

To Australian Energy Market Operator (AEMO)

Wednesday, 28 February 2018

For Public Display

Attention: Integrated System Plan Representative,
Response to AEMO's ISP Consultation

The purpose of this letter is to respond to AEMO's consultation process in the development of an Integrated System Plan (ISP) for the National Electricity Market (NEM) in Australia.

Maoneng is a Sydney based, renewable energy investment and development company with a demonstrated track record in developing large-scale solar PV projects in Australia. Maoneng owns and operates the 13MW Mugga Lane Solar Park in Canberra and is targeting the financial close for the 200MW Sunraysia Solar Farm in Q2 2018. In December 2017, Maoneng secured a 300MW solar off-take contract with AGL, the largest solar offtake in Australia. Maoneng also worked closely with Origin Energy in engineering a corporate off-take structure that will allow UNSW to become full carbon neutral by 2020.

In response, Maoneng welcomes the AEMO consultation process and supports the development of Renewable Energy Zones (REZs). We believe properly planned REZs could meaningfully lower the cost of the renewable energy deployment, maintain stability within the network and provide long term economic benefits to Australia.

REZs are not foreign to Maoneng as we have seen the success of REZs in other parts of the world, including China. In 2015, the Chinese Government announced that it would develop Zhangjiakou into a REZ to support cleaner and healthier environmental conditions in a bid for the 2022 Winter Olympics. In less than two years, the government achieved a large portion of its goals and is on track to building more than 1.2 GW of solar and wind generation.

Maoneng supports the coordinated approach in consulting key stakeholders and communities who may be affected by the proposed development of REZs so that the cost of energy (COE) is better understood. The COE encompasses both economic and social cost of development. Whilst development's natural focus is on reducing the levelised cost of

electricity, Maoneng is equally conscious and aims to make decisions that offer lifelong benefits to the local communities.

Through our media releases on our website, we aim to educate the general public by sharing information on how the NEM operates and how the market is currently structured to determine the price of electricity. In this letter, we hope to offer some guidance around the relevance of social value of renewable energy infrastructure in informing AEMO's view on how the ISP can be designed.

Through educating people about the latest technology and development process, Maoneng seeks to empower our communities. We believe communities should play an integral role throughout the entire phase of development, from planning and construction to operations. Interested members of the public should be given the opportunity to question and learn about the development of such projects by way of actively participating from an early stage.

3.1 Does this analysis capture the full range of potential REZs in eastern Australia?

While a large range of potential REZs have been identified by industry stakeholders, we believe there may still be areas yet to be identified due to the potential lack of engagement from the broader community.

Maoneng promotes and continues to uphold open communication between parties who are actively involved in the development of renewable projects and those who are not because we see long-term value in knowledge sharing and providing opportunities for those in the community who want to learn.

Maoneng is currently developing a renewable energy platform that facilitates the participation of interested parties in the development of renewable energy projects. We are designing a platform that allows this to be done in a fair and secure way and believes that this platform will revolutionise the infrastructure development industry, reduce the economic cost of development and improve social awareness and participation.

3.2 What other factors should be considered in determining how to narrow down the range of potential REZs to those who should be prioritised for development?

Maoneng believes the development of core infrastructure should respect both the indigenous people and the natural environment. We find that the current ISP lacks serious consideration for these two factors which underpin the essence of energy development and society's progression.

We believe successful REZs should receive the blessing from the affected indigenous communities. At minimum, this can be achieved by way of acknowledgement of the land and territories affected and the involvement of Aboriginal people during both the development and operational phase. Developments should uphold cultural and heritage values of the indigenous people by way of respecting due process, rites and a fair say that could involve the training and job opportunities.

Recognition of key environmental constraints such as native flora and fauna have historically been an issue for infrastructure development. We see that a more coordinated approach between developers and environmental conservational representatives could lead to more sustainable developments, while minimising environmental harm and maintaining long-term ecological balance.

We ask AEMO to consider the above two factors in implementing a system that aims to reduce cost, reduce environmental harm and encourage higher community participation.

3.3 What are the potential barriers to developing REZs, and how should these be addressed?

In our experience, we have identified skill shortages for the development of REZs ranging from professional tradesman, constructors, engineers, lawyers, financiers to investors.

Maoneng is currently developing a knowledge sharing platform that aims to accelerate the learning, training and skilling up of individuals who wish to participate in renewable energy development. Organisations such as ARENA should continue to extend their support and assistance to traditional developers to encourage knowledge and IP sharing of renewable energy projects.

We believe that the message in promoting sustainable and renewable development can often be lost in traditional media and that it is up to all stakeholders to educate and engage with communities through a transparent medium. The technology we aim to implement can

be replicated not only in Australia, but globally, and Maoneng welcomes the opportunity to further discuss our approach with AEMO.

Yours Sincerely,

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