



MARCHMENT HILL

- consulting -

Solar Farm Financial Model and Business Case for North Western Power

the challenge North Western Power (NWP) identified a financial opportunity to build a 5MW solar farm in regional QLD. NWP had already conducted an initial technical feasibility study to assess the connection potential, including the capex, opex and likely energy generation, however required a detailed business case and financial model to assess the financial returns and to support in gaining funding and Power Purchase Agreements (PPA's)

what MHC did MHC worked closely with the client to ensure the process was thorough and the outputs were fit for purpose in attracting investors or PPA's.

MHC undertook the following:

- Collected data from North Western Power and relevant consultants in relation the proposed solar farm
- Developed a robust and user-friendly financial model assessing the cash-flow and investment metrics (see Figure 1 below for model design)

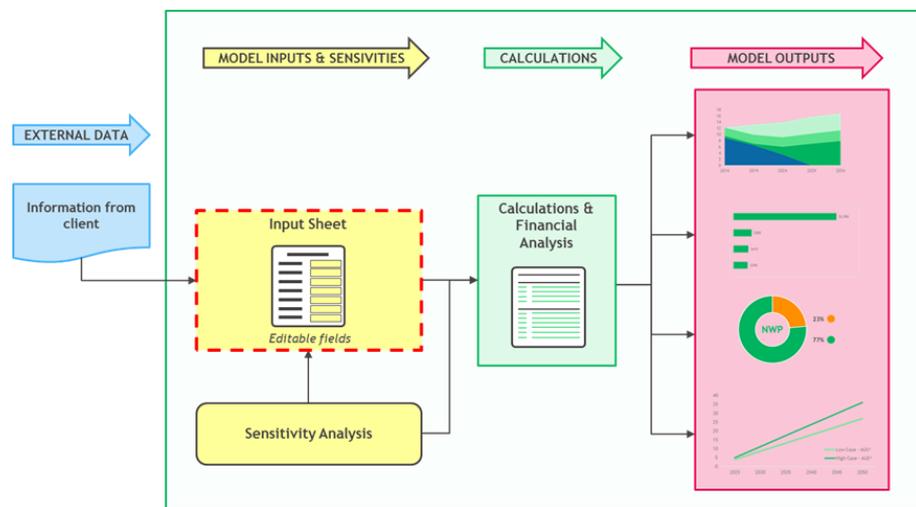


Figure 1 - High Level Model Design

- Produced model scenarios and financial outputs relevant to a range of investors, including:
 - Land lease providers
 - Shareholders or project investors
 - PPA providers
 - Asset owners or capital investors

engagement profile

- Developed a tailored investor brief, highlighting the financial returns of the project, graphical outputs and the ‘story’ behind the numbers
- Provided a high level written summary on alternative investment options and revenue streams for the client as well as supporting PPA related discussions.

the benefit

MHC provided close support to the client throughout the process to ensure all investor/PPA avenues were assessed. This included attending relevant PPA meetings with energy procurers and providing ongoing advice on structuring the project.

MHC was a trusted advisor throughout the process and delivered a tailored investment brief and a user friendly financial model for assessing the solar farm. NWP now has the ability to assess multiple PPA options and can easily update the model with new assumptions as they arise.