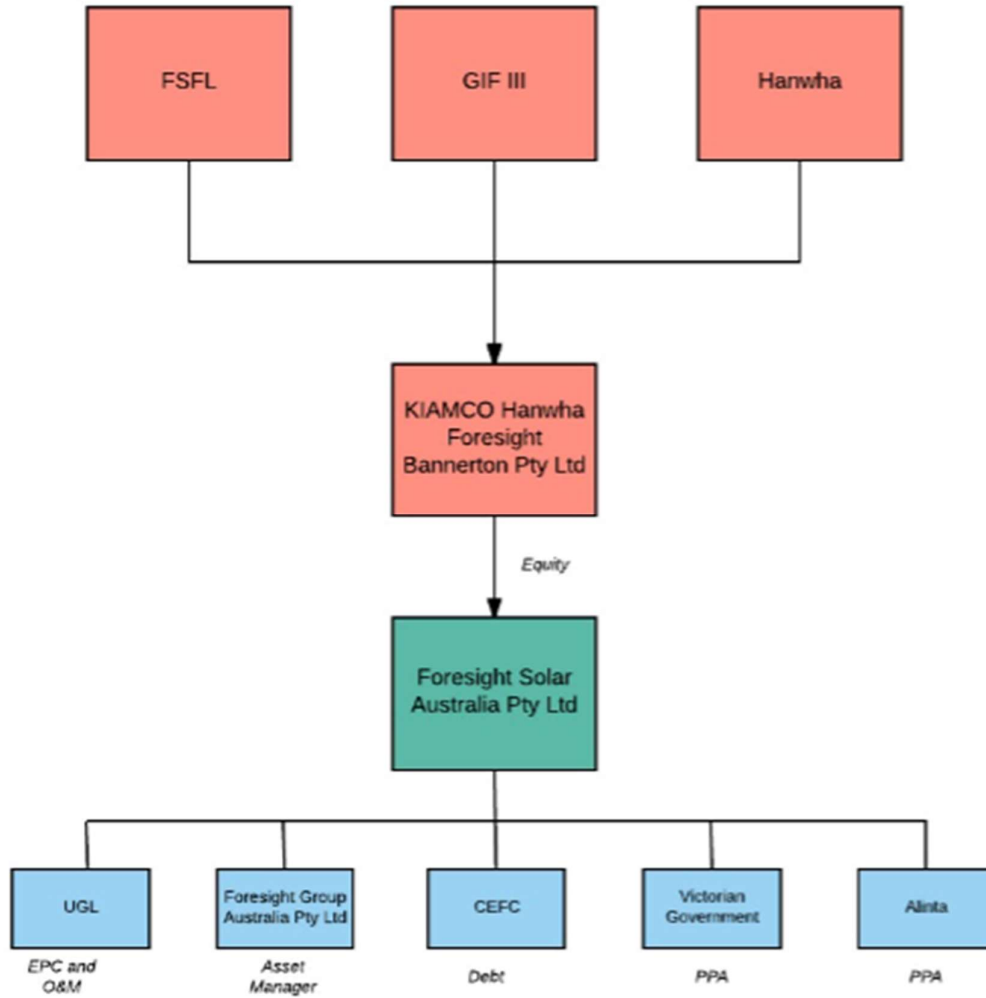


Table 2 (below) provides information about the application.

Table 2 - Information about the application

Type of licence	Electricity Generation Licence
Licence conditions	Standard
Licence timing	31 st May 2017
Nature and scope of operations	Operation of a solar photovoltaic installation and injection of electrical energy into the Victorian distribution network.
Details of other licences	FSA does not hold, and has never held, any licences in Victoria and/or any other jurisdiction. However, FSA has commenced the process of registering with AEMO.
Previous unsuccessful licence applications	FSA has never lodged any unsuccessful licence applications in Victoria and/or any other jurisdiction.
Details of licences held by the applicants 'associates'	FGA, the asset manager of FSA, also provides asset management services to the Barcaldine Remote Community Solar Farm (" Barcaldine Solar Farm "), Queensland, to which KIAMCO and Hanwha provided equity investment. Barcaldine Solar Farm is registered with AEMO as a generator but it is not required to hold an electricity licence in Queensland.

3. Experience and key personnel

Existing activities within and external to the electricity industry

The asset manager of FSA and the equity investors are all experienced participants in the global renewable energy sector. Furthermore, the senior debt provider is an organisation which specialises in providing funding to renewable energy projects in Australia.

Foresight Group is a highly experienced asset manager of solar PV power stations in the UK, USA, Italy, Spain and Australia. It manages more than 1 GW of solar PV power stations globally, including the following projects:

- 25 MW Barcaldine Remote Community Solar Farm (QLD, Australia)
- 72 MW Shotwick Solar Park (Wales, UK)
- 16 MW Pitworthy Solar Farm (Devon, UK)
- 14 MW Manor Farm (Cambridgeshire, UK)
- 12 MW Highfields Farm (Essex, UK)
- 9 Roskrow Solar Farm (Cornwall, UK)

For a full list of complete assets managed by Foresight Group LLP, please refer to Foresight Group website <http://www.foresightgroup.eu/>

Furthermore, Foresight Group LLP also manages a large portfolio of biomass, anaerobic digestion and energy from waste power stations.

FSFL is a closed-end investment company trading on the London Stock Exchange. FSFL seeks to provide investors with a sustainable and increasing dividend with the potential for capital growth over the long-term by investing in a diversified portfolio of ground-based solar assets. Since its initial public offering in October 2013, FSFL has raised a total of £424.2 million and its current net solar capacity is 475MW.

KIAMCO was established in 2003 as a subsidiary of the state-owned Korea Development Bank ("KDB") and it plays a leading role in alternative investment in the Republic of Korea. KIAMCO is a licensed asset management company which aims to raise funds from the Republic of Korea's commercial institutional investors. KIAMCO manages an investment trust, Global Infrastructure Fund 3 ("GIF3"), regulated under the Financial Investment Services and Capital Markets Act of South Korea. With over 13 years of experience in managing infrastructure investments, KIAMCO currently has a track record of having invested in 216 projects in total with 'zero' distressed assets and has been able to deliver stable returns to investors. In 2013, KIAMCO has set a record in Korea by successfully raising a US\$ 2.2 billion blind fund, which is so far the largest blind fund ever established in Korea. The Fund is exclusively dedicated to the power and energy sector.

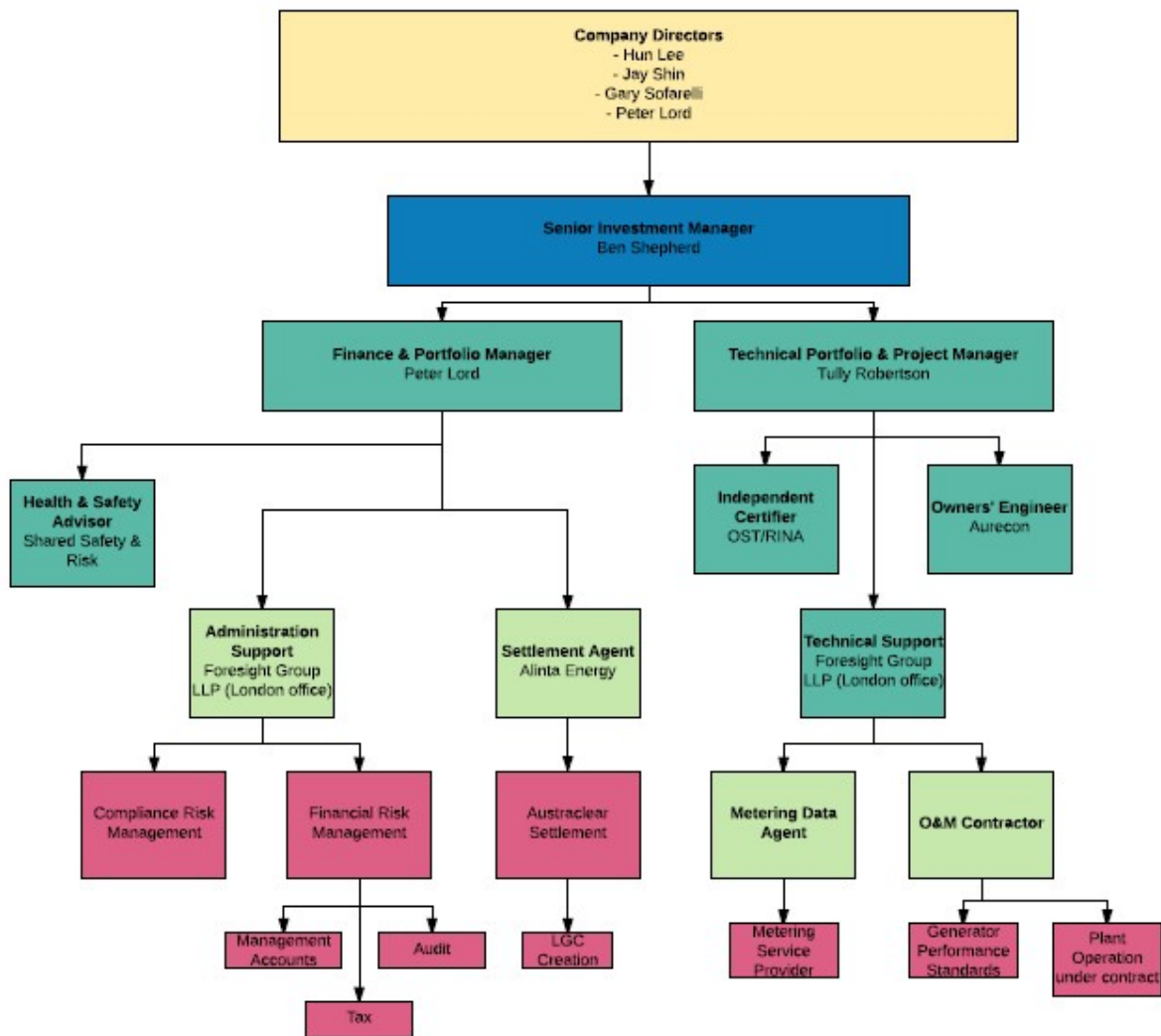
Hanwha Energy is a subsidiary of Hanwha Group, one of the largest business conglomerates in the Republic of Korea. Hanwha Group is involved in a broad range of businesses including manufacturing, construction, finance, service and leisure industries. Hanwha Energy is a solar power producer which

owns and operates solar PV plants in Japan, India and Turkey. The Company is beginning to expand into other solar markets, including Australia. Hanwha Group has a close relationship with KIAMCO, as evidence by their joint investment in Barcaldine Solar Farm (also managed by Foresight Group). Along its investment in Bannerton Solar Park, Hanwha is supplying Hanwha Q-Cells solar panels for the project. Hanwha Q Cells are highly regarded in the solar market as the top 5 global panel manufacturer according to Bloomberg New Energy Finance.

Key personnel



FSA is managed by a highly experienced team of professionals with vast experience in the renewable energy business. Chart 2 (below) provides the organisational structure of the management team of FSA.

Chart 2 - Organisational structure of FSA



The summary of the experience of the key personnel is outlined below.

Table 3 – key personnel

 <p>Ben Shepherd Senior Investment Manager Foresight Group (Sydney)</p>	<p>Ben joined Foresight Group’s London office in 2013. Due to his close involvement in solar projects in Australia, he was relocated to Foresight Group’s Sydney office in February 2017 where he is now based. Ben was instrumental in the acquisition of the Barcaldine solar park, before moving on to work on the Bannerton solar park. He ensured that the Barcaldine solar park was successfully managed through the final stages of construction and into operations. Ben managed the development of Bannerton, negotiated all key contracts and managed the financial close process. He now continues to manage the asset during the construction phase.</p> <p>Prior to his involvement in the Australian solar park projects, Ben was in charge of the execution and ongoing portfolio management of a large number of UK solar investments on behalf of both institutional and retail funds managed by Foresight Group LLP. Ben’s experience in the UK includes managing solar assets through construction as well as monitoring EPC and O&M contractors.</p> <p>Before joining Foresight Group, Ben spent 6 years PwC in the Investment Funds Group and later in the Valuations and Strategy team where he provided corporate finance and valuation advice to private equity and corporate clients across all sectors.</p> <p>Ben is a CFA charter holder and holds an MSc in Economics, Finance and Management. He speaks English, French and Italian.</p>
 <p>Peter Lord Portfolio & Finance Manager Foresight Group (Sydney)</p>	<p>Peter joined Foresight Group’s London office in 2015 before moving to the Sydney office in January 2017 where he is now based. He has experience in managing a variety of renewable energy projects, including anaerobic digestion plants and solar parks.</p> <p>Peter’s experience in the UK includes managing nine anaerobic digestion plants from a Management Service Agreement (MSA) perspective. He also has experience as a Financial Controller for an anaerobic digestion plant, a responsibility which involved overseeing the finances, operations and maintenance, liaising with key contractors, stakeholders and site employees. Peter oversaw the final stages of construction as well as the full commissioning process of the Barcaldine solar farm. During this process, Peter worked closely with CEFC and ARENA as well as three equity holders. As the Portfolio & Finance Manager, he is responsible for identifying, evaluating and proposing opportunities for improvements of the solar farm’s performance. Peter is a director on the board of FSA and is working closely with all key stakeholders (EPC, OE, IC, NSP, Investors and Lenders) during construction to ensure the project is delivered on time and on budget.</p> <p>Prior to joining Foresight Group, Peter worked at PwC in the mid-size business assurance team before moving to a mid-tier Australian accounting firm where he provided business partnering advice for SME clients across numerous sectors.</p> <p>Peter is a Chartered Accountant in England & Wales and Australia & New Zealand, and holds a Bachelor of Commerce (Accountancy) from RMIT University.</p>



Tully Robertson
Technical Portfolio Manager
Foresight Group (Sydney)

Tully is an experienced electrical engineer with 13 years of experience in project and contract management, and design and commissioning of various high voltage infrastructure projects throughout Australia. Tully's track record includes leading the detailed design of Barcardine 20MW solar farm in Queensland and stages 1 and 2 of the Bungala 220MW solar farm in South Australia. Tully's role on these projects involved assisting with the grid connection process by ensuring compliance with the requirements of the National Electricity Rules, Network Service Provider, the Connection Agreement and Generator Performance Standards associated with each project.

Tully has also performed lead Owner's Engineer design review roles and written Engineering, Procurement and Construction specifications for several utility scale wind and solar farm projects in Australia. Tully is a Chartered Professional Engineer (CPEng), Registered Professional Engineer of Queensland (RPEQ) and Member of the Institution of Engineers Australia (MIEAust).



Arnoud Klaren
Senior Technical Manager
Foresight Group (London)

Arnoud joined Foresight Group in 2011. He is a senior portfolio manager and technical director for Foresight's solar portfolio. Arnoud is responsible for operations and technical asset management of the solar portfolio, as well as the technical acquisition of new assets.

Prior to joining Foresight Group, Arnoud worked at SolFocus where he spent four years managing solar projects in Spain, Saudi Arabia and Greece based on concentrated PV technology. Prior to SolFocus, Arnoud founded and managed ThinkSpectrally, a spin-off company of the University of Valencia in Spain. ThinkSpectrally was a company dedicated to quality assurance in PV manufacturing.

Arnoud holds a masters degree in electrical engineering from Twente University in The Netherlands. Arnoud is fluent in English, Spanish and Dutch.



Tom Moore
Director
Foresight Group (London)

Tom joined Foresight Group in 2013 as a portfolio manager. He is responsible for asset management of assets across all infrastructure investments in the UK, Australia and the US. His focus is on portfolio operations, ensuring the assets are fully optimised and performing to budget, and reporting compliance.

Tom has four years of experience managing Foresight Group's infrastructure portfolio and building a large dedicated infrastructure portfolio team, with particular focus on over 700MW of solar assets under management. Throughout his time at Foresight Group, Tom progressed from a portfolio manager to senior portfolio manager before being promoted to the position of a director. Tom works closely with the team based in the Sydney office in the on-boarding of the asset into the global portfolio of solar assets managed by Foresight Group. This was successfully done for Barcardine Remote Community Solar Farm. Tom will also support and oversee the debt reporting performed.

Prior to joining Foresight Group, Tom spent 4 years working at Saffery Champness before taking up a position at a boutique asset manager where he was responsible for internal finance, operations and compliance. He was involved in project modelling, structuring and due diligence within the energy and structure finance space.

Tom is a Chartered Accountant and holds a BSc (Hons) in Economics from the University of York.



Rachel Kenny
Finance Analyst
Foresight Group (London)

Rachel joined Foresight Group in January 2016 as a Finance Analyst in the asset management team of the Infrastructure Department.

Rachel is responsible for the accounting in relation to all companies in Foresight Group’s Australian portfolio. This responsibility includes statutory reporting, preparation of management accounts, managing tax affairs and any audits. She is also responsible for the financial onboarding of projects following acquisition. Rachel works closely with Tom Moore and Peter Lord in managing the financial affairs of the companies in the Australian portfolio.

Prior to joining Foresight Group, Rachel worked in the corporate and shared services finance team at Xchanging Ltd, in both the UK and India.

Rachel holds a BA (Hons) in Philosophy, Politics, and Economics from Oxford University, and an MA in International Relations from The London School of Economics and Political Science.



Julia Gawecka
Analyst
Foresight Group (London & Sydney)

Julia joined Foresight Group in June 2016 as an Analyst in the asset management team of the Infrastructure Department. As part of her work at Foresight Group, Julia completed a compliance project during which she helped to design various compliance measures in order to promote corporate accountability, governance and transparency throughout the different parts of the business and across all offices of Foresight Group and its associated entities.

Julia is responsible for the day- to-day compliance and company secretarial matters for all the companies in the Australian portfolio. She reports to the boards of directors during regular board meetings. Julia works closely with Tom Moore and Peter Lord in managing the compliance affairs of the companies in the Australian portfolio.

Julia holds a LLB (Hons) in Law with Australian Law from the University of Nottingham, having studied at the University of Western Australia as part of her degree.

Experience of third parties

FSA has secured several long-term contracts with third parties, all of whom have extensive expertise in the Australian electricity market. For the full description of their experience and FSA’s contractual relationship with the aforesaid third parties, please refer to section 6 of this application.

4. Objectives

FSA believes that the grant of an Electricity Generation licence in relation to Bannerton Solar Park would satisfy and be consistent with the objectives of the Commission as set out in section 8 of the ESC Act and section 10 of the EI Act. These reasons for this belief are set out below.

Bannerton Solar Park, once constructed, will be a large- scale generator of electricity which will benefit from long-term contracts containing comprehensive warranties. The project will receive robust asset management services which will include continuous assessment of risks and efficiency measures, meaning that the Commission's objectives will always be a consideration in any decision-making. Furthermore, the project has received reputable backing from equity investors, offtake providers, a debt provider and experienced contractors all of whom have vast experience in the energy industry.

Bannerton Solar Park will increase the supply of electricity into the grid, therefore making more electricity available to retailers who will be able to participate in effective competition. Therefore, Bannerton Solar Park supports and meets the Commission's objectives to promote a consistent regulatory approach between the electricity and gas industries, as well as the promotion of the development of full retail competition.

Efficiency and incentive for efficient long-term investment

Over the last 12 to 18 months, the Australian large scale renewable energy market has been very active, with 2GW of new of solar and wind currently under construction. Further investment in large scale renewable energy projects is expected, with Bloomberg New Energy Finance ("BNEF") predicting around A\$9.5 billion of new investments by 2020. Solar infrastructure is anticipated to attract 68% of the aforesaid new investment. Renewable energy projects such as solar PV plants, are backed by a subsidy support scheme - Large Scale Generation Certificates ("LGCs") - and several private offtake providers have the appetite to conclude PPAs with developers of solar projects.

Bannerton Solar Park has the benefit of a PPA with Alinta and a LGC contract with the Victorian government, providing a level of fixed income over a period of time. The project is supported by long-term contracts with reputable third parties. Furthermore, Bannerton Solar Park is expected to remain in operation for about 30 years. At a minimum cost to NEM, Bannerton Solar Park has the potential to contribute to improving competition and associated efficiencies. The project also benefits from safe technology that is simple to operate and maintain, and demands a relatively low cost to build. The project team will continuously assess the project to ensure the ongoing effectiveness and efficiency of the infrastructure.

The site of Bannerton Solar Park has excellent solar insolation characteristics, meaning that it is exposed to light and heat from the sun consistently throughout the year, ensuring the plant is producing energy in the most effective and efficient way possible.

For the reasons listed above, FSA believes that Bannerton Solar Park has the potential to facilitate efficiency in regulated industries and the incentive for efficient long-term investment.

Financial viability

As detailed in section 5 of this application, Bannerton Solar Park meets the financial viability requirement of the Commission. The project benefits from equity provision from three experienced investors, a long-term debt agreement with a reputable financier operating in the renewable energy market, two offtake agreements and long-term contracts with third parties.

Deterrence of misuse of monopoly and facilitation of effective competition

The electricity produced by Bannerton Solar Park will be fed into the grid line and sold to retailer energy companies who will then have the opportunity to sell green energy from projects like Bannerton Solar Park to the public and businesses. Therefore, FSA will have no influence over market price of electricity.

FSA, working closely with its EPC and O&M contractor (UGL), will maintain productive relationships with various industry bodies and suppliers with the aim to keep up to date with industry developments as well as the new and innovative domestic suppliers who are entering the Australian market, thereby helping to stimulate competition and market diversity. FSA will accomplish this task by attending various conferences and carrying out continual professional development activities, including studying industry literature.

FSA is committed to creating opportunities in the energy market throughout the entire supply chain at all stages of the project. When choosing suppliers, FSA will consider the potential for long-term participation in the industry in order to encourage capability development and integration into the supply chains. All suppliers will be assessed in order to ensure that they have the correct licencing and policies in place, and are therefore able to compete in the market. FSA will also encourage its counterparties to provide introductions of local project suppliers to other entities operating in the large-scale PV market.

Consideration of health, safety, environmental and social legislation

FSA will be subject to all relevant health, safety, environmental and social legislation applicable to the Victorian electricity industry. Fauna, flora, groundwater, geotechnical and socio-economic impact assessments will be carried out which will comprehensively identify and document any positive and negative impacts the project is expected to have. Studies will also outline any mitigation measures which could be implemented to minimise or avoid negative impacts and optimise positive impacts.

Benefits to users and consumers (including low-income or vulnerable customers)

Bannerton Solar Park will produce 100MW of clean, renewable electricity which will meet the region's energy needs, making an important contribution to Victoria's greenhouse gas reduction and diversification of the energy origin mix. The produced electricity will be directly supplied to the National Electricity Grid via an existing substation. The diversification of the electricity supply is likely

to lead to reduced energy costs and increased reliability of the pipeline, providing a benefit to the users and ultimate consumers.

FSA will obtain the best value in both cost and quality for goods and services, thereby passing this benefit onto its ultimate customers. In its sourcing strategies and supplier selection processes, FSA will ensure the requirement of efficient and effective delivery to customers is met. Furthermore, the risks associated with Bannerton Solar Park will be assessed and mitigated in accordance with the Risk Management Policy in order to increase the efficiency of the plant, and pass the benefits onto the ultimate consumers.

Additionally, the development of Bannerton Solar Park led the network supplier to carry out upgrade works on the grid connection, thereby creating an opportunity to install a larger scale infrastructure into the local area. The project will also deliver Significant economic benefit to the Bannerton area and the wider community, such as creation of jobs and bringing other investment into the area.

Consistency in regulation between States and nationally

The Australian and Victorian governments have both identified the need to invest in solar energy in order to achieve important renewable energy targets. Solar energy is considered to be one of the cleanest and most cost-effective methods of producing renewable energy, greatly reducing carbon emissions and reliance on fossil fuels to generate electricity.

The electricity generated by Bannerton Solar Park will be transmitted into the grid and sold into the NEM wholesale spot market in Victoria. Bannerton Solar Park will generate LGC certificates and sell an agreed proportion of them to the Victorian government under the LGC contract. FSA will be compliant with the rules set by the Australian Energy Regulator under national energy legislation and rules.

5. Financial viability

FSA is able to meet and address the financial viability requirement of the Commission. The majority of the equity investment is provided by FSFL and GIF III, both multi-million-dollar funds. The holder of the minority stake in FSA, Hanwha is a subsidiary of one of the largest business conglomerates in the Republic of Korea. In addition, FSA successfully obtained financing for the construction of Bannerton Solar Park from CEFC, a reputable debt provider who specialises in the clean energy market. The shareholding arrangements and corporate structure of FSA allow the equity investors to provide financial support to FSA if ever required. Finally, the long-term viability of FSA is supplemented by two offtake agreements; and LGC contract with the Victorian government and a PPA with Alinta.

Table 4 (below) lists the financial viability requirements of FSA.

Table 4 – financial viability

Current balance sheet and financial data	Please refer to Appendix A .
Significant contracts	The significant contracts are attached to the application in the Appendices as follows: <ul style="list-style-type: none"> • Portfolio Management Agreement with FGA (Appendix L) • O&M Agreement with UGL (Appendix N) • EPC Agreement with UGL (Appendix K) • PPA Agreement with Alinta (Appendix I) • LGC Contract with the Victorian Government (Appendix J)
Annual Report	For the Financial Statements for the year ended June 2017, please refer to Appendix P .
Standard & Poor's or other acceptable rating	FSA does not have a credit rating as it is not rated by any credit agency. FSA believes that the successful tender for the financing of the project through long-term debt from CEFC supports the creditworthiness of FSA.
Statements from auditors	There had been no audit carried out in respect of FSA as of the date this application was submitted.
Statements from consultants including accountants and legal advisors	For the legal due diligence report which was carried out prior to financial close, please refer to Appendix M .
Shareholder Register	Please refer to Appendix G .
Certificate of Registration	Please refer to Appendix C .
Statement of assets and liabilities	Please refer to the Annual Report and the balance sheet, attached to this application in Appendix P .

Statements from financiers	FSA has concluded agreements with equity investors and a debt provider, illustrating the financial viability of the project.
Guarantees in place	FSA does not hold any guarantees. However, the shareholding arrangement between the investors and the corporate structure of FSA allow and obligate the equity investors to provide financial support to FSA if ever required.
Business Plan	Please refer to Appendix A.

Australian Financial Services Licence

FSA is not required to hold an Australian Financial Services Licence as it does not intend to undertake any of the activities which necessitate an Australian Financial Services Licence.

The asset manager of FSA, Foresight Group Australia Pty Ltd, is able to rely on the licence held by its parent company., Foresight Group LLP, which is regulated by the Financial Conduct Authority ("FCA") in the UK, registration number 198020, as a Financial Services Firm under the Financial Services and Markets Act 2000 ("FSMA") with the necessary authorisation to operate in the UK. Foresight Group LLP is bound by the FCA's Conduct of Business Rules. Foresight Group LLP is authorised to provide financial services in Australia in reliance on Australian Securities and Investments Commission Class Order 03/1099.

Assurance of sufficient financial resources

FSA assures the Commission that it has sufficient financial resources to sustain its operations, including all prudential requirements set by AEMO and/or licenced distributors. AEMO has formally confirmed that Bannerton Solar Park meets its standards.

The letter from AEMO is attached to this application in Appendix H.

Preliminary discussions about credit support arrangements

FSA has appropriate credit support arrangements with Powercor.

Full evidence in support FSA's ability to meet the financial viability requirement are provided on a commercial-in-confidence basis in the Appendices.

6. Technical capacity

FSA is able to meet and address the technical capacity requirement of the Commission. The personnel of FSA possess the requisite skill-set and experience to operate a successful electricity generating business. FSA has entered into several key contracts with reputable counterparties who possess a significant level of experience and knowledge of energy infrastructure projects. Where appropriate, the personnel of FSA are supported by consultants who supplement FSA’s technical capacity. Furthermore, Foresight Group has several years of experience in managing viable electricity generating businesses, ranging from solar farms to anaerobic digestion plants.

Experience in the electricity industry

Please refer to section 3 of this application for the following:

- organisation chart
- details of experience and knowledge of the key personnel
- details of experience in and knowledge of the electricity industry

A summary of the experience of directors of FSA are listed in the Table 4 (below).

Table 5 – experience of directors

Name	Position	Education	Career Summary
Gary Sofarelli	Director, Foresight Group Australia	<ul style="list-style-type: none"> • BA in Commerce, Banking & Finance, University of Canberra • Post Graduate Diploma in Applied Finance & Investment, Securities Institute of Australia 	<ul style="list-style-type: none"> • Westpac • ANZ • WestLB • National Australia Bank • Foresight Group LLP • Foresight Group Australia
Peter Lord	Portfolio & Finance Manager, Foresight Group Australia	<ul style="list-style-type: none"> • BA in Commerce & Accounting, RMIT University • Graduate Diploma of Chartered Accounting, Australia • ACCA (Reciprocal membership), England & Wales 	<ul style="list-style-type: none"> • PwC • LDB Accountants & Advisors • Foresight Group LLP • Foresight Group Australia
Hun Lee	Head of Investment Division 2, Korean Development Bank	<ul style="list-style-type: none"> • BA in Business Administration, Yonsei University • MS in Business Administration, Yonsei University • Certified Investment Manager (Fund, SOC) • Overseas resources development manager 	<ul style="list-style-type: none"> • Korea Ratings (Fitch Ratings) • KIAMCO/Head of Investment Division 2

Jay Shin	Head of Team 4, Korean Development Bank	<ul style="list-style-type: none"> • BA in Business Administration and Economics, Carnegie Mellon University • Certified Investment Manager (Fund, Real Estate) • Overseas resources development manager 	<ul style="list-style-type: none"> • Macquarie Financial Advisory • Samchully AMC • KIAMCO/Head of Investment Team 4
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The directors of FSA have the requisite skills and experience to ensure that the governance requirements of the licence are fulfilled. The directors have oversight of the operational and financial aspects of FSA, and are thus able to ensure that the operational and financial requirements of the licence are satisfied.

Policies

Table 6 (below) provides detail on the policies which FSA has in place.

Table 6 – policies

Business plan	Please refer to Appendix A .
Risk management policy	Please refer to Appendix B .
Governance policy	Governance Policy is incorporated into the Risk Management Policy, attached to this application in Appendix B .
Compliance policy	Compliance Policy is incorporated into the Risk Management Policy, attached to this application in Appendix B .
Document retention policy	The retention policy of FSA is based on required statutory periods.
Privacy policy	<p>As a generator, FSA does not have any direct interaction or contact with consumers in Victoria. Therefore, all obligations relating to privacy and data protection are incorporated into agreements with third parties.</p> <p>Nevertheless, FSA recognises that it has responsibilities under the Privacy Act 1988 and it is responsible for complying with the Australian Privacy Principles. Therefore, Foresight Solar Australia respects the privacy of all members of public which it interacts, including members of the local community. Particular care is taken in relation to the handing of complaints, as detailed in the Complaints Handling Procedure.</p>
Complaints policy and Complaints register	The Complaints Policy is attached to this application in Appendix O . The Complaints Register is incorporated into the Complaints Policy.
Demonstrations of billing and management systems	<p>FSA does not directly sell electricity to customers and therefore it does not have any billing or management systems in place for retail consumers.</p> <p>FSA has robust billing and invoice management systems in place for processing payments with its contractors. It has a detailed payment authorisation system through which directors of FSA authorise any outgoing payments.</p>

Table 7 (below) contains detail on the technical capacity requirements.

Table 7 – technical capacity

Statements from industry bodies	No statements available. Foresight works with many industry bodies and attends many industry events.
Industry submissions and results of any research	Technical due diligence was undertaken prior to financial close with the equity investors and the debt provider. The results of the technical due diligence supported the technical viability of the project.
Evidence of any interactions or preliminary registration with AEMO	FSA has commenced the process of registering with AEMO as an Intending Participant in the NEM. A letter from AEMO is attached to this application in Appendix H.
Confirmation that all planning and environmental approvals have been completed	FSA confirms that all planning and environmental approvals have been completed. Please refer to the Legal Due Diligence report attached to this application in Appendix M.
Part 3 of the Electricity Industry Act	There are no cross-ownership issues arising under Part 3 of the Electricity Industry Act as FSA is solely a generator, and it has no direct interactions with retail customers.

Contracts and relationship with internal and external service providers

FSA has entered into a long-term PPA with Alinta, an Australian energy retailer. Alinta is a large Australian utility with an owned and contracted generation portfolio of circa 1,800 MW, around 790,000 combined electricity and gas retail customers and over 400 employees across Australia and New Zealand. Its portfolio includes an 11.8% stake in the Dampier to Bunbury Natural Gas Pipeline, the longest gas pipeline in Australia. Alinta’s ultimate parent company, Alinta Energy Holdings Ltd, was purchased for an estimated \$4b by Chinese investment house Chow Tai Fook Enterprises Ltd in March 2017. More information about Alinta can be found at:

<https://www.alintaenergy.com.au/Alinta/media/Documents/17-162-Sustainability-Report-Online.pdf>.

Please refer to Appendices I and J for the PPA with Alinta and the LGC contract with the Victorian government, respectively.

UGL, the EPC and the O&M contractor, has strong expertise in the renewable energy sector and a proven track record in the design and delivery of solar farms. UGL has delivered five solar projects and currently has four solar projects under construction: Emu Downs in Western Australia, Kidston and Collinsville in Queensland and White Rock in New South Wales. UGL brings a range of innovative construction techniques from both the mining and utility power infrastructure industries to the solar industry, with the primary aim of reducing time and cost to install the highest quality solar components, while providing a fully wrapped EPC solution. Key to the successful implementation of such a project is the Australian construction experience, availability of personnel and resources and the quality of the many infrastructure projects that UGL has delivered across Australia. In addition, UGL’s capability to provide end to end design, construction and O&M services using internal resources, which limits the interface issues that can arise from a project of this nature. More information about UGL can be found at <http://www.ugllimited.com/>.

FSA has also entered into a LGC purchase contract with the Victorian Government to sell an agreed number of LGCs for 10 years.

Please refer to Appendices **N** and **K** for the O&M and EPC agreements with UGL, respectively.

Capacity to operate a business within the electricity industry

In light of the above considerations, FSA possesses the capacity to operate a successful business within the electricity industry.

Capacity to comply with licence conditions, codes and guidelines

In light of the evidence listed in this section, FSA possesses the capacity to comply with the licence conditions, codes and guidelines.

7. List of Appendices

FSA wishes to submit the following documents in support of the application for an Electricity Generation Licence. The documents designated as 'commercial-in-confidence' are excluded from public realm due to the fact that they contain commercially sensitive information and/or confidential information which FSA cannot share with the public.

Appendix	Document	Commercial-in-confidence
Appendix A	Bannerton Solar Park – Business Plan	X
Appendix B	Bannerton Solar Park – Risk Management Plan	X
Appendix C	Certificate of Registration of a Company	X
Appendix D	Foresight Group Health and Safety Handbook	X
Appendix E	Constitution of Foresight Solar Australia Pty Ltd	X
Appendix F	Register of Directors & Secretaries	X
Appendix G	Register of Direct Shareholders of FSA	X
Appendix H	AEMO response to proposed performance standards for BSP	X
Appendix I	Deed of Amendment and Restatement to the PPA	X
Appendix J	LGC Sales & Purchase Agreement	X
Appendix K	Engineering Procurement and Construction Contract	X
Appendix L	Portfolio Management Agreement	X
Appendix M	Baker McKenzie Legal due diligence review report	X
Appendix N	Operation and maintenance agreement	X
Appendix O	Complaints Procedure	X
Appendix P	Financials	X

Appendix 5: Statutory Declaration

Statutory Declaration

I, Peter Lord of Level 35, One International Tower, 100 Barangaroo Ave, Sydney being the Portfolio Manager and Director of Foresight Solar Australia of the Foresight Solar Australia Pty Ltd.

I **Hereby DECLARE** that the information contained in this application, and attachments thereto upon which I have placed my signature, for the grant of a *Generator* licence under the Electricity Industry Act 2001 is true and correct and that I make this declaration conscientiously believing the same to be true and in the belief that a person making a false declaration is liable to the penalties of perjury⁶

Declared at Melbourne in the State of Victoria

Signature of Declarant

This day of Tuesday 20th February 2018

Before me

(A person authorised by section 107A of the Evidence Act 1958 (Vic))

6 Refer to section 107 of the Evidence Act

Appendix 6: List of solar farms asset managed by the Foresight Group

DATE OF INVESTMENT	LOCATION	MW	TYPE
Oct-17	Queensland (Oakey 2), Australia	70	Ground-mounted greenfield
October 2017	Queensland (Oakey 1), Australia	30	Ground-mounted greenfield
Oct-17	Queensland (Longreach), Australia	17	Ground-mounted greenfield
Sep-17	Victoria (Bannerton), Australia	110	Ground-mounted greenfield
Jul-17	Alcacer do Sal (Vale Matanqas), Portugal	7	Ground-mounted greenfield
Feb-17	Wiltshire (Sandridge), UK	50	Operating ground-mounted
Feb-17	Queensland (Barcaldine), Australia	25	Operating ground-mounted
Jan-17	Flintshire (Shotwick), UK	72	Operating ground-mounted
Nov-16	UK-wide rooftop (Amphora), UK	7	Residential Rooftops

Oct-16	Leicestershire (Basin Bridge), UK	5	Operating ground-mounted
Sep-16	Leicestershire (Lindridge), UK	5	Operating ground-mounted
Aug-16	Yorkshire (Misson), UK	6	Operating ground-mounted
Aug-16	Kent (Abbeyfields), UK	5	Operating ground-mounted
Jun-16	Staffordshire (Marchington), UK	5	Operating ground-mounted
Apr-16	Nottinghamshire (Crow Trees), UK	5	Operating ground-mounted
Apr-16	East Staffordshire (Dove View), UK	5	Operating ground-mounted
Apr-16	1,909 sites UK-wide (Blackmead)	7	Residential Rooftops
Mar-16	Wiltshire (Beech Farm), UK	4	Operating ground-mounted
Mar-16	Devon (Balls Wood), UK	5	Operating ground-mounted
Feb-16	Somerset (Hurcott), UK	10	Operating ground-mounted
Jan-16	Bedfordshire (Manor Farm), UK	14	Operating ground-mounted
Dec-15	Lincolnshire (Yarburgh), UK	8	Operating ground-mounted
Nov-15	Warwickshire (Fields Farm), UK	5	Operating ground-mounted
Nov-15	Suffolk (Playters), UK	9	Operating ground-mounted
Oct-15	Shropshire (Hayford Farm 2), UK	8	Operating ground-mounted
Sep-15	Berkshire (Membury), UK	16	Operating ground-mounted
Sep-15	Cornwall (Roskrow), UK	9	Operating ground-mounted
Aug-15	Wiltshire (Port Farm), UK	35	Operating ground-mounted
Aug-15	Lincolnshire (Nowhere), UK	8	Operating ground-mounted
Jul-15	Warwickshire (Southam), UK	10	Operating ground-mounted
Jul-15	Kent (Paddock Wood), UK	9	Operating ground-mounted
Jul-15	Warwickshire (Atherstone), UK	15	Operating ground-mounted

Jul-15	Lincolnshire (Copley Farm), UK	30	Operating	ground-mounted
Jul-15	Wiltshire (Marsh Farm), UK	9	Operating	ground-mounted
Jul-15	Berkshire (Sheepridge), UK	5	Operating	ground-mounted
Jun-15	Hampshire (Field House), UK	6	Operating	ground-mounted
Jun-15	Gloucestershire (Upper Huntingford), UK	8	Operating	ground-mounted
May-15	Wales (Cuckoo Grove), UK	6	Operating	ground-mounted
May-15	California (Lancaster), USA	3	Operating	ground-mounted
Apr-15	Wales (Pen y Cae), UK	7	Operating	ground-mounted
Apr-15	Wales (Saron), UK	6	Operating	ground-mounted
Apr-15	Wales (Abergelli), UK	8	Operating	ground-mounted
Mar-15	Sittingbourne (New Kaine), UK	2	Operating	ground-mounted
Mar-15	Nottinghamshire (Gedling), UK	6	Operating	ground-mounted
Jan-15	Leicestershire (Stables), UK	2	Operating	ground-mounted
Dec-14	Nottinghamshire (Bilsthorpe), UK	6	Operating	ground-mounted
Dec-14	Dorset (Homeland), UK	13	Operating	ground-mounted
Dec-14	Oxfordshire (Landmead), UK	46	Operating	ground-mounted
Dec-14	Buckinghamshire (Turweston), UK	16	Operating	ground-mounted
Dec-14	Shropshire (Hayford Farm 1), UK	10	Operating	ground-mounted
Dec-14	Somerset (Tengore Lane), UK	4	Operating	ground-mounted
Dec-14	Devon (Tope), UK	3	Operating	ground-mounted
Dec-14	Buckinghamshire (Bulls Head), UK	6	Operating	ground-mounted
Oct-14	Colorado (Sterling/Grand Junction), USA	5	Operating	ground-mounted
Sep-14	Oxfordshire (Kencot), UK	37	Operating	ground-mounted

Sep-14	Dorset (Bournemouth), UK	37	Operating	ground-mounted
Sep-14	Cornwall (Trehawke), UK	10	Operating	ground-mounted
Jul-14	Oxfordshire (Steventon), UK	10	Operating	ground-mounted
Jul-14	West Sussex (Hunters Race), UK	11	Operating	ground-mounted
Jun-14	Nottingham (Welbeck colliery), UK	11	Operating	ground-mounted
Apr-14	Cornwall (Ford Farm), UK	5	Operating	ground-mounted
Apr-14	Carmarthenshire (Pentre Farm), UK	7	Operating	ground-mounted
Apr-14	Devon (Holsworthy), UK	16	Operating	ground-mounted
Apr-14	Essex (Stansted), UK	12	Operating	ground-mounted
Mar-14	Wiltshire (Swindon), UK	18	Operating	ground-mounted
Mar-14	Essex (Chelmsford), UK	12	Operating	ground-mounted
Mar-14	Wiltshire (Calne), UK	10	Operating	ground-mounted
Dec-13	Campania, Italy	7	Operating	ground-mounted
Nov-13	Leicestershire (Wymeswold), UK	34	Operating	ground-mounted
Oct-13	California (Jamestown), USA	2	Operating	ground-mounted
Jun-13	Calabria, Italy	24	Operating	ground-mounted
Feb-12	Somerset (Bridgewater), UK	2	Operating	ground-mounted
Feb-12	Somerset (Puriton), UK	4	Operating	ground-mounted
Dec-11	Wiltshire (Malmesbury), UK	5	Operating	ground-mounted
Nov-11	Puglia, Italy	5	Operating	ground-mounted
Oct-11	Piedmont, Italy	2	Operating	ground-mounted
Oct-11	Piedmont, Italy	6	Operating	ground-mounted
Sep-11	Piedmont, Italy	1	Operating	ground-mounted

Sep-11	Piedmont, Italy	5	Operating ground-mounted
Sep-11	Piedmont, Italy	7	Operating ground-mounted
Aug-11	Kent (Aylesford), UK	5	Operating ground-mounted
Jul-11	Lazio, Italy	8	Operating ground-mounted
Jun-11	Emilia Romagna, Italy	3	Operating ground-mounted
Jun-11	Abruzzo, Italy	5	Operating ground-mounted
Dec-10	Marche, Italy	2	Operating ground-mounted
Sep-10	Marche, Italy	3	Operating ground-mounted
Mar-09	Puglia, Italy	4	Operating ground-mounted
	Total	1133	MW