



Large Scale Wind Co-operative Initiative

Presentation to the Community Power
Conference

14 November 2011

Agenda

- Overview of Infigen Energy
- Wind Energy Worldwide
- Flyers Creek Project Overview
- Wind Farm Co-Op Initiative
- Conclusion

Presenter:

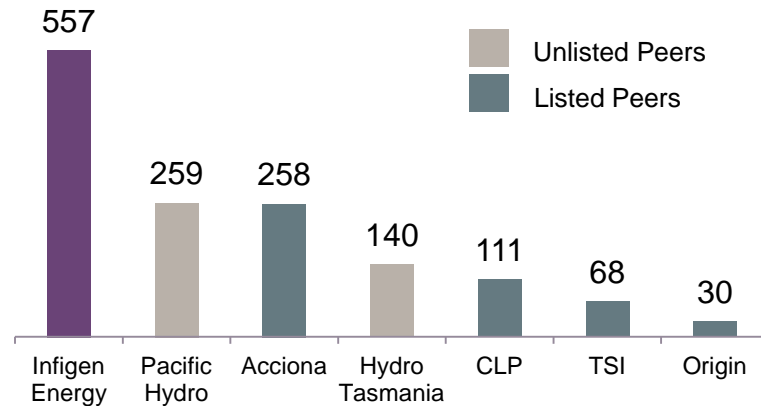
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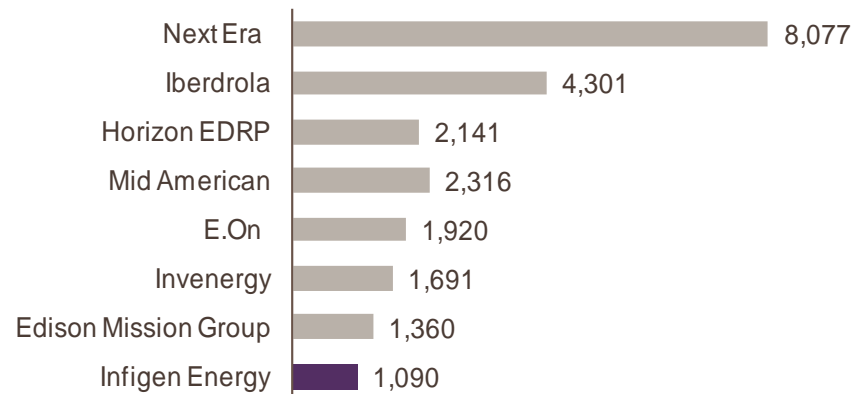
Infigen Energy Overview

- Operate over 1,600MW of wind energy generation globally
- Largest owner of wind energy capacity in Australia
- Development, asset management and energy markets capabilities in Australia
- Own and operate a top eight business in US wind energy industry
- Sydney HQ; ASX listed (ASX:IFN)

Australian Wind Farm Owners (operating MW)¹



US – Top eight wind farm owners by installed capacity (MW)²



1. Ecogeneration (2011) and company Websites.
2. American Wind Energy Association: 2010 Annual Report

* Confidential *

Major Australian Assets

Australia's leading specialist wind energy and renewable energy developer and operator



LAKE BONNEY 1

Location: South Australia
Status: Operational March 2005
Installed Capacity: 80.5MW
Turbine: 46 Vestas V66



CAPITAL

Location: Bungendore, NSW
Status: Operational November 2009
Installed Capacity: 140.7MW
Turbine: 67 Suzlon 2.1MW S88



ALINTA

Location: Western Australia
Status: Operational January 2006
Installed Capacity: 89.1MW
Turbine: 54 NEG Micon NM82



LAKE BONNEY 3

Location: South Australia
Status: Operational June 2010
Installed Capacity: 39.0MW
Turbine: 13 Vestas V90



LAKE BONNEY 2

Location: South Australia
Status: Operational September 2008
Installed Capacity: 159.0MW
Turbine: 53 Vestas V90



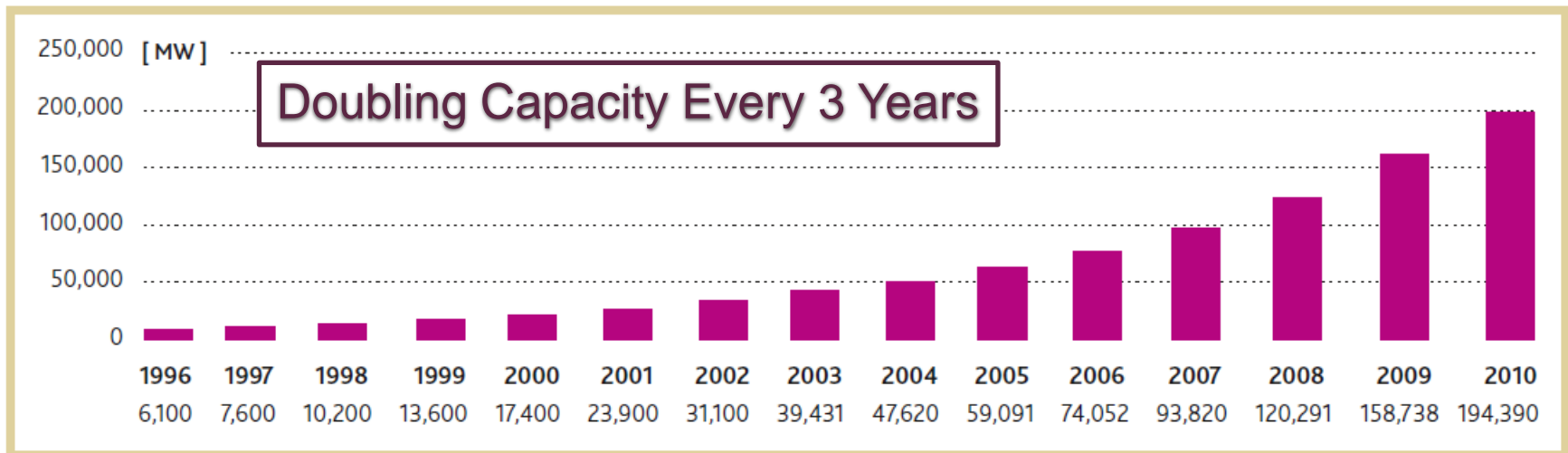
WOODLAWN

Location: New South Wales
Status: Operational October 2011
Installed Capacity: 48.3MW
Turbine: Suzlon 2.1MW S88

Cumulative Worldwide Installed Wind Energy



GLOBAL CUMULATIVE INSTALLED WIND CAPACITY 1996-2010



Over 28% Year-on-Year Growth for A Decade and a Half

Source: Global Wind 2010 Report, GWEC

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European & American Investment in New Electricity Plants in 2009

- The four leading electricity technologies for new electricity plant investment were:
 - Gas Fired Generation, Wind Energy, Coal Fired Generation, and Solar
- Where did Wind Energy rank as far as new plant investment?

A large red "#1" is centered within a square frame made of blue dashed lines.

More money was spent building wind farms than any other electricity generating technology

Global Wind Energy Installations



Australia is ***NOT*** a Proving Ground for Wind Energy

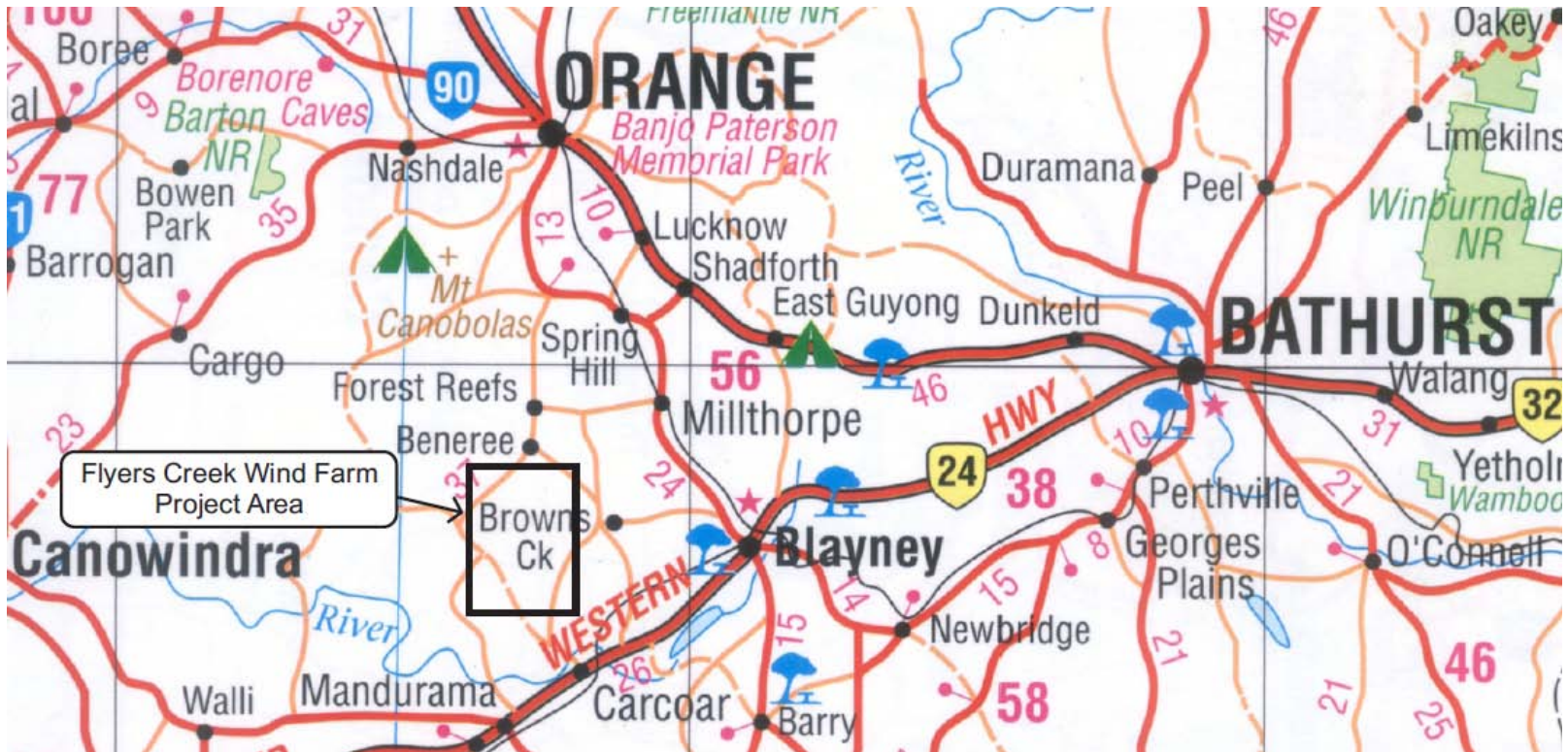
Country	MWs of Wind Installed
USA	35,080
China	25,805
Germany	25,777
Spain	19,160
India	10,926
Italy	4,879
France	4,574
UK	4,245
Denmark	3,465
Portugal	3,357
Canada	3,319
Netherlands	2,223
Japan	2,085
Australia	1,712
Sweden	1,560
Ireland	1,310
Greece	1,086



Flyers Creek Project Overview

- 44 Wind Turbine Generators (WTGs) Proposed
 - Along with a substation, switchyard, cabling, access tracks and other associated infrastructure
- Utilisation of a 2.5MW WTG would result in over 340,000 MW-hr of annual electricity generation
 - Sufficient to power over 45,000 typical NSW homes
 - Abatement of over 300,000 tonnes of CO₂ annually
(equivalent to taking 70,000 cars off the road)
- The Flyers Creek wind farm will connect to the existing Essential Energy 132kV line between Cadia Mine and Orange

Flyers Creek Wind Farm's Location



The Flyers Creek Project Site



* Confidential *

Flyers Creek Wind Farm Project

Started by the Local Community

Flyers Creek Wind Farm Project Overview

2008

- Project initiated by farmers approaching Infigen
- Meetings with Council and many other stakeholders; wind masts erected

2010

- Environmental Studies progressed
- Preliminary Layout generated
- Community Information Days

2011

- 800+ page Environmental Assessment Completed; public display has commenced
- Ongoing community consultation

Origin of The Flyers Creek Wind Co-Op Proposal

- Some community members in the districts that we operate tell us there are no direct benefits of having a wind farm in the district
 - There are, of course, many indirect economic benefits for the community
- It is understood why many farmers would want to participate in a wind energy project
 - What's in it for the rest of the community?
- The co-op initiative enables neighbours, and the district at large, to directly benefit from the Flyers Creek Wind Farm
 - Co-op members will earn a profit from operation of the community wind turbine
 - Whenever they see the community wind turbine spinning, co-op members will know they are making some money



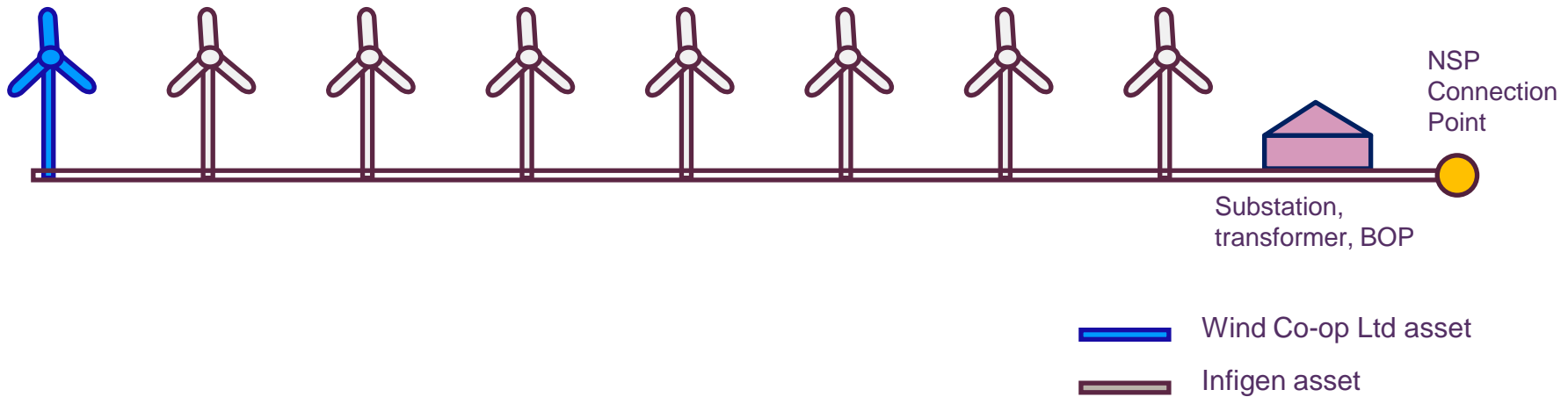
What if we could own a wind turbine?

The Concept -- Flyers Creek Wind Co-op to Own a Wind Turbine



Wind Co-op turbine

Infigen turbines



The Profits derived from this wind turbine would flow to the Co-op which would then distribute them to their members



Co-operative Governance

- **The Wind Turbine Co-operative will be run by the local community for the local community**
 - Infigen Energy is kicking off this initiative and will facilitate the start-up where we can
 - Community members will manage the Co-op's formation and operation
- Three Community Committees have been formed to progress this proposal
 - Very energetic and knowledgeable group of 15 community members
- After formal formation of the Co-op, decisions on how the Co-op operates will be made by the Co-op Board of Directors
 - It is envisioned that the Board will primarily consist of residents from the Orange-Bathurst-Blayney district



Economics of the Co-op Wind Turbine

- The cost of the wind turbine & infrastructure will depend on the model selected for the Flyers Creek project
 - As an indication, a wind turbine and related infrastructure would cost on the order of \$5-6 Million
- Revenue from a wind turbine is earned from two sources:
 - Sale of electricity into the national electricity market
 - Sale of Large Scale Renewable Energy Certificates (LRECs)
- Costs of Operating a Wind Turbine
 - Operation & Maintenance
 - Insurance, Network and other costs
- This Approach enables the Co-operative to benefit from Infigen's Experience
 - Infigen Energy's trading group will negotiate the electricity and LREC prices for Flyers Creek
 - Economies of scale gained from Infigen constructing & maintaining 40+ WTGs



Expected Annual Returns

- The actual returns will depend on a number of factors, including, but not limited to:
 - Cost and generation capacity of the wind turbine
 - Amount of electricity generation per annum
 - Electricity and LREC prices
- The Co-operative Disclosure Statement will include a detailed financial forecast of the expected returns
 - Expected revenue and expenses from the wind turbine (as well as the co-op itself) will be outlined in this “prospectus” for potential co-op members
- Financial modelling has indicated that an attractive annual return is expected
 - The primary cost of a wind farm is the capital cost
- If directed by the Co-op, Infigen could investigate the option of co-op members receiving a rebate on electricity in lieu of cash dividends



Co-Op Investment Contingencies

- Should investment by a pre-determined deadline not reach the cost of the community wind turbine:
 - Infigen Energy would invest the balance required to achieve the required amount
Assuming the co-op succeeds in securing at least a 50% interest
- Should the co-op secure investment in excess of one wind turbine:
 - Infigen Energy will enable a second wind turbine to be purchased if there is sufficient investment interest
- Should construction of the wind farm not proceed by a pre-determined deadline:
 - The Co-op will return all monies received by members
Plus any nominal interest earned, minus expenses incurred by the Co-operative

Media Coverage of the Initiative



Care for a share in a wind farm?

Blayney Shire residents could soon be sharing in the proceeds of the booming renewable energy sector if a proposal to establish a local wind farm co-op is embraced. Infigen Energy, the company behind the push for a \$200 million wind farm development at Flyers Creek, is

investigating the feasibility of allowing the community to buy one of the 44 turbines planned for the area. The proposed co-op would give locals a share in the proceeds of profits made from one of the turbines.

FULL STORY - PAGE 3

Financial stakes in wind farm

Wind in co-op's sails

By ERIN SOMERVILLE

THE new co-operative committee for Infigen's \$200 million Flyers Creek wind farm proposal is already working to allow nearby residents to benefit from the development.

interested in renewable energy and interest in their local community."

Making a difference, interest in renewable energy, taking part in a significant project,

A window of opportunity

Chance for locals to benefit from wind farm

Courtesy of: Blayney Chronicle,
Central West Daily and Western Advocate

Why would community members join the Co-op?

- Many people want to make a difference by investing in renewable energy
- Enables participation in a significant renewable energy project
- Facilitates local community capacity building
- Locally generated clean electricity for local homes and industries
 - As opposed to importing electricity from far away coal plants
- Earn a reasonable return on their investment

Next Steps

- Community Committees will Continue to Progress the Initiative
 - Governing Rules of the Co-Operative
 - Disclosure Statement
 - Communications Strategies
- Assuming sufficient community interest, the Co-operative Formation Meeting might occur mid-2012
- Infigen Energy is very excited about this initiative and hopes the Wind Co-op will succeed
- If you would like more information, please visit: www.windco-op.com.au

Questions



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