Hepburn Energy

AGM Minutes

Saturday, November 29
Victoria Park Pavilion
3021 Ballan-Daylesford Road, Daylesford 3460.

Meeting opened - 10.00 am

Formal Proceedings

(DAVID PERRY)

- Acknowledgement of traditional owners:
  "We would like to acknowledge that this meeting is being held on the traditional lands of the Dja Dja Wurrung people, and pay my respect to elders both past and present."
- Acknowledgement of Hepburn Energy team - Directors: Sherrin Yeo, Alicia Webb, Hieu Nguyen, Phil Sherlock, and Rosie Elkins. Staff members: Taryn Lane (General Manager) and Carlena D'Arma (Community Officer), and welcome newly staff members: Megan Roberts (Member Administration Officer) and Jodie Parker (Communications Officer). Our Management Accountants, Phillip Brown and Sally McEldrew, and our committee members, John Franklin and Turlough Guerin.
- Acknowledgement of any special guests joining the meeting
  - Ron Liversidge our landowner
  - Prior directors: Graham White, David Wait, Per Bernard, Norm McMurray
- Members welcomed to the AGM for the 2024/25 Financial Year
- Declare if a quorum is achieved (quorum is 50 voting members)
  - *"Carlena, please let us know how many members are present"*
    Carlena stated there were 66 voting members present
- Agenda/timing of the meeting was outlined - Apologies, minutes of the previous AGM, board presentation & financial year reports, questions from members, housekeeping and closing remarks
  "*Standing Orders as outlined in the rules apply to this meeting*"
- Detailed that questions to directors would occur after the presentation of the board and financial reports and asked that all questions be made via the roaming microphone for recording.
- Stated to members that no vote for directors will occur, as there were no external nominations.

- Announced that directors Philip Sherlock and Rosie Elkins nominated and automatically replaced an existing board vacancy. Thanked Phillip and Rosie for their efforts in working groups and the board over the year.
- Extended gratitude to retired directors Graham White and Mark Fogarty, who left the co-operative during the year and wished them all the best.
- (PHIL SHERLOCK)
- Provided brief personal introduction
- (ROSIE ELKINS)
- Provided brief personal introduction

Apologies

(DAVID PERRY)

- Board apologies received: 25
- Members were asked for further apologies: Nil
- Note to audience:
  "Please speak up with your name when moving/seconding motions"
- Call for a mover for the following motion:
  "That the apologies be received."
  Moved: Dan Harris Seconded: Su Dennett
- Motion put to the vote
- Motion carried

Minutes of the Previous Meeting

(DAVID PERRY)

- Asked members if there are any corrections needed to the minutes
- Called for a mover for the following motion:
  "That the minutes of the annual general meeting held on 25 November 2024 be confirmed as a true and correct record of the meeting and be duly signed by the Chairperson."
  Moved: Per Bernard Seconded: Tass Mousaferiadis
- Motion put to the vote
- Motion carried

Board Presentation & Financial Reports

(TARYN LANE)

- **Presentation: Our Energy Future**
- Taryn provided an update on lighting strike and insurance claim
- David provided an update on Bessie debentures

(DAVID PERRY)

- Members were reminded that the reports to follow were for the year ending 30 June 2025
- **Presentation: Annual Report Summary**

David called for a mover of the following motion:

"That the reports from the board on the affairs of the co-operative for the year ended 30 June 2025 be received."

Moved: Peter Stafford   Seconded: George Jones

- Motion put to the vote
- Motion carried

Open for Questions

(DAVID PERRY)

- **Questions** - Questions were invited from the room. Philip Brown was noted as on hand to answer questions.

Name: Noel Will

Question: I would like to express my extreme disappointment about this microphone business. I could not follow one thing due to having hearing aids. Looking around the room I think there might be a few other people in my position. What I gleaned was that income is down, we've had a major accident of something I couldn't work out what it was, but something seems significant, and the debenture, which basically is a loan isn't it, of a million bucks. This does not sound very healthy. I don't wish to be just a negative force but sitting here with that bit of information as an original investor in the project, it doesn't sound to be financially viable at the moment. In a way that we can understand tell us in simplistic terms how we are viable financially?

Response:

David Perry - *First off, I apologise for the AV situation. I spent a long time ironically working at a hearing institute and I am very conscious, and my sincere apologies for the sound today. We are all available after this meeting to be bailed up and take any questions people have.*

Thank you for exercising your right to express your very frank feedback, we welcome that and take it on board. We are basing our decisions on what's best across the entire cohort of members and that includes the feedback that we received from doing the member engagement survey on the debenture and why people were interested in that and the disclosure around that. So, we accept that there is a diversity of views and we are here to be bailed up and told what we are doing wrong or right and that's perfectly fine with us.

Phil Sherlock - *Obviously I've only been on the board for six months now but one thing that I have observed is like every renewable business at the moment, we have a lot of depreciation in these assets so when you look at the bottom line, the numbers can be scary. So, ultimately, cash is king. So the operations of the wind farm itself it's washing it's face. Yes it's not shooting it out of the park due to the pricing that David mentioned.*

On the Debenture - the Debenture isn't to fund the operation of the business, it's actually to grow the business. So we have the battery that we've built, it's going to be operating in the next couple of months. That loan is to unlock that extra revenue that the battery will give us. What the battery will do is that with those really low prices that David was describing, we can now dispatch our battery at times when prices are really high, so hopefully in 12 months time we're sitting here seeing our capital being higher than the last 12 months just from being able to participate in that. I just wanted to make it clear that the loan isn't to support the operations of the business, it's actually to help us grow. In my opinion it's a good thing. The way it's been structured is that it's an interest only loan for 3 years without paying principal. So what that does is allow us to get up to speed and and us to get better at operating it so that by the time we're paying principal we've got a business that's humming along nicely. Happy to chat after this as well.

Name: Norm McMurray

Question: With the Federal Government's move to free power between 11-2, how could we get the benefit of that with connection to the battery?

Response:

Phil Sherlock - *Assuming the policy gets up and energy is free for 3 hours during the day. What that means for the windfarm is that we couldn't sell in that time and make money, but what we could do is charge the battery during those 3 hours and then dispatch in the* *evening. In this way, the battery is going to allow us to make money. If you look at Victoria, we experience a lot of daytime below zero prices so while the Victorian government might say it's free we're actually experiencing worse than that today. So it's not a problem we've had before and I just think the battery is going to allow us to make more money.*

David Perry - *So at the moment, the business case for the battery assumes that we're charging it from the wind that would otherwise be curtailed during the day. But part of the grid connection work that we are doing is can we actually import several megawatts of energy during the day when it's basically free, or in fact we're being paid to take it. So, that's the upside of this, it's basically like adding a large industrial load at Leonards Hill rather than sending energy out so there are engineering considerations around that but absolutely, we want to make use of that.*

Name: Kevin Cato
Question: So does the battery operate so that you can take power from the grid, so today for example, with the negative prices?

Response:
David Perry - *Not at the moment, we can import a modest amount of energy from the grid. If we are able to go through a process with Powercor to say that it's safe to import some energy when there is a surplus in the grid, then that's certainly something that we'll go for.*

Taryn Lane - *We are under discussion with Powercor about what we're calling stage 2 of grid connection which is increasing export on site and having import for the first time. At the moment we have an export of 4.1 but we can go up to 6.8 with no further grid augmentation.*

Hieu Nguyen - *Thanks for the question, I think it's an excellent question. I'd like to add that another reason why we break it down to multiple stages is to allow a more efficient process first to energise the battery and start charging from the windfarm. That is already a great benefit to the business.*

The next stage is for when we start to increase the export limit in the evening when the price is high, we can export from both the windfarm and the battery at the same time. Then, the second stage is also to import from the grid, at the moment we only have the windfarm so it can't consume much energy from the grid other than to power some auxiliary equipment. When we have the battery we can start to do more and charge when the price is negative or free, but we need to change our existing agreement with Powercor and could be complicated. We don't want complications to delay the energisation of the battery so that's why we need *break it down to multiple stages, and the idea of the solar farm in the future, if we pursue it, is another stage.*

Taryn Lane *- This is the first wind and battery hybrid to be connected to the distribution network in Australia, so it's very novel, it's the first time Powercor has gone through that process as well but we are very close to energising which is fantastic.*

Name: Noel Will

Question: One last thing that disturbed me is the releasing of money from the decommissioning fund. What that means to me is that this was a fund set aside to protect the long-term viability of the project. To me it sounds like the ridiculous thing that has been going on in the financial area of taking money out of superannuation to buy houses. They are two totally different concepts. Superannuation is money for retirement, buying a house is an immediate challenge. Here, I hear us doing the same thing - the decommissioning fund has a purpose and therefore needs to be intact. To take money out of it to do a buyback of shares, I want it recorded that the board will explain why that is a good financial policy because I think it is a poor financial policy.

Response:

David Perry - *Thank you, I would contend that it is the exact opposite. It is more like taking your super from a bank account paying 2% interest and putting it into a long-term investment fund instead with a design to reach a certain principal that you're going to need to get through retirement, so that's the transition that we've made. We know that term deposits barely wash inflation so having the money sitting there isn't efficient.*

Taryn Lane *- To give you more of an explainer, we have always set aside $400k for decommissioning, that's the money we leave to pull down the turbines and make sure we're not leaving assets on Ron's farm without tidying up. What we've done is fix that amount of money at a future date, so, instead of holding $400k in a term deposit, we've moved $250k into a long-term bond that will mature at a certain value that is what we need. It's a strategic way to manage our cash.*

Name: David Wait

Question: Rather than a question, just some words of support - I think this board is doing a wonderful job in continuing to operate Hepburn Wind in the true spirit of what this project was envisaged. You're not standing still. Just in case it has escaped people's attention, the fact that this is the first Windfarm Battery, another first for

Hepburn Wind. I was very happy to put my money into the debenture and I was only disappointed that I wasn't able to put more in. We should applaud that.

Response:
General thanks from the board.

Housekeeping

(DAVID PERRY)
Remuneration of Directors

- The board recommended that directors may receive remuneration for their services as a director for the coming year, to be used for expenses such as travel
- David called for a mover of the following motion:
  "That directors may receive up to $500 per director for remuneration for their expenses as a director for the coming year."

Moved: James McKenzie | Seconded: Tass Mousaferiadis

  - Motion put to the vote
  - Motion carried

Closing remarks

(DAVID PERRY)

- Thanks given to:
  - Directors, Taryn, Carlena, Megan & Jodie.
  - Ron and Nathalie Liversidge
  - Flow Power
  - Bendigo and Adelaide Bank
  - Vestas
  - DNV GL
  - O'Briens
  - Hepburn Shire Council
  - CountPro - in particular, Phillip Brown and Sally McEldrew
  - Latitude Design
  - Our additional subcommittee members: John Franklin and Turlough Guerin
  - and of course our members
- Sent well wishes and reminded guests who had pre-booked a picnic lunch that they could collect this outside from the caterer before getting on the bus for our

energy farm/Bessie tour - Buses would depart at 11.40 and return to the venue at 12.30 pm

- Declared no further business. Meeting closed.

Meeting closed- 11.30 am