

# **ORDINARY COUNCIL**

## **LATE REPORTS**

**Thursday 15 February 2024**

# Ordinary Council Meeting

Thursday, 15 February 2024

## Items of Business

<b>Item</b>	<b>Subject</b>	<b>Page</b>
<b>13.09</b>	<b>SUPPLY OF ELECTRICITY - REGIONAL COUNCILS NSW POWER PURCHASE AGREEMENT</b>	
	Attachment 1: Powering Tomorrow-Regional Councils NSW PPA 20 December 2023 .....	4
	Attachment 2: Regional Councils PPA_MOU 22 December 2023 .....	11

# 4 Your Natural and Built Environment

## What we are trying to achieve

A connected, sustainable, accessible community and environment that is protected now and into the future.

## What the result will be

We will have:

- Effective management and maintenance of essential water, waste and sewer infrastructure
- A community that is prepared for natural events and climate change
- Sustainable and environmentally sensitive development outcomes that consider the impact on the natural environment
- Accessible transport network for our communities
- Infrastructure provision and maintenance that meets community expectations and needs
- Well planned communities that are linked to encourage and manage growth
- Accessible and protected waterways, foreshores, beaches and bushlands
- An environment that is protected and conserved for future generations
- Renewable energy options that are understood and accessible by the community

## How we will get there

- 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
- 4.2 Aim to minimise the impact of natural events and climate change, for example, floods, bushfires and coastal erosion
- 4.3 Facilitate development that is compatible with the natural and built environment
- 4.4 Plan for integrated transport systems that help people get around and link our communities
- 4.5 Plan for integrated and connected communities across the Port Macquarie-Hastings area
- 4.6 Restore and protect natural areas
- 4.7 Provide leadership in the development of renewable energy opportunities
- 4.8 Increase awareness of issues affecting our environment, including the preservation of flora and fauna

# Powering Tomorrow: Regional Councils NSW PPA



## POWER PURCHASING AGREEMENT OVERVIEW



Supported by



## Overview of the *Powering Tomorrow: Regional Councils NSW PPA*

Hunter Joint Organisation (Hunter JO) and Mid North Coast Joint Organisation (MNCJO) are leading a renewable energy Power Purchasing Agreement (PPA) tender process for regional councils across NSW with electricity contracts expiring in 2024.

Five councils have joined the *Powering Tomorrow: Regional Councils NSW PPA* (Regional Councils PPA) buyer's group as of 30 November 2023, with several more planning to join over the coming months. The confirmed councils so far are: Bellingen Shire Council, Dungog Shire Council Maitland City Council, Muswellbrook Shire Council, and Upper Hunter Shire Council.

Specialised advice is essential for delivering a successful PPA. An experienced team of advisors has been selected to support councils during the procurement process, including a technical energy advisor, procurement advisor, probity advisor and legal advisor. The tendering process will comply with the NSW Local Government Act 1993, Local Government (General) Regulation 2021 and procurement regulatory framework, as well as probity principles.

### Background: How did we get here?

Hunter JO and MNCJO investigated several existing PPA opportunities on behalf of its member councils. However, the available options were found not to be fit for purpose for regional councils. This is due to either high upfront fees, ongoing trailing commissions, unsuitable governance models that favoured metro councils, or previous unfavourable PPA outcomes.

Hunter JO and MNCJO worked together to find a pathway forward that would meet the needs of its member councils, would be fit for purpose, transparent, and provide long-term value for councils.

The decision was made for Hunter JO and MNCJO to establish and facilitate a buyer's group. The Regional Councils PPA has an affordable upfront fee, no ongoing trailing commission, and a governance model that enables participating councils to steer and shape the outcome.

### Why should regional councils collaborate on a PPA?

A PPA is long term agreement between a renewable energy power generator and a consumer/s for the purchase of clean electricity at a stable and predictable price. The long-term nature of the agreement protects organisations against the risk of price fluctuations in the electricity market, providing budget certainty and resilience ([NSW DPE, 2022](#)).

Several of the participating councils have endorsed net zero targets. A PPA is a simple and affordable way for councils to significantly reduce their emissions. Hundreds of councils across Australia are participating in renewable energy PPAs, and this number is increasing every year.

A PPA combines sustainability outcomes and financial risk management. A PPA buyer's group share resources, workload, and up-front consultant fees that can otherwise be a barrier for individual councils. Groups also bring increased scale, leveraging collective buying power for a better deal.

*Powering Tomorrow: Regional Councils NSW PPA – Overview 20/12/2023* 2

## Stakeholder Roles and Responsibilities

All councils who have been through a PPA journey stress the importance of having experienced advisors as partners. Advisors bring specialist knowledge, help translate complex energy concepts, model financial scenarios, evaluate offers, and provide comfort to executives that work has been reviewed by experts. The Regional Councils PPA consists of the following advisors and stakeholders:

Stakeholder/ Advisor	Role	Key Responsibilities
<b>Procurement Advisor: Regional Procurement</b>	Manage administrative aspects of procurement process, such as the tender process and evaluation process.	<ul style="list-style-type: none"> <li>• Reviewing Draft Tender</li> <li>• Tenderlink advertising</li> <li>• Coordinating responses to Tenderers</li> <li>• Opening and compliance check of Tenders</li> <li>• Referee checking</li> <li>• Facilitation of the Tender evaluation</li> <li>• Tender evaluation report</li> </ul>
<b>Technical Energy Advisor: Sourced Energy</b>	Arrange the retail renewable PPA, support throughout the procurement process, technical advice, energy modelling.	<ul style="list-style-type: none"> <li>• Plan procurement process.</li> <li>• Electricity analysis, modelling, and forecasting</li> <li>• Prepare tender documents. Advise on terms, technical and commercial content of tender documents</li> <li>• Evaluate tenders, and support Evaluation Panel in selection</li> <li>• Contract negotiations</li> </ul>
<b>Probity advisor: Procure Group</b>	Provide independent objective advice on procurement activities to ensure high standards of honesty, morality and transparency in procurement.	<ul style="list-style-type: none"> <li>• Develop Probity Plan</li> <li>• Review all Request for Tender documentation</li> <li>• Confirm governance, confidentiality and conflict of interest management arrangements</li> <li>• Attend all meetings</li> <li>• Assist in the resolution of probity issues arising</li> <li>• Provide a probity report at conclusion of project</li> </ul>
<b>Hunter JO</b>	Facilitator	<ul style="list-style-type: none"> <li>• Project management, coordination, administration, provide advice, communications, and public relations, MOU coordination, and financial management.</li> </ul>
<b>MNCJO</b>	Project management	<ul style="list-style-type: none"> <li>• Assist with project management, coordination, administration, provide advice and support at all stages of process.</li> </ul>
<b>Participating Councils</b>	Decision makers	<ul style="list-style-type: none"> <li>• Attend meetings, provide data, contribute to tender development, review terms and agreements</li> <li>• Participate in Steering Committee, Procurement Development Team and Procurement Evaluation Panel</li> </ul>
<b>Local Government Legal</b>	Legal services	<ul style="list-style-type: none"> <li>• Reviewing and advising each council on agreements</li> <li>• This service is optional. Councils are free to use their in-house legal team or to directly engage an independent legal firm of their choosing.</li> </ul>

*Note: Sourced Energy was selected as the successful tenderer following a competitive Request for Quotation process. Regional Procurement and Local Government Legal are related entities to Hunter JO.*

## Governance

The Regional Councils PPA governance model consists of three committees. As part of the Memorandum of Understanding (MOU), participating councils can choose to nominate suitable candidates for each committee.

The three committees are:

1. **Procurement Development Team:** The Procurement Development Team is responsible for developing tender documentation and ensuring compliance of tender processes. The Procurement Development Team consists of a technical energy advisor, procurement advisor, probity advisor, Hunter JO, MNCJO, and representatives from participating councils.
2. **Procurement Evaluation Panel:** The Procurement Evaluation Panel is responsible for assessing tender submissions to the Request for Tender. The Panel consists of nominated officers from participating councils with technical energy expertise. Not every council is required to have representation on the Procurement Evaluation Panel.
3. **Steering Committee:** The Steering Committee is responsible for providing oversight and guidance to the Procurement Evaluation Panel and Procurement Development Team as required, and to approve the tender documents, evaluation plan and the recommendation for acceptance by General Managers of the participating councils. The Steering Committee will consist of nominated Directors and General Managers from the participating councils.

## Overview of the Procurement Process

The Regional Councils PPA will:

- Involve a two-stage procurement process allowing councils to fully understand and negotiate terms before final pricing. Each council's General Manager will require delegation to sign the contract for fast execution of contract pricing. A council resolution during an ordinary council meeting will be required to assign this delegation.
- Be flexible with timing to market to capitalise on the best possible time to go to market.
- Enable councils to choose their preferred level of renewable energy to procure, between 1-100%, with the option to increase this over time.
- Ensure councils are free to choose whether to proceed with the PPA outcome. This means that councils are not locked in to accepting the proposed PPA solution.
- Enable councils to play an active role in shaping the PPA, and the procurement process.

The final PPA model and duration will be determined by the Steering Committee based on the tenders received. However, the technical energy advisor has advised that a sleeved PPA model over a duration of 6-10 years may be a suitable, low risk PPA option, based on the profile of this group.

## Pricing

### *Price to participate in the Regional Councils PPA*

Councils are required to pay an upfront fee to participate in the buyers group. This fee covers the costs of the technical energy advisor, legal services, procurement services and probity services. It also includes the cost of a financial capacity assessment undertaken on the preferred tenderer. The total fee is payable upon signing of the MOU and is non-refundable.

Hunter JO and MNCJO developed a tiered pricing model based on annual energy consumption to ensure pricing is fair, given the differences in council size, resources, and energy consumption across the group. This pricing model was discussed and confirmed by the initial group of councils.

Unlike other PPA models in the market, there is no trailing commission based on energy consumption in this PPA. This ensures the final price that councils receive is as low as possible.

Annual Electricity Consumption	Price (ex GST)
Less than 1 GWh	\$7,620
Between 1-3 GWh	\$13,980
Between 3-10 GWh	\$15,930
More than 10 GWh	\$22,385

### *Consultant fees*

Some consultants charge a fee per council, and others provide a fee for service regardless of the number of participating councils. The consultant fees are outlined below:

Consultant/Service Provider	Fee per council (ex GST)
<b>Technical energy advisor: Sourced Energy</b>	\$9,000
<b>Local Government Legal (\$315/hour x 5 hours per council)</b> This service is optional. Councils are free to use their in-house legal team or to directly engage an independent legal firm of their choosing.	\$1,575

Consultant/Service Provider	Total Fee (ex GST)
<b>Procurement Advisor: Regional Procurement</b>	\$8,000
<b>Probity Advisor: Procure Group</b>	\$11,756
<b>Financial capacity assessment of the preferred tenderer (Equifax)</b>	\$3,000
<b>Hunter JO and MNCJO</b>	In-kind

*Powering Tomorrow: Regional Councils NSW PPA – Overview 20/12/2023* 5



### *In kind support*

Hunter JO and MCNJO's facilitation services are provided in kind to keep costs as low as possible. This in-kind support is possible due to the NSW Government's Joint Organisation Net Zero Accelerator (JONZA) program.

## Indicative Timelines

Task	Deadline
PPA procurement project commences	December 2023
Councils sign MOU	ASAP January 2024
Hunter JO to formally engage consultants	January 2024
Participating councils are invoiced	January 2024
Final date for additional councils to join the group	29 February 2024
Go to market	March-April 2024
Councils use delegated authority to accept offer (Note, this may need to be done within 48 hours.)	March-April 2024

*Note: If the project is delayed for any reason, then councils with contracts expiring 30 June 2024 may need to enter a 6-month bridging electricity contract with their current retailer so the PPA can commence 1 January 2025, allowing additional time for procurement.*

## How to join the Regional Councils PPA

The Regional Councils PPA will be a cost effective, flexible, risk managed PPA procurement process specifically for councils in regional NSW.

Councils interested in joining the Regional Councils PPA can contact Lexi Crouch, Hunter JO's Net Zero Coordinator at [lexic@hunterjo.com.au](mailto:lexic@hunterjo.com.au) or 0483 393 584 or Noam Bardea, Mid North Coast JO's Net Zero Coordinator at [noam.bardea@mncjo.nsw.gov.au](mailto:noam.bardea@mncjo.nsw.gov.au) or 0476875673. Lexi or Noam will provide you with a copy of the MOU and FAQs documents, talk you through the process, and answer any questions you may have.

The final date for additional councils to join the group is **29 February 2024**.

The next steps are as follows:

- Complete the [Powering Tomorrow - Regional Councils NSW PPA Survey](#) to tell us about your Council and what you want to get out of this PPA.
- Seek council resolution/approval to participate in the PPA procurement process.

*Powering Tomorrow: Regional Councils NSW PPA – Overview 20/12/2023* 6

- Review, sign and return the MOU to [lexic@hunterjo.com.au](mailto:lexic@hunterjo.com.au).
- Nominate your candidates for the Steering Committee, Procurement Development Team, and Procurement Evaluation Panel via the MOU.
- Hunter JO will issue an invoice for payment.
- Sourced Energy will issue a Letter of Authority to councils for authorisation to obtain electricity data directly from retailer/s for the purposes of energy analysis and forecasting.

In January 2024, the Procurement Development Team will commence working on the Probity Plan, Risk Management Strategy, Project Plan, Evaluation Plan, Risk Register and other procurement documentation.

## MEMORANDUM OF UNDERSTANDING

**BETWEEN Hunter Joint Organisation**

**and**

**Participating Council: [Insert Council]**

**THIS AGREEMENT** dated            day of            2024

1. This Memorandum of Understanding (MOU) records the understanding reached between the Facilitator (Hunter Joint Organisation) and Participating Councils, in relation to an approach to market together with a Group of NSW Councils, referred to as 'Powering Tomorrow – Regional Councils NSW PPA', that have an intention to procure a Retail electricity contract inclusive of any or all of:
  - a. large market electricity supply (including street lighting)
  - b. small market electricity supply
  - c. renewable energy and/ or equivalent environmental certificates
  - d. Solar PV feed-in tariff
2. This procurement will proceed as a two-stage procurement: a Request for Tenders (RFT) followed by a Best and Final Offer Stage (BAFO) to reflect the need for timely pricing.

### **Responsibilities**

3. The Facilitator will manage and run the procurement for the retail electricity contract, with support and advice from the Procurement Development Team (see section 7).
4. Each Participating Council agrees to:
  - a. Attend meetings as required by the Facilitator;
  - b. Co-operate and work in good faith with the other Participating Councils, the Facilitator and the Procurement Development Team, in order to finalise the Request for Proposal;
  - c. Advise the Facilitator immediately if it no longer desires to be a Participating Council;
  - d. Contribute to costs as set out in section 18;
  - e. Nominate their procured components and provide and sign off forecast electricity consumption and applicable supply points in a site list, and a percentage of renewable energy they wish to procure from 1% to 100%. This information will be aggregated in market approach documents and is required by the Facilitator to complete the RFT specifications: additional charges will be incurred for late submission or changes after the deadline (29 February 2024).
  - f. Nominate Officers with delegated authority to participate in the Steering Committee, Procurement Development Team, and Procurement Evaluation Panel. Details must be provided at the end of the MOU.
  - g. Council will be provided with indicative pricing during stage 1 of the procurement process, which can be used to secure delegated authority for General Managers to accept final pricing and for councils to proceed to the best-and-final-offer stage or to

determine a required level of renewable energy. Council must have the means in place to review and accept the final pricing received under these Tenders by signing individual contracts **within the period nominated by the preferred tenderer(s) which may be as short as 24 hours** from the recommendation of the successful supplier(s). Short validity pricing enables lower electricity rates as suppliers take a shorter market risk whilst the offer is open for acceptance. To enable acceptance within the required timeframe, it will be necessary for Council to delegate the acceptance of the contract to its General Manager under the Local Government Act, Section 55 Amendment tabled in Circular No 16-35/26 September 2016/A514402 9.

#### ***Decision Making Process***

5. **Evaluation:** The Facilitator will establish a Procurement Evaluation Panel (see section 16), comprised of Participating Council delegates who have the time and expertise to assess tender submissions. Not every council is required to have representation on the Procurement Evaluation Panel. Council may propose a candidate for the Procurement Evaluation Panel, however the Facilitator does not guarantee that the candidate will be selected to join the Panel.
6. **Reviewing and Approving:** The Facilitator will establish a Steering Committee to provide oversight and guidance to the Procurement Evaluation Panel and Procurement Development Team as required and to approve the tender documents, evaluation plan and the recommendation for acceptance by General Managers of Participating Councils. The Steering Committee will consist of sponsoring Directors and General Managers nominated from each Participating Council. Not every council is required to have representation on the Steering Committee.
7. **Procurement Development:** The Facilitator will establish a Procurement Development Team with the responsibilities to prepare the Tender Documents and Evaluation Plan including evaluation criteria and requirements and subsequent second stage request to tenderers subject to the approval from the Steering Committee. Further details regarding this Team follow in section 10.

#### ***Addition of New Participating Councils***

8. The Facilitator or any Participating Council may propose to add a new Participating Council to this MOU. The addition of new Participating Councils will only be allowable if it matches the acquisition profile of the existing Participating Councils, as advised by the technical energy advisor.

#### ***Independent Probity Advisor***

9. The Facilitator will engage an independent probity advisor. The probity advisor will have oversight of all tendering processes.

#### ***Procurement Development Team***

10. To assist with development and compliance of processes, the following parties will participate (this list is not limiting) and be a part of the Procurement Development Team as required:
  - a. The Facilitator: Hunter Joint Organisation
  - b. Technical energy Advisor: Sourced Energy Pty Ltd
  - c. Independent Probity Advisor: Procure Group

- d. Procurement Advisor: Regional Procurement
  - e. Net Zero Coordinators from each Participating Council's Joint Organisation
  - f. Nominated representatives from Participating Councils (see sections 7 and 38).
11. Use of Local Government Legal to review the contracts and advise councils is optional. Five hours of Local Government Legal's time is included for each council in the fees (see section 19). For additional work beyond the allocated five hours, Local Government Legal will charge the Participating Council directly. Participating Councils may use an in-house or alternative legal service provider at its discretion and at its own cost.
12. Participating Councils must communicate with the Facilitator through the nominated email address [lexic@hunterjo.com.au](mailto:lexic@hunterjo.com.au), and must at all times adhere to:
- a. The Probity Plan
  - b. Project confidentiality requirements (see section 31);
  - c. The internal communications plan; and
  - d. The external communications plans.
  - e. Conflict of Interest requirements

### **Commencement**

13. Both parties (Participating Councils and the Facilitator) agree that this MOU will be effective from the date of signing and will remain in effect through to the project's completion (end of contract(s)). Both parties further agree that any amendments to this MOU will require mutual agreement and will be documented via an MOU addendum signed by both parties.
14. The ultimate objective is to secure the most competitive pricing for all participants through bulk purchasing, under fair terms. The tendering process will comply with the NSW Local Government Act 1993, Local Government (General) Regulation 2021 and procurement regulatory framework, probity principles, and will respect commercial confidentiality requirements of tenderers.
15. Participating Councils acknowledge and agree to provide to the Facilitator and their consultants and advisors, all relevant electricity account, consumption data, and forecast information as required. This will be collected and analysed to confirm total spend, usage, contract opportunities and risks. A procurement strategy will be developed by the Procurement Development Team based on this analysis. The Facilitator and the Procurement Development Team will then prepare the tender documentation based on the procurement strategy developed. At this stage, it is intended that the market approach will be based on the following:
- a. **Contracts to Co-Terminate:** Councils will have varying electricity supply start dates but all contracts will terminate on the same date. This will enable greater aggregation of load for subsequent procurements.
  - b. **Feed-in Tariff and Large-scale Generation Certificates (LGCs):** The RFT will seek tenders that allow Councils to feed electricity back into the grid and proposals for supply of Large-Scale Generation Certificates (LGCs).
  - c. **Value Added Services:** In addition to procuring energy, the electricity RFT will seek:
    - i. Dedicated account management.
    - ii. eBilling and billing consolidation options.
    - iii. Provision for adding and removing sites (e.g. site closure/opening).

- iv. To the greatest extent possible, provision for changes in overall energy usage for individual Councils and across the whole portfolio of Councils.
- v. Potential for community or council benefit through installation of local generation and or storage.
- vi. Other value-added services determined and agreed by the Procurement Evaluation Panel.

### ***Procurement Evaluation***

16. The Procurement Evaluation Panel voting members will consist of representatives from Participating Councils as outlined in section 5, and nominated in section 39. It is preferred that each member of the Panel has a reasonable understanding of Council current and future energy requirements and have the time and expertise to review all tender submissions in each stage of this two-stage process. It is anticipated that the Procurement Evaluation Panel will consist of a sub-group of Participating Council representatives from the Procurement Development Team. The Procurement Evaluation Panel will be supported by the following non-voting members:
- a. Technical Energy Advisor: David West, Director, Sourced Energy
  - b. Facilitator/Project Manager: Lexi Crouch, Net Zero Coordinator, Hunter Joint Organisation
  - c. Project Manager: Noam Bardea, Net Zero Project Officer, Mid North Coast Joint Organisation
  - d. Independent Probity Advisor: Daemoni Bishop, Senior Probity Advisor, Procure Group
  - e. Procurement Advisor: Michael Lowe, Manager, Regional Procurement and Emma Penfold, Account Manager, Regional Procurement
17. Sourced Energy will provide the Procurement Evaluation Panel with:
- a. Analysis of grid and renewable electricity tenders on a financial basis.
  - b. Analysis of grid and renewable electricity tenders on a commercial basis for consistency of submitted terms with specified requirements and evaluation criteria and will identify any material variations.
  - c. A basic comparison matrix of services offered.

***Due to the nature of this procurement, the recommendations of the Procurement Evaluation Panel, once reviewed, approved and accepted by General Managers with due delegation, will be final but will be openly reported to all participating Councils.***

The recommendations of the Procurement Evaluation Panel will be subject to a variety of confidentiality conditions including, but not necessarily limited to, those contained in the Confidentiality Agreement section 31 of this MOU.

All Participants in the evaluation process must complete a Conflict of Interest Statement.

### ***Financials***

18. The proposed procurement will be undertaken on a cost recovery basis. The fees to be invoiced by the Facilitator represent a contribution towards procurement costs, out of pocket expenses, the costs of technical energy advisor, and procurement, probity and legal advice sought in relation to the RFT and tender(s) and all other costs of staging the tender.

19. The Facilitator does not anticipate any additional costs beyond this range, but any further costs arising will be subject to approval by the Procurement Development Team's voting members. The fees for participation are provided in the tiered pricing table below, and reflect the energy consumption of the Council.

GWh/year	Price (ex GST)
<1	\$7,620
1-3	\$13,980
3-10	\$15,930
10-25	\$22,385

20. 100% of the total fees will be payable to the Facilitator on signing the MoU. The Facilitator will coordinate formal engagement and payment of the advisors.
21. The cost of any on-going contract management services are not included in these participation fees.
22. The Facilitator will endeavour to accommodate unplanned activity at Council's request (e.g. late changes to data supplied and requests for council-specific information). However, additional charges may be applied if these activities incur additional costs (see section 29).
23. The fees are non-refundable if a Participating Council decides to no longer participate at any stage of the process after signing this MOU, or if the Participating Council decides not to accept the final recommendation by the Steering Committee.

#### ***Undertakings***

24. As a participant in the project to procure grid and renewable electricity, the Participating Council confirms that:
- Council will be going off-contract for the electricity accounts to be tendered from 1 July 2024 or 1 January 2025 onwards unless another date is specifically agreed in writing with the Facilitator at the time of signing this MOU.
  - Council intends to seek tenders and to adopt the recommendations of the Steering Committee.
  - Council understands and agrees to put in place suitable arrangements such that the agreed contracts can be executed within **the period nominated by the preferred tenderer(s) which may be as short as 24 hours** from the appointment of the successful supplier(s) by the Steering Committee.
  - It is agreed that Council reserves the right to not accept the outcome of the Tender if it considers the offer is not of benefit to council.

#### ***Information Provision***

25. The Participating Council agrees to provide the Facilitator and their advisors with the following documents and information as requested:
- Authorisation** - Provide a signed Letter of Authorisation to allow accurate electricity consumption and account information to be obtained directly from current retail

electricity and gas supplier(s) on their behalf by the Facilitator's consultants and advisors;

- b. **List of Accounts** – Confirmation and sign-off of a list of Council electricity accounts to be tendered (e.g. large sites at a minimum) and a brief description of each account (e.g. Council Chambers, Pool, Works Depot). Any accounts of related entities must be clearly identified if they have a different legal name, are new accounts, or are not currently covered by an existing retail electricity contract;
- c. **Recent Bills** – An electronic version of a recent bill covering a period before 1 July 2023 and one covering a period after 1 July 2023 for each account to be tendered;
- d. **On-Site Generation** – Identification of any sites where on-site generation occurs or will soon occur and is likely to result in a net export to the electricity network and hence where feed-in tariffs may be of relevance. Where generation is installed or will be installed, confirmation of size of installed generation and the current feed-in tariff price, if any, along with the forecast export to the grid in kWh/yr;
- e. **Renewable Energy % Preference** – Statement of Council's preferred percentage of renewable energy as a percentage of total load. This may be altered during the process following analysis of pricing but must be documented and signed off prior to final offers being requested from suppliers. A staged increase in renewable energy to be purchased is allowable.
- f. **Special Circumstances/ material electricity consumption variance** – Any special circumstances that the Facilitator, its advisors and tenderers should be aware of (e.g. planned closure, major works likely to materially change energy consumption, or opening of major sites falling under this tender), especially those that will likely have a significant impact on energy consumption (increase or decrease) and an estimation of the quantity, timing and data range of the impact; and
- g. **Forecast Consumption** – For each large site, a total annual consumption forecast for at least the next 3 years (and up to 10 years if known) from 1 January 2023, taking into account the above special circumstances, if any, and the timing of their impact. This can be in the format of energy units (e.g. kWh, MWh) or a simple percentage increase or decrease expected across the entire portfolio of energy consuming sites.

All information requested should be sent to [lexic@hunterjo.com.au](mailto:lexic@hunterjo.com.au).

#### **Key Dates for Council**

26. The precise timing of the process may be subject to revision depending on developments in the wholesale energy market. The Facilitator is taking independent expert advice on the timing of each approach. The table following outlines some key dates for Participating Councils.

<b>Milestone</b>	<b>Detail</b>	<b>Deadline</b>
1	Complete and sign MOU, Letter of Authorisation and List of Accounts and return to the Facilitator to enable gathering of consumption and pricing data.	29 February 2024
2	All data provided to the Facilitator for retail energy and renewable energy PPA (includes Council confirmation of forecast consumption for electricity, % renewable generation and feed-in tariffs).	29 February 2024

27. The Facilitator will endeavour to accommodate unplanned work requests from Participating Councils. However, where additional, unplanned work is requested by a Participating Council/s that requires work to be undertaken by consultants, any additional



costs incurred will be charged to the Participating Council/s. All such requests must be made via email to: [lexic@hunterjo.com.au](mailto:lexic@hunterjo.com.au).

28. The provision of data is time-critical, and changes to data supplied can cause project slippage. There is minimal scope in the project schedule for slippage. Councils must therefore make every effort to provide accurate data, on time.
29. Changes to data, council-specific queries, and potentially breaches of confidentiality will mean additional work for the Facilitator or consultants in the Procurement Development Team, and the Facilitator may need to recover the costs of that additional time. The table following outlines examples of additional work outside the timetable above that may incur additional fees.

<b>Change</b>	<b>Detail</b>
Data change	Provision of or changes to data provided to the Facilitator after the deadline for provision (milestone 1 above) but before the approval of the RFT specifications (milestone 2 above).
Late data change	Provision of or changes to data provided to the Facilitator after the approval of the RFT specifications (milestone 2 above).
Breach of confidentiality	If a breach causes additional work, e.g. hours spent taking remedial action.
Council-specific query	Additional analysis, presentations, reports or other requirement beyond the scope or schedule of the project.

### ***Project Scope***

30. The Facilitator, with support from the Procurement Development Team, will undertake the following steps, with their timing being dependent on expert advice on when it is best to enter the market:
- a. Collect data
  - b. Provide data to Sourced Energy for analysis to inform procurement processes
  - c. Run an RFT process for grid and renewable energy (Regional Procurement and Sourced Energy)
  - d. Run the procurement process and finalise commercial terms (Regional Procurement and Sourced Energy)
  - e. Secure the services of an independent probity advisor for the project
  - f. Work with the Procurement Evaluation Panel to evaluate all tenders
  - g. Report to all member councils on the successful vendors
  - h. Obtain legal advice to provide assurance of legal aspects of contractual arrangements
  - i. Facilitate the signing of contracts between Councils and vendors
  - j. Throughout the project provide progress updates to Participating Councils, and periodic information sessions and webinars at significant milestones, including:
    - Overview of the procurement process (estimated in Jan 2024)
    - Presentation of evaluation (estimated by May 2024)

- Contracts information session (after the project concludes).

### **Confidentiality Agreement**

31. This procurement has critical confidentiality requirements. Therefore, all Participating Councils, Steering Committee, Procurement Evaluation Panel, and Procurement Development Team must adhere to strict procedures to ensure that confidentiality is preserved. Any breach of confidentiality could put the procurement process at risk. In particular:

- a. All personnel directly participating in the project must sign the project confidentiality agreement.
- b. All information shared with the nominated Officers during the procurement process is confidential unless the Independent Probity Advisor agrees that it is not.
- c. Confidential information cannot be shared by the nominated Officers with anyone who has not signed a project specific confidentiality agreement.
- d. Confidential information cannot be shared by the nominated Officers with anyone (including their own council) except the other Participating Councils, Steering Committee, Procurement Evaluation Panel, and Procurement Development Team members.
- e. Should the nominated Officer or any other project participant have a justifiable need to provide confidential information to anyone, they must request the information and provide the justification for it via [lexic@hunterjo.com.au](mailto:lexic@hunterjo.com.au) prior to disclosing such confidential information and must not provide it to anyone without the Facilitator's written consent.
- f. The Facilitator will, as soon as practicable, provide such information as can reasonably be disclosed without jeopardising confidentiality, but reserves the right to refuse any disclosure.
- g. The Facilitator may refuse disclosure if the request is not considered by the Facilitator to be justified, or if it would breach confidentiality commitments to a stakeholder.

### **Acceptance**

32. Council has the intention to buy the supply of electricity being procured as required by the Tendering Guidelines for NSW Local Government, published by the NSW Department of Premier and Cabinet Division of Local Government, October 2009.

33. I understand and agree that all commercial details of the contract agreement, either written or verbal, provided to me or my organisation, are Commercial-in-Confidence and must be kept secure and not disclosed to any other party. Specific attention is drawn to the key Intellectual Property within the contractual Agreement which each individual Council is contributing funding towards obtaining:

- Pricing by vendors
- Timing to market
- Market strategy
- Form and duration of contracts.

34. Council's existing retail electricity contract(s) termination date is/are (please tick all that apply)\*:

- 30 June 2024
- 30 December 2024
- ..... [insert other contract end date]
- ..... [insert other contract end date]

\* Please insert additional lines as required for multiple contracts.

35. Council undertakes to execute the contract within the required period (which may be as little as 24 hours) after receipt of the recommendations of the Steering Committee by delegating the acceptance of the contract to Council's General Manager, under the Local Government Act Section 55 Amendment tabled in Circular No 16-35/26 September 2016/A514402 9.

36. The MOU is not a legally binding contract.

37. **Steering Committee Nominee:** This must be at the Director level or above. Requests to delegate to a Manager-level Officer must be made in writing to the Facilitator by a Director/GM for consideration by the Facilitator and Probity Advisor. (Select one option):

- Nominated candidate below:

Name: .....

Position: .....

Email: .....

Telephone: .....

- Council does not wish to nominate a candidate for the Steering Committee and understands that it will therefore not be involved in the activities outlined in section 6, including the final decision-making process.

38. **Procurement Development Team Nominee** (select one option):

- Nominated candidate below:

Name: .....

Position: .....

Email: .....

Telephone: .....

- Council does not wish to nominate a candidate for the Procurement Development Team and understands it will therefore not be involved in the activities outlined in section 7.

39. **Procurement Evaluation Panel Nominee** (select one option):

- Same candidate as the Procurement Development Team Nominee

- Nominated candidate below:

Name: .....

Position: .....

Email: .....

Telephone: .....

- Council does not wish to nominate candidate for the Procurement Evaluation Panel and understands it will therefore not be involved in the activities outlined in section 5.

**Execution page**

**SIGNED AS AN AGREEMENT**

This Agreement must be executed on behalf of each party by a duly authorized representative at the Director level or above.

Executed by **[INSERT COUNCIL NAME]**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Role / Position

I certify that I am an eligible witness and that the delegate signed in my presence

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Role / Position of witness

**EXECUTED by  
HUNTER JOINT ORGANISATION**

**ABN 77 103 439 578**

by its authorised delegate:

\_\_\_\_\_  
Delegate Signature

\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Position