



Kiamal Solar Farm

Application for License to Generate Electricity for Supply or Sale
Prepared for Essential Services Commission

KSF Project Nominees Pty Ltd as a trustee for KSF Project Trust
October 2019



KIAMAL
SOLAR
FARM



Revision	Date	Issue	By	Review	Approved
A	June 2019	Issued	K. Ho	M. Vawser	K. Ho
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1 Applicant Information and Nature of Application

1.1 Application Introduction

KSF Project Nominees Pty Ltd as a trustee for KSF Project Trust is applying for a license to generate, supply and sell electricity from a 200 MWac / 256.48 MWp solar farm within the state of Victoria. The application is prepared in accordance with the 'Guidance Notes for Applications for Electricity Licences and the Transfer of Existing Electricity Licences' (November 2006) by the Essential Services Commission.

Applicant's Name	KSF Project Nominees Pty Ltd as a trustee for KSF Project Trust
ACN	625 106 907
Registered Business Address	C/o Bentleys SA Pty Ltd, Level 2 139 Frome Street ADELAIDE SA 5000 Australia
Contact Person	Kam Ho Director [REDACTED]
Incorporation Details	KSF Project Nominees Pty Ltd was incorporated on 20 th March 2018

1.2 Project Introduction



Figure 1: Location of Kiamal Solar Farm

Kiamal Solar Farm (KSF or the Project) has been developed by Kiamal Solar Farm Pty Ltd (a fully owned subsidiary of Total Eren S.A.) and is currently under construction. The Project will have a total nameplate capacity of 200 MWac / 256.48 MWp consisting of nearly 718,000 solar PV modules located across 500 ha of land. The Project is located 3 km north of the township of Ouyen and approximately 100 km south of Mildura in north-west Victoria.

Project development commenced in early 2017 and Mildura Rural City Council (MRCC) has issued all planning permits required for the project to allow for the use and development of the land for a renewable energy facility, with the permit for the solar farm itself attached in Attachment 1. The Project has entered into an engineering, procurement and construction (EPC) contract with a consortium consisting of Canadian Solar Australia Pty Ltd and Biosar Australia Pty Ltd for the construction of the Project, which commenced in August 2018.

KSF will connect into AusNet's 220 kV transmission network through the construction of a new terminal station, Kiamal Terminal Station (KMTS), which is to be constructed, owned and operated by TransGrid. KSF will feature a Synchronous Condenser located adjacent to the KMTS which is under construction under an engineering, procurement and construction (EPC) contract with Electrix Pty Ltd.

The purpose of Kiamal Solar Farm is to export electricity generated by the solar farm to the National Electricity Market (NEM) through KMTS. Electricity generated by the Project will be sold under long-term offtake arrangements with the following counterparties:

1. Mars Australia Pty Ltd
2. Alinta Energy Pty Ltd
3. Zero Emissions Water Pty Ltd
4. Progressive Green Pty Ltd

The Project is expected to commence generating electricity in September 2019 and to reach practical completion by end of year. Following practical completion of the Project, Total Eren S.A. will be responsible as Asset Manager and Biosar Australia Pty Ltd will undertake Operations and Maintenance (O&M) for the Project.

1.3 Sponsor Introduction

Kiamal Solar Farm is owned by Total Eren S.A. and Clean Energy Finance Corporation (CEFC):



Total Eren S.A. (Total Eren) is a leading French independent power producer (IPP) based in Paris, France with Total S.A, the world's 4th largest energy company, as a strategic minority shareholder. Total Eren was founded in 2012 and continues to be majority-owned by Paris Mouratoglou and David Corchia, respectively the founder and former CEO of EDF Energies Nouvelles (EDF EN), the world's largest renewable energy company. Today Total Eren is capitalised with over \$1.4 billion in shareholders' equity and has over 2,200 MW in onshore wind, solar PV and hydro power generation assets in operation or under construction.

Total Eren is a long-term investor in renewable energy projects and is backed by strategic investors such as Total S.A. and BPI France (the French public investment arm). Total Eren's medium-term ambition is to increase its investments in renewable energy capacity to 3 GW by 2023.



The CEFC is a specialist investor in clean energy, working across the Australian economy to help deliver the benefits of renewable energy, energy efficiency and low emissions technologies. With access to \$10 billion in capital, CEFC's finance is tackling some of Australia's toughest emissions challenges – from energy generation to cleaner cities and the built environment; from leading edge on-farm practices to lower transport emissions. CEFC invests on a commercial basis to deliver a positive return for taxpayers. CEFC actively look for investment opportunities across the economy, encouraging additional private sector capital to accelerate Australia's transition to a low carbon economy. CEFC works with a broad range of businesses, investors, entrepreneurs and developers to deliver on the exciting potential of clean energy.

1.4 Corporate Structure

KSF Project Nominees Pty Ltd as a trustee for KSF Project Trust is majority-owned by Total Eren S.A with a minority stake held by the Clean Energy Finance Corporation (CEFC). Figure 2 on the following page illustrates the corporate structure of Kiamal Solar Farm and includes its ultimate beneficiary owners.

Kiamal Solar Farm Pty Ltd is the developer of the Project and is a wholly-owned subsidiary of Total Eren S.A, with a majority shareholding of KSF Project Nominees Pty Ltd as a trustee for KSF Project Trust which

provides the guarantee and security over the solar farm assets. ASIC Certificates of the various entities are attached in Appendix 2.1 and the Trust Deed attached in Appendix 2.2.

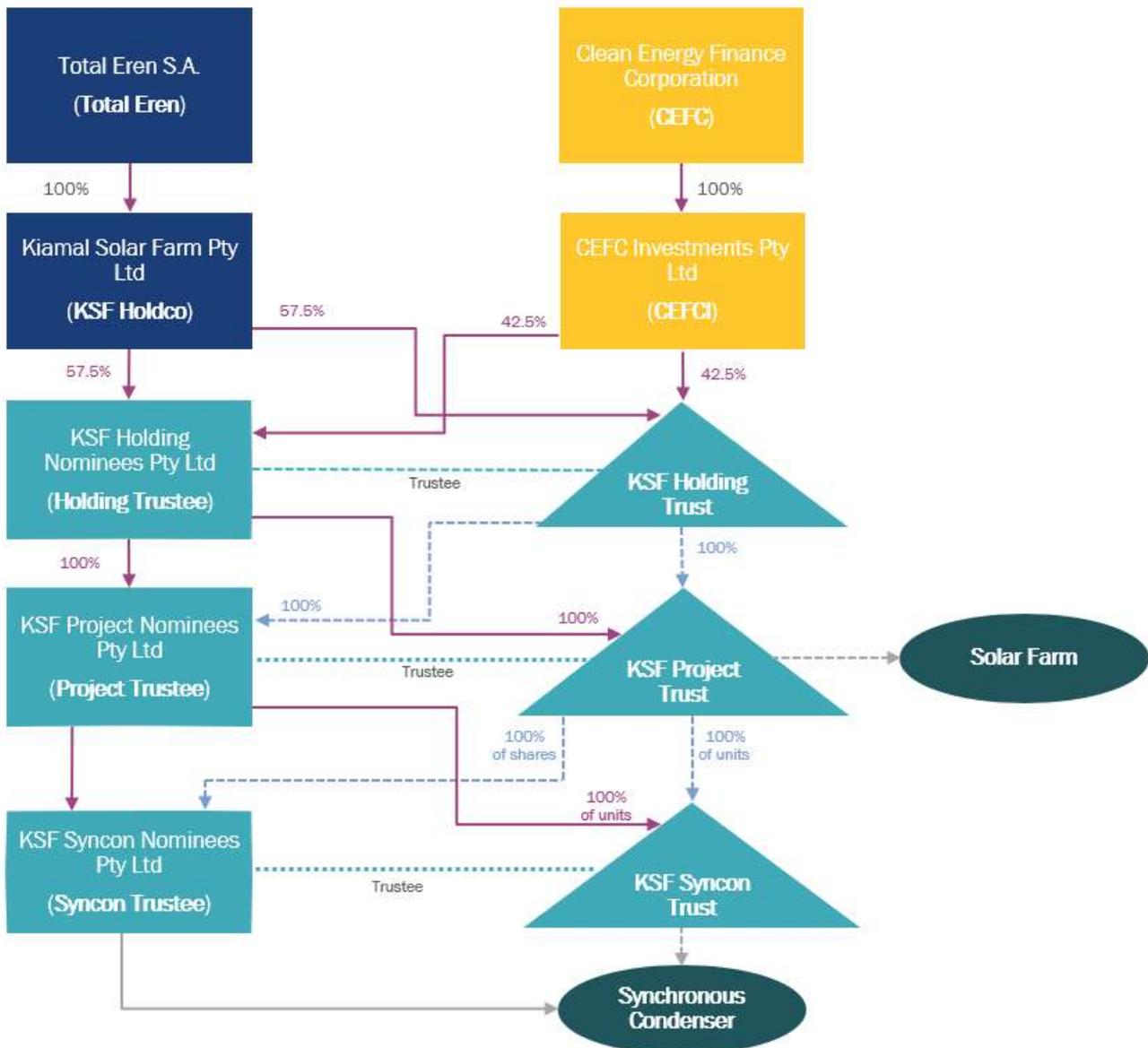


Figure 2: Corporate Structure of Kiamal Solar Farm

1.5 Organisational Structure

The Project's Board of Directors consist of six personnel who hold significant experience in the development, financing, construction and operations of renewable energy, energy-related and infrastructure assets. The Board consists of four Directors from Total Eren and two Directors from CEFC.

The Project has appointed Total Eren (through its subsidiary Kiamal Solar Farm Pty Ltd) as the Construction and Asset Manager to lead the Project through the construction, registration and commissioning phase. Total Eren entered into Australia in 2016 and has since established a team in Melbourne with a proven expertise in the development, construction and operations of wind and solar PV projects in Australia. Key personnel profiles of the project delivery team are attached in Attachment 3.

Total Eren’s team in Australia is supported by engineering and legal experts in Paris who are currently responsible for overseeing a portfolio of 2.2 GW of wind and solar PV projects globally. Total Eren is one of the world’s leading renewable energy independent power producers with a focus on integrating development, construction, ownership and operations of renewable energy projects.

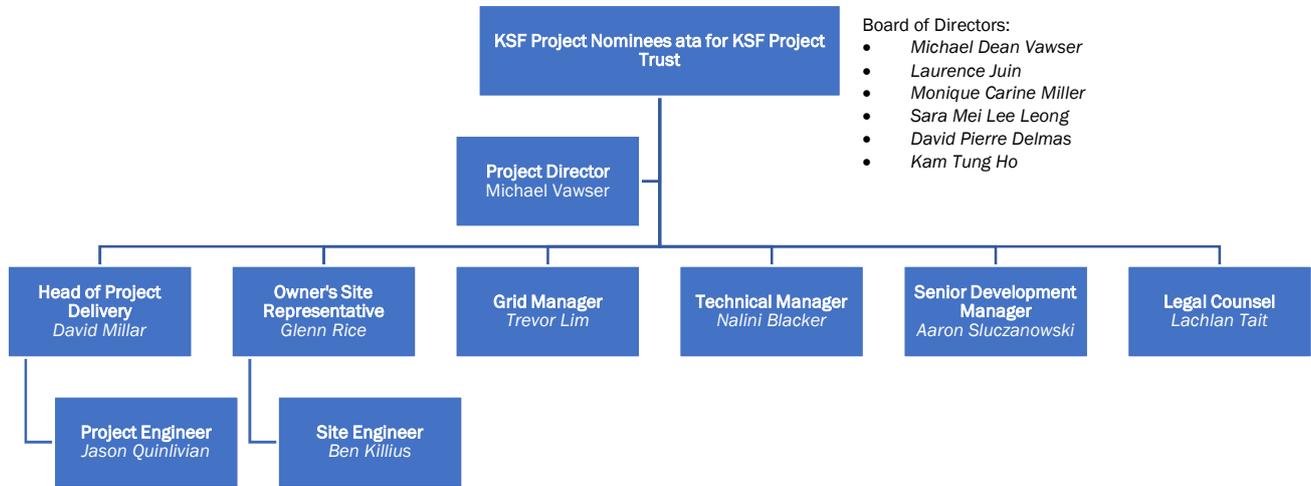


Figure 3: Organisational Structure

1.6 Details of Contracts

Table 1: Key Contracts and Agreements

Contract/ Agreement	Entity/ Name	
Construction & Asset Manager	Kiamal Solar Farm Pty Ltd (KSL) (Total Eren Subsidiary)	
Solar Farm Engineering, Procurement and Construction (EPC) Contractor	Canadian Solar & Biosar Australia (CSI-Biosar)	
Solar Farm Operations & Maintenance (O&M) Contractor	Biosar Australia	
Synchronous Condenser Engineering, Procurement and Construction (EPC) Contractor	Electrix Pty Ltd	
Synchronous Condenser Operations & Maintenance (O&M) Contractor	Siemens Ltd	
Project Agreement	TransGrid	
Project Construction & Coordination Deed (PCCD)	AEMO	
Use of System Agreement (UoSA)	AEMO	
Landowner	Ron Pearson	
Power Purchase Agreements	<ul style="list-style-type: none"> Mars Flow Power Alinta Zero Emission Water 	

The relevant contracts are provided with this application can be found in the following attachments noting that all are commercial in confidence.

All attachments are commercial in confidence:

- Attachment 4.1: Executed Construction & Asset Management Deed
- Attachment 4.2: Executed EPC Contract for Solar Farm
- Attachment 4.3: Executed O&M Contract for Solar Farm
- Attachment 4.4: Executed EPC Contract for Synchronous Condenser
- Attachment 4.5: Executed LTSA for Synchronous Condenser
- Attachment 4.6: Executed Project Agreement with TransGrid
- Attachment 4.7: Executed Connection Agreement with TransGrid
- Attachment 4.8: Executed Power Purchase Agreement with Flow Power
- Attachment 4.9: Executed Power Purchase Agreement with Alinta
- Attachment 4.10: Executed Power Purchase Agreement with Mars
- Attachment 4.11: Executed Power Purchase Agreement with Zero Emission Water
- Attachment 4.12: Executed LREC Sale Agreement with Origin Energy
- Attachment 4.13: Executed Lease Agreement with Ron Pearson

1.7 Planning and Environment

The Project has received a Planning Approval from Mildura Rural City Council for the development of a 350 MWac / 450 MWp solar farm as attached in Attachment 1. The Project has undertaken a Voluntary Cultural Heritage & Management Plan (CHMP) and has been attached in Attachment 5.1.

1.8 Declaration of Prosecution or Regulatory Complaint

The Project and its ultimate owners confirm that no prosecutions or regulatory complaint has commenced against it or any other company or person related to or associated with the applicant as defined by reference to the Corporations law or any key personnel in any jurisdiction. The Project's Directors have not:

- Been declared bankrupt or had their affairs placed under administration;
- Been disqualified from managing a company; or
- Been charged with fraud, theft or any other criminal offence.

1.9 Type of License Sought

KSF is seeking a full Victorian generation license for 200 MW Kiamal Solar Farm from the Essential Services Commission (ESC) of Victoria to operate in the National Electricity Market (NEM) for the supply or sale, and to sell electricity by wholesale under the Electricity Industry Act 2000. KSF is expecting to commission the substation in August 2019 and the Solar Farm is scheduled to begin electricity generation in September 2019, so the proposed date of license being sought is 1 September 2019.

KSF will be connected to the electricity network through a new 33 kV/220 kV Kiamal Substation co-located within Kiamal Terminal Station (KMTS) owned and operated by TransGrid. KMTS is connected into AusNet's 220 kV single-circuit transmission line between Red Cliffs and Murra Warra Terminal Station. The Kiamal Substation consists of 2 x 180 MVA step up (33/220 kV) transformers which are then connected to 150 units of 1.598 MVA solar inverters.

1.10 Nature and Scope of Operations

Electricity generated by Kiamal Solar Farm will be sold through the NEM at spot price during the generation period. Neither the applicant nor its associates currently holds a Generation License and it has not sought

or applied for (successfully or otherwise) previous licenses in Victoria and or any other jurisdictions. Total Eren will be responsible for construction, commissioning and registration of the Project.

2 The Commission's Objectives

Granting a Generation License to Kiamal Solar Farm would be consistent with the Commission's objectives as outlined in Section 8 of the Essential Services Commission Act (2001):

8 (1): In performing its functions and exercising its powers, the objective of the Commission is to promote the long term interests of Victorian consumers; and

8 (2): In performing its functions and exercising its powers in relation to essential services, the Commission must in seeking to achieve the objectives have regard to the price, quality and reliability of essential services.

Kiamal Solar Farm has executed four long-term Power Purchase Agreements (PPA) with leading energy retailers, a large food manufacturer and a collective of 13 Victorian water utilities which will provide energy stability and diversity of supply to Victorian consumers. The Project's offtake agreements with Mars Australia and Zero Emissions Water will allow corporations access to more competitive electricity pricing to support its business operations and goals as a sustainable business. The Project will help the Australian and Victorian Governments in achieving the Renewable Energy Target (RET) and VRET respectively.

3 Information on Financial Viability

Total Eren S.A, is a financially viable entity and can meet and address the financial viability requirements of the Generation License. Total Eren is a privately-owned renewable energy independent power producer with a strategic alliance with Total S.A., the world's 4th largest energy company.

The Project is commencing the AEMO Registration process and will be providing the necessary financial resources to sustain its operations including all prudential requirements set by AEMO, AusNet and TransGrid as required under the Connection Agreements.

The Project is being funded through a mix of equity from Total Eren and CEFC and debt funding from local and international lenders. The Project's Financial Model with projected revenues and costs across the life of the solar farm has been provided to the Commission on a commercial in confidence basis.

KSF has appointed a third-party with an Australian Financial Services Licensee (AFSL) as its intermediary for the purposes of the AFSL exemption set out in Section 911A(2)(b) of the Corporations Act.

Supporting documents to demonstrate the financial viability of the Project and the ultimate owner (Total Eren) are as follows and attachments are commercial in confidence:

Attachment 6.1:	Financial Model
Attachment 6.2:	Interim Financial Report for KSF Project Nominees Pty Ltd
Attachment 6.3:	Interim Financial Report for KSF Holding Nominees Pty Ltd
Attachment 6.4:	Certificates of Registration for KSF Project Trust Pty Ltd
Attachment 6.5:	Certificates of Registration for KSF Holding Trust Pty Ltd
Attachment 6.6:	Consolidated Financial Statements for Total Eren 2018
Attachment 6.7:	Consolidated Financial Statements for Total Eren 2017
Attachment 6.8:	Consolidated Financial Statements for Total Eren 2016
Attachment 6.9:	Consolidated Financial Statements for Total Eren 2015
Attachment 6.10:	Solar Farm EPC Bank Guarantees
Attachment 6.11:	Synchronous Condenser EPC Bank Guarantees
Attachment 6.12:	TransGrid Bank Guarantees
Attachment 6.13:	Deed of Intermediary Authorisation for AFSL
Attachment 6.14:	Certificate of Construction Insurance

4 Information on Technical Capacity

4.1 Total Eren's Technical Capacity

KSF's ultimate owner Total Eren is a leading independent power producer with over 2.2 GW of wind and solar PV assets currently under construction or in operations. Total Eren has established a strong technical team in Melbourne responsible for the construction and asset management of KSF, with over 2 GW of renewable energy experience in Australia.

Total Eren has established a Construction and Asset Management team in Melbourne and is supported by Total Eren Paris' Headquarters and local consultants to undertake the ongoing construction, operations and maintenance activities of KSF.

Total Eren will host the Operations Centre and dedicated Asset Manager in Melbourne, supported by a dedicated Site Manager at Ouyen/Mildura during the operations phase of the Project. Total Eren's scope during the operations period will include:

- Provide an annual operating plan to KSF including the forecast operational regime, budget and forecasting, and key performance indicators;
- Monitoring of KSF on a daily basis including responsibility for interfacing with AEMO and the NEM for forecast, dispatch and settlements;
- Managing all obligations for KSF with regards to PPAs signed including transfer of LGCs with Clean Energy Regulator;
- Primary interface for all contractors including O&M Contract, TransGrid, AusNet and AEMO; and
- Contact point for AEMO with regards to managing KSF's semi-scheduled dispatch instructions and switching/control requirements for the Project.

4.2 Organisation Team and Personnel

Please refer to Section 1.5 for more details regarding the organisational structure including key personnel related to the Project.

4.3 Major Contracts and Contractors

Please refer to Section 1.6 for more details regarding the contracts and agreements executed for the delivery and operations of the Project.

Total Eren has implemented an online construction management tool Procore which incorporates both document management, work flows, and sharing of information which incorporates all related contractors engaged in the delivery of KSF. Within the online workspace there are specific groups and folders for scope of works, and rules are set regarding document control. Information is backed up separately using Total Eren's Sharepoint and OneDrive features to ensure that relevant information is synced.

4.4 Governance, Policies and Procedures

KSF with the support of its owners Total Eren and CEFC has implemented internal rules and procedures with an aim to improve governance and compliance with the Project's needs and objectives. KSF follows Total Eren's Ethical, Human, Social and Environmental Principles which has been attached for reference.

As the EPC Contract has been awarded to Canadian Solar – Biosar EPC Consortium, the EPC Contractor is responsible for providing project-specific management plans which are provided as attachments and are commercial in confidence:

Attachment 7.1:	Construction & Environmental Management Plan
Attachment 7.2:	Traffic Management Plan
Attachment 7.3:	Vehicle Management Plan
Attachment 7.4:	Occupational Health and Safety Management Plan
Attachment 7.5:	KSF Ethical, Human, Social and Environmental Principles

4.5 Risk Management

Risk management is a crucial aspect of consideration for Total Eren as the construction manager and owner of the KSF. Total Eren and the appointed contractors have developed the relevant risk management plans in compliance with Australian Standards as follows:

Attachment 8.1:	Emergency Management Plan
Attachment 8.2:	Quality Management Plan
Attachment 8.3:	KSF Risk Management Plan
Attachment 8.4:	KSF Risk Management Matrix

4.6 Community Engagement

Total Eren is committed to engaging with the community throughout the development, construction and operations of KSF. Total Eren owns and maintains the Project's website (www.kiamalsolarfarm.com.au) and provides construction updates to the public and wider community. All communications including complaints are to be emailed to [REDACTED] and is documented and followed up by Total Eren on behalf of KSF.

Total Eren is a signatory to the Clean Energy Council's Best Practice Charter for renewable energy developments which has been implemented throughout the development of the Project.

Attachment 9.1:	Clean Energy Council's Best Practice Charter for Renewable Developments
Attachment 9.2:	KSF Community Complaints Register

Attachments List

Note that all of the following attachments has been provided on a **commercial-in-confidence** basis:

Attachment 1:	Planning Approval by Mildura Rural City Council
Attachment 2.1:	ASIC Certificates for KSF Project Nominees Pty Ltd
Attachment 2.2:	Trust Deed for KSF Project Nominees Pty Ltd
Attachment 3:	Project Team Profiles
Attachment 4.1:	Executed Construction & Asset Management Deed
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Attachment 5.1:	Voluntary Cultural Heritage Management Plan
Attachment 6.1:	Audited Financial Model
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