



ATTACHMENTS

**Under Separate Cover
Council Meeting**

6.00pm Tuesday 23 March 2021

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RATING AGREEMENT

**This Agreement is an agreement made in accordance with
section 94(5) (a) of the Electricity Industry Act 2000.**

Between

Berrybank Development Pty Ltd

and

**Golden Plains Shire Council
2 Pope Street
Bannockburn, Victoria, 3331**

This Agreement is effective from xxxxxxxx 2021.

This agreement is made on the xx day of xxxxxxxxxx, 2021

Parties to Agreement

Berrybank Development Pty Ltd having its office at 578 Padgetts Road, Wallinduc, Vic, 3351 ("the Generation Company")

-and-

Golden Plains Shire Council having its office at 2 Pope Street, Bannockburn Victoria, 3331 ("The Council").

Recitals

- A. The Generation Company operates the **Berrybank Wind Farm** for electricity generation on land within the municipal district of the Council, being the land located at in South-Western Victoria approximately 14 km east of Lismore and 16 km west of Cressy. It is approximately 130km west of Melbourne within the Victorian district known as the Western Plains, located within the Corangamite and Golden Plains Local Government Areas.
- B. Berrybank Wind Farm will be constructed in two stages with 43 turbines planned in stage 1 and up to 79 turbines in stage 2. The total turbines planned in the Golden Plains Shire are 24 in stage 1 and 9 in stage 2, a total of 33 turbines.
- C. The Generation Company has elected under the provisions of the section 94(4) of the Electricity Industry Act 2000 to pay amounts in lieu of general rates ("Rates-in-lieu") to the Council for the Berrybank 1 Wind Farm.

The parties have agreed as follows: -

1 Introduction

- a) This Agreement is an agreement made in accordance with Section 94 (5) (a) of the Electricity Industry Act 2000. In reaching this agreement the Generation Company and the Council have applied the new methodology to the Payment in Lieu of Rates (PiLoR) framework specifically for small scale owned generators introduced by the Victorian Government on 10 October 2018.
- b) The Generation Company must pay Rates-in-lieu to the Council in respect of the Land, in accordance with this Agreement (and is not therefore required to pay to the Council general rates in respect of the Land determined in accordance with the Local Government Act 1989).

- c) In this Agreement, unless express or implied to the contrary:
- “Established Rate” means \$1,225 per MW or such other rate as is set under an Order in Council made pursuant to section 194(6) of the *Electricity Industry Act 2000*.
- “Financial Year” has the same meaning as in the *Local Government Act 1989*.
- “Land” means the land on which the Berrybank Wind Farm is located, being the land more particularly described at 14km east of Lismore, 16km west of Cressy and 80km west of Geelong, located within the Corangamite and Golden Plains Local Government Shires.
- “Rating Period” means Financial Year or, in the case of any period commencing in xxxxxxxx 2021, the period between the commencement of the transmission of electricity from the Land and 30 June 2021.

2 Term of Agreement

- a) This Agreement commences on xxxxxxxxxxxx 2021 and expires on xxxxxxxxxxxx 2026.
- b) The Generation Company will have the option of a further five year extension of the Agreement.
- c) This option must be exercised, by notice in writing to the Council, no later than 12 months prior to the expiry of this Agreement.

3 Installed Capacity

- a) The Berrybank Wind Farm is currently being commissioned and the Generation Company acknowledges and agrees that:
- I. it has been represented to the Council that, once fully commissioned, the estimated total output capacity of the Berrybank Wind Farm located in the Golden Plains Shire will be 138.3 MW per year; and the calculations in clause 4 are based on these figures: and
 - II. the Rates-in-lieu should be estimated at the beginning of each Rating Period, and the estimate reconciled with actual generation data in the calculation for the following Rating Period.
- b) The Generation Company will notify the Council, in writing, of any change to the total output capacity of the Berrybank Wind Farm as soon as possible after such change occurs.

4 Payment Calculation

- a) The Rates-in-lieu will be calculated using the combination of:
- i. Nameplate capacity (MW) x Established Rate \$1,225 per MW (indexed in accordance with clause 4c); plus
 - ii. \$54,400 annual fixed charge (indexed in accordance with clause 4c)

- b) For the 2020-2021 Financial Year, the total Rates-in-lieu will be calculated as follows:
- i. Assuming the commencement of transmission of electricity from the Land is xxxxxxxxxxxxxxxxxxxx 2021, payment will be:
\$1,225 x MW plus \$54,400 annual fixed charge
If the commencement of the transmission of electricity from the Land is a day other than xxxxxxxxxxxxxxxxxxxx 2021 payment will be similarly calculated but the number of days remaining to 30 June 2021 will be substituted for "90" in the formula set out above.
- c) Payments for subsequent Financial Years will be escalated annually by applying the following formula:
- $$A2 = A1 * (CPI2/CPI1)$$
- Where:
- A2 = the adjusted amount;
- A1 = the amount to be adjusted;
- CPI2 = the Consumer Price Index: All Groups Index for Melbourne as published by the Australia Bureau of Statistics (ABS) for the March quarter immediately preceding the beginning of the relevant financial year (or its successor index); and
- CPI1 = the Consumer Price Index: All Groups Index for Melbourne as published by the ABS for the June quarter.

5 Method of Payment

- a) Notwithstanding clause 3a)ii), for the 2020-2021 Financial Year the Generation Company must pay the Rates-in-lieu for that Financial Year in instalments by:
- 31 May 2020
- b) Instalment amounts are as follows:

Instalment due dates	31/05/2020	Total
Instalment amounts	\$44,378	\$44,378

- c) Thereafter, the Generation Company must pay the Rates-in-lieu in that Financial Year in four equal instalments.
- d) Instalments will be due and payable on the date fixed by the Minister for Local Government, in accordance with section 167 (2) of the Local Government Act 1989.
- e) The instalment dates (as at the date of this Agreement) are as follows:
- 30 September
 - 30 November

- 28 February
- 31 May

- a) The Council must issue to the Generation Company an invoice for the Rates-in-lieu at least 14 days prior to the date the payment is due and payable by the Generation Company.

6 Interest on Outstanding Payments

- a) The Council may require interest to be paid on any amounts which the Generation Company is liable to pay and which have not been paid by the due dates.
- b) The interest is to be calculated at the fixed rate under section 2 of the Penalty Interest Rates Act 1983 that applied on the first day of July immediately before the due date for the payment; and becomes payable on and from the date on which the missed instalment was due.

7 Repowering

- a) The Generation Company or any successor in law will immediately notify the Council in writing of any change to the installed capacity of the Berrybank Wind Farm.
- b) The Rates-in-lieu of rates calculation will be adjusted in accordance with any such change in installed capacity.
- c) The adjusted Rates-in-lieu of rates shall commence from the date of commissioning of the amended installed capacity.

8 Decommissioning

If the Generation Company decommissions the Berrybank Wind Farm, it must remove all the infrastructure above the ground (such as wind turbine generators, substations, switchyards and anemometry masts) and repair any damage caused by the removal so that the surface of the land is restored as near as possible to its condition at the commencement of construction of the wind farm. The Generation Company is not obliged to remove the concrete foundations below ground level, the tracks, crane hardstands or the underground cables

9 Variations

Any amendment of or variation to this Agreement must be in writing and be executed by or signed on behalf of the Generation company and the Council.

10 General

- a) Each party agrees that it will, at all times, act in good faith in relation to the other party with respect to all matters relating to this Agreement.

- b) Without limiting clause 10a), the Generation Company must, upon request, allow any person authorised by the Council to inspect and copy any records or other documents in the Generation Company's possession which concern the installed capacity of the Berrybank Wind Farm, as well as all data concerning actual generation from the Berrybank Wind Farm.

11 Termination of Agreement

- a) The Generation Company may elect, by notice in writing to the Council, to terminate this Agreement if the Berrybank Wind Farm is decommissioned.
- b) The Council may require the Generation Company to provide satisfactory evidence of such decommissioning.

12 Entire Agreement

- a) This Agreement forms the entire agreement between the parties.
- b) This agreement is governed by the laws in force in the State of Victoria.

13 Signing Clause

Signed for and on behalf of

Berrybank Development Pty Ltd (ABN 94 146 446 882)

Signature:

Title:

Name: (please print)

Signature:

Title:

Name: (please print)

The COMMON SEAL of the
Golden Plains Shire Council (ABN 86 998 570 296)
was affixed hereto in accordance
with the resolution of Council

made on day of 2021.

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Chief Executive Officer