



HAYSTACKS SOLAR GARDEN

Offer Information and Disclosure Statement

**This invitation is made to members of the
Haystacks Solar Garden Cooperative**

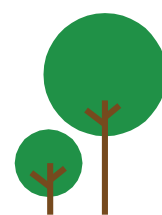
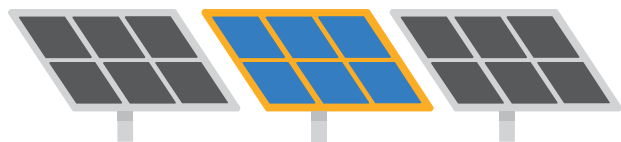
Haystacks Solar Garden Co-operative Ltd
Blackwall
NSW 2256
ABN: 86 451 344 615
www.haystacks.solargarden.org.au



This Offer Information and Disclosure Statement provides a summary of significant information about the Haystacks Solar Garden. It is important that you read and understand this Offer Information and Disclosure Statement before making any investment decisions about the Haystacks Solar Garden. This Offer Information and Disclosure Statement does not consider your individual circumstances and it is encouraged that all investors seek their own independent investment advice.

Summary of key facts:

1.	Solar garden plots for \$4,200
2.	Receive On-bill credits for 10 years
3.	Switch to Participating Electricity Retailer to receive On-bill credits
4.	Sunny roof not required
5.	Solar that moves with you when you move
6.	You can sell your solar garden plot to another member in the future if you want to.



Section 1. Message from the Haystacks Solar Garden Co-operative Board of Directors

Dear Haystacks Members and Potential Solar Gardeners,

It's with great excitement that I invite you, on behalf of the Board, to participate in the next step of Australia's first large-scale Solar Garden, the Haystacks Solar Garden.

Haystacks Solar Garden is pioneering a new way of enabling solar for all Australians. A way that does not rely on owning or having access to your own rooftop and a way to access the benefits of solar that moves when you move. This hassle free way of sharing in the benefits of solar is an exciting way forward for the next chapter of domestic solar uptake in Australia and is made possible by the collective brilliance of our cooperative members.

Located in the village of Grong Grong, an hour north-west of Wagga Wagga in the NSW Riverina, our project will produce approximately 3.8GWh of electricity per year (equivalent to approx. 700 NSW homes) and eliminate 3,100 tonnes of carbon emissions.

Like other community financed solar projects such as Repower Shoalhaven, Lismore's Farming the Sun and Pingala's 4 Pines and Young Henrys solar projects, the Haystacks Solar Garden will enable new renewable energy to be built that would otherwise not have happened. Individuals have been driving the demand for new renewable energy on their rooftops and now communities are facilitating mid-scale solar across the country.

This community led wave of action is inspiring to be part of and I am thrilled to be on this journey with the Haystacks Solar Garden Cooperative Members.

Solar gardens are such an innovative way of doing solar and one that we hope will become commonplace in Australia, truly enabling everyone access to the benefits of solar power in their homes.

Yours sunnily,
Kristy Walters
Haystacks Solar Garden Co-op Chair



Important Information

This Offer Information and Disclosure Statement ('the Offer') under section 338 of Cooperative National Law (CNL) (NSW) in respect of the Haystacks Solar Garden has been prepared by the Haystacks Solar Garden Co-operative Limited ABN 86 451 344 615. Haystacks Solar Garden Co-operative Ltd is a distributing co-operative under CNL (NSW).

This Offer is for the purchase of Co-operative Capital Units (CCUs) to enable Haystacks Solar Garden Cooperative Ltd to provide a loan to Grong Grong Solar Farm Pty Ltd to partly finance the construction of a 1.5MW solar array at Grong Grong NSW.

No person is authorised to give any information or to make any representations in connection with the Haystacks Solar Garden that are not contained in this Offer. Any information or representation not so contained may not be relied upon as having been authorised in connection with the Haystacks Solar Garden.

Haystacks Solar Garden Co-operative Ltd has not, during the 12 months preceding this Offer, nor in any other period, engaged in any legal proceedings which would be likely to have a material adverse effect upon its business, financial condition or the results of its operations.

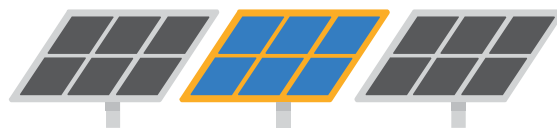
Haystacks Solar Garden Co-operative Ltd is not insolvent and does not expect to become insolvent based on its current financial position and future projections outlined in this Offer but noting the risks also set out herein. See sections 9 of this document for further financial information on the Haystacks Co-operative and section 8 for details of risks specific to this project.

An investment in the Haystacks Solar Garden project is subject to investment risk, including possible delays in repayment (if any) and loss of income and principal invested. Haystacks Solar Garden Co-operative Ltd cannot guarantee the performance of the Haystacks Solar Garden, the return of an investor's capital or any specific rate of return.

Any forward-looking statements, projections, or expectations made in this Offer are based on certain assumptions made at the date of this Offer and may change at anytime. Due to various risks and uncertainties, including those risks set out in section 8 of this Offer, actual events or results of the actual performance of the Haystacks Solar Garden may differ materially from those reflected or contemplated in such forward-looking statements. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based.

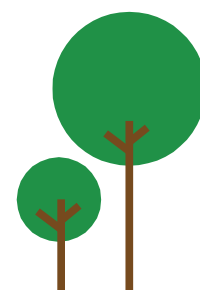
The forward-looking statements in this Offer involve subjective judgement and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of and are unknown to, the Haystacks Solar Garden Co-operative Ltd. Given these uncertainties, investors are cautioned to not place undue reliance on such forward-looking statements. Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this Offer are forward looking statements and subject to this disclaimer.

Any images, charts and diagrams in this Offer are for illustrative purposes only and may not represent any current or proposed investments of the Haystacks Solar Garden Co-operative Ltd. Capitalised terms have the meaning given to those terms in Glossary of this Offer, unless the context otherwise requires.



CONTENTS

2	Section 1. Message from the Haystacks Solar Garden Co-operative Board of Directors
3	Important Information
5	Section 2. Overview
6	Key Information
7	Registration Information and Corporate Directory
8	Section 3. Key details for solar gardeners
9	What is a solar garden?
10	Section 4. About Haystacks Solar Garden Co-operative
10	Governance
12	Operations
13	Section 5. About the Haystacks Solar Garden project
15	The 1.5MW solar array and funding the solar array
16	Who is the final owner of the 1.5MW solar array?
16	Section 6. Offer 1a – Solar Garden Plots (CCUs)
16	Purchasing a solar garden plot (Co-operative Capital Unit)
17	Your solar garden plot
17	Financial overview of CCUs and how the funds will be used
18	Rights and Requirements of a solar gardener/CCU holder
19	Tax and Transferability
20	Redemption
20	How to take up the offer and the offer period
22	Section 7. Offer 1b On-bill credit with Participating Electricity Retailer
27	Finding a Participating Electricity Retailer & negotiating an On-bill credit agreement
27	The On-bill credit Premium
28	Receiving an On-bill credit
28	Financial overview of On-bill credits
29	Section 8. Risks & Risk Management
29	Damage or failure of the solar array and default on payments by Grong Grong Solar Farm Pty Ltd
30	Energy bill costs, falling energy prices for solar generation and weather conditions
31	Transfer Risk and ceasing membership
32	Insolvency of any of the participating organisations and insufficient funds raised
33	Disputes in dealing with participation Retailer, and development and construction risk
34	Insurances
35	Section 9. Financial Statements
35	Assumptions to financial statements and P&L summary
36	Pro Forma Balance Sheet
37	Current cash flow projections
38	Project cash flow projections
39	Section 10. Terms of Issue of Solar Garden Plot Co-operative Capital Unit
42	Disclaimers
43	Glossary



Section 2. Overview

This offer is dated 2nd of August, 2022

This Offer Information and Disclosure Statement is for the offer of 333 Solar Garden Plot CCUs(Solar Garden Plots) at an issue price of \$4,200.00 per 3kW plot to raise up to \$1,398,000 in total.

These solar plots are offered only to members of the Haystacks Solar Garden Co-operative Limited who can then receive credits on their electricity bill for 10 years.

It is proposed that the last date for applications and application monies to be received is 5:00pm (Australian Eastern Standard Time) on 31st of October, 2022. Haystacks Solar Garden Co-operative Board of Directors reserves the right to close the offer earlier or extend this date without notice. Potential investors in Haystacks Solar Garden Co-operative should read this Offer Information and Disclosure Statement in its entirety and seek professional investment advice before making any decision to invest in the offer under this document.

If you have always wanted the benefits of solar but have been locked out due to a lack of a sunny roof, this offer is your opportunity to share in the benefits of solar whilst helping to create Australia's first large scale solar garden.

This Offer Information and Disclosure Statement (the Offer) is an offer to members of the Haystacks Solar Garden Co-operative Limited to purchase a solar garden plot in the Haystacks Solar Garden and lower their electricity bills. Building new mid-scale solar generation will reduce carbon emissions and help to tackle climate change head on.

This document details two offers for consideration of members that when combined, make up the Haystacks Solar Garden scheme.

- **Offer 1a** to purchase a solar garden plot/s via purchasing Co-operative Capital Units (CCUs) in Haystacks Solar Garden Co-operative Ltd (one plot equals one CCU), and
- **Offer 1b** to enter into an On-bill credit agreement with the Participating Electricity Retailer facilitated by Haystacks Solar Garden Co-operative Ltd.

Plot Price	Estimated minimum annual On-bill credit ^{1,2}	Term (from date of Practical Completion)	Plot Size	Attributable average annual share of generation	Estimated Equivalent Feed-in Tariff ³
\$4,200	\$455	10 years	3kW	4200kWh	10.8c/kWh

The estimated bill credits are based on the annual calculations in the On-bill credit agreement divided equally by the number of solar garden plots. Estimates are the result of agreements such as the Haystacks Loan agreement and the On-bill credit agreement performing as expected. For more information about these agreements, please see the sections below.

1. This calculation of the 'estimated average annual On-bill credit' is for illustrative purposes only and cannot be guaranteed; the end result for each member will depend on actual performance.
2. See section 7 for full details of how the On-bill credit is calculated
3. See section 7 for full details on how the estimated equivalent feed-in tariff is calculated

The process for a member to take up these offers is as follows:



Figure 1 – Process for a member to take up the Haystacks Solar Garden Offer (more detail provided in page 20)

Key Information

Offer price per solar garden plot (one plot = one Co-operative Capital Unit)	\$4,200 AUD
Maximum number of solar plots (Co-operative Capital Units) to be issued	333
Total amount to be raised	\$1,398,600
Opening date of offer to Riverina based members	30 th of August, 2022
Opening date of offer for all members	7 th of September, 2022
Proposed closing date of offer	31 st of October, 2022
Sunset date on Condition Precedent (Terms of Issue, clause 4)	31 st of January, 2023
Estimated Construction start date*	31 st of October, 2022
Estimated Practical Completion date*	31 st of March, 2023
Latest date by which On-bill credits will begin	30 th of December, 2023

* estimate based on successful completion of the offer and the development as it currently stands, exact date may vary.

There are no advisor fees, commissions or other charges payable by a member in applying for this offer other than the Offer price for the Solar Garden Plot / CCU. To accept this offer you must be an active member of Haystacks Solar Garden Co-operative Ltd. To become a member of the Haystacks Solar Garden Cooperative Ltd apply on the [HaystacksSolar Garden](#) website for \$51 and meet the eligible member criteria.

Registration Information

Solar Garden Plot CCUs cannot be issued unless the Terms of Issue have been approved by the Registrar and by a special resolution of members of the Haystacks Solar Garden Co-operative Ltd under section 350 of Co-operative National Law; and this disclosure statement has been approved by the Registrar under section 338 of Co-operative National Law.

The Terms of Issue for the Solar Garden Plot CCUs offered in this Offer Information and Disclosure Statement were approved by the Registrar of Co-operatives on 2 August 2022 and have been approved by special resolution of the Co-operative before being offered.

The disclosure statement for Haystacks Solar Garden Cooperative Ltd was approved by the Registrar of Co-operatives on 2 August 2022 as being compliant with the requirements of s338 Co-operatives National Law.

Taxation

Our understanding is that stamp duty is not payable. However, please seek your own professional and independent advice.

Corporate Directory

Haystacks Solar Garden Co-operative Ltd

Registered address: 27 Inkerman Avenue, Blackwall NSW 2256

Email: haystacks@solargarden.org.au

Web: haystacks.solargarden.org.au

Legal Adviser

Norton Rose Fulbright

Address: Level 5, 60 Martin Place Sydney NSW 2000

Web: nortonrosefulbright.com/en-au

Financial Adviser

Pilot Partners

Address: PO Box 7095 Brisbane QLD 4001

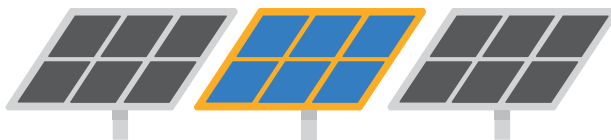
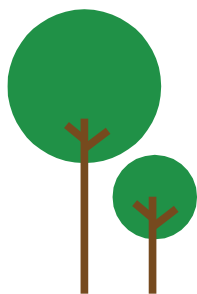
Web: pilotpartners.com.au

Project developer of solar farm

Komo Energy Pty Ltd

Registered Office: 53 Dunsmore St, Kelvin Grove QLD 4059

Web: komoenergy.com.au



Section 3. Key details for solar gardeners

This document provides an explanation of the solar garden project and how it is intended to be implemented. Some of the figures and contracts will be subject to approval by both the Haystacks Co-operative Limited and external parties, but cannot be implemented until the funds for construction are raised. For this reason, while funds will be collected from the sale of Co-operative Capital Units (CCUs) to members prior to final agreements being in place with all parties, these funds will be held by the Haystacks Solar Garden Co-op Ltd until the Solar Garden Plot CCU holders have had the opportunity to review the due diligence report, final legal agreements and approve the funding of the solar array.

Owning Co-operative Capital Units (CCUs) in the Haystacks Solar Garden Cooperative Ltd provides the holder the rights only provided to them by law and the terms of the CCUs.

The Haystacks Solar Garden Co-operative Ltd takes on no extra responsibility for the benefits or responsibilities of CCUs and holders. The Haystacks Solar Garden Co-operative Ltd may from time-to-time aid members by providing information or logistical help, but take no liability for these activities. As such, those interested in becoming solar gardeners (by purchasing CCUs) should make their own assessments of their ability to engage with the activities of the project (e.g. selling units or switching to the participating retailer) and their financial situation.

Under this structure solar gardeners will be purchasing Solar Garden Plot CCUs in the Haystacks Solar Garden Co-operative Ltd in order to fund a proportion of a solar array construction. This project relies on members coming together collectively to both fund the construction and share the benefits.



What is a solar garden?

Australians love solar, however approximately 30% are still 'locked out', unable to get the benefits of rooftop solar; because they rent, live in an apartment, or have an unsuitable roof⁴. If this is you, then becoming a solar gardener is the opportunity you have been waiting for. Just like rooftop solar, a solar garden allows members to reduce their electricity bills, reduce carbon emissions, take action on climate change and transition the grid to a renewable energy future.

A solar garden is like a community garden but instead of growing veggies, members come together to enable the construction of a solar farm. A member purchases a solar plot and signs up to a Participating Electricity Retailer which then entitles them to receive a credit on their electricity bill. It's similar to rooftop solar but instead of the solar panels being on the roof of your home they are in a paddock somewhere else.

4 - Riedy, C and Mey, F, 2018, *Social Access Solar Gardens: Market Research Phase 1 Report*, Institute for Sustainable Futures, University of Technology Sydney

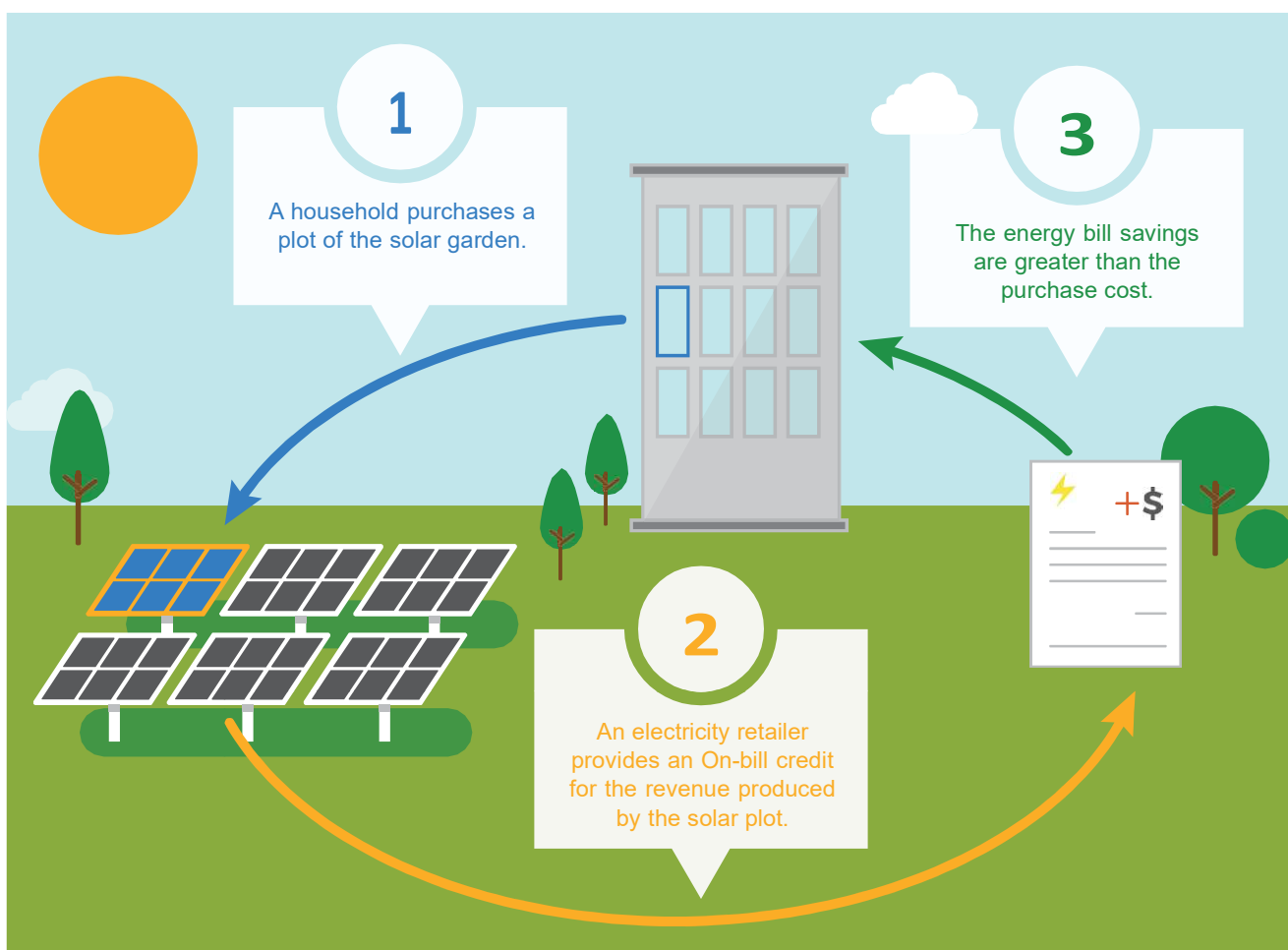


Figure 2 - What is a solar garden? (Source: Community Power Agency)

Section 4. About Haystacks Solar Garden Co-operative

Haystacks Solar Garden Co-operative's mission is to enable those locked out of rooftop solar with a way to participate and benefit in the solar revolution.

Back in 2016 Gemma Purcell - a farmer in the Riverina, Jonathan Prendergast- a solar project manager from Komo Energy, and Tom Nockolds - a community energy expert from Community Power Agency & Pingala met and found a shared passion of making renewables accessible for everyone and enabling communities more control of our energy future.

Gemma offered part of her farmland at Grong Grong in the Riverina for the solar farm, Jonathan helped figure out the technical details and Tom suggested starting a solar cooperative so lots of people could benefit through a solar garden. After 6 years of further conversations, lots of planning and now with the successful Regional Community Energy Funding, the Haystacks Solar Garden will come to fruition in 2022.

The Haystacks Solar Garden Co-operative Ltd is made up of members across NSW keen to see a new way of doing solar in Australia. This model allows anyone to participate in the benefits of solar regardless of whether they rent, live in an apartment, or simply have an unsuitable roof for solar panels. By coming together the Co-op members wield greater bargaining power with electricity retailers and have the opportunity to enable mid-scale solar development. This adds to the renewable energy capacity of NSW and takes tangible action on climate change.

Members in the Co-operative now have the opportunity to consider this Offer and decide whether to take up the offer of Co-operative Capital Units to purchase a solar garden plot in the Haystacks Solar Garden project.

Governance

Haystacks Solar Garden Co-operative Ltd incorporated as a distributing Co-operative in 2020 and is governed by a board of directors. All board directors are voluntary positions, and the directors are not remunerated for their work. No officer or member of the Haystacks Solar Garden Co-operative Ltd will receive compensation or consideration directly from the issue of Solar Garden Plot CCUs.

(For more details about directors on the board see the Haystacks Solar Garden Co-operative Ltd disclosure statement and rules.)

Haystacks Solar Garden Co-operative Ltd Board



Kristy Walters
Chairperson



Nigel Hancock
Secretary



Karin Stark
Director

Kristy Walters

Kristy is Community Power Agency's Community Engagement Manager and brings extensive experience in nonprofit management, facilitation, digital tools and community engagement. Kristy has worked on campaigns involving renewable energy, food sovereignty, climate change and protecting prime agricultural farmland in Queensland. Kristy's passion for fostering community engagement and supporting volunteers is evident in her past roles leading an education program at a permaculture farm and facilitating activist education programs for students. She holds a Bachelor of Environmental Management with honours and lives in Sydney where she enjoys cycling to the beach as often as possible.

Nigel Hancock

Nigel has voluntarily dedicated much of his time since 2016 to the rewarding role as Treasurer and Financial Officer of Pingala Community Energy, to help this start-up organisation achieve its goals. This has included managing budgets and accounts, preparing financial models and forecasts as well as decision making on overall financial strategy for the organisation. Nigel is experienced in communication and liaison with other organisations, including government bodies, companies and stakeholders. He holds a bachelor degree with post-graduate studies in Commerce. Nigel is currently employed as the project manager of the Haystacks Solar Garden project.

Karin Stark

Karin Stark's international and professional history combines 18 years of engagement with communities around contemporary environmental issues. She was a NSW-ACT Agriculture's Rural Women's Award Finalist in 2019 for her work convening the National Renewables in Agriculture Conference. She is Director of Farm Renewables Consulting, is also a mum and works part time for ReAqua, with previous roles within the NSW State Government and in Landcare. Karin lives on a cotton farm that installed a 500kW solar diesel hybrid pumping system in 2018, the biggest in the country.

Interest of directors or members in any contract

Nigel Hancock is a founding board member of Haystacks Solar Garden Co-operative Ltd and an employee and a member of the governing Committee for Pingala Association. Kristy Walters is a founding board member of Haystacks Solar Garden Co-operative Ltd and an employee of Community Power Agency. Nigel and Kristy may have conflicts of interest regarding any contracts between Haystacks Solar Garden Co-operative Ltd and their respective organisations. Nigel also has also received casual employment from Komo Services Pty Ltd on an unrelated project and a residual conflict may be present.

In order to manage any actual, potential or perceived conflict of interest or duty arising from this situation, a robust process will be employed for the definition of duties and how they relate to the various roles being filled. An efficient document management system will be used to promote record-keeping and conflict of interest will remain on the Co-op Board's agenda so that as circumstances change, this can continue to be fully disclosed.

Operations

Some of the future operation of the Haystacks Solar Garden Co-operative Ltd. is currently being managed by parties involved in the RCEF Haystacks Solar Garden project. This project is in part funded by the NSW Government to establish a solar garden and is promoted by Pingala and Community Power Agency (see page 13) and developed by Komo Energy Pty Ltd (for more information on the project, please see the following section 5). Once this project is complete, the following will be the responsibility of the Haystacks Solar Garden Co-operative Ltd:

- a. **Community Engagement** - various online and in person activities to foster connection between members and the community hosting the solar asset on an annual basis.
- b. **Finance and Administration** - including the functions of managing CCUs, liaising with the solar developer/asset owner, assisting members with transfers when needed and general administration of our web presence and compiling annual reports.
- c. **Ongoing stewardship** - once this pilot project is constructed and operational the Haystacks Solar Garden Co-operative Ltd will be expected to participate in knowledge sharing on regulatory compliance, insurance, risk management and reporting activities around creating more solar gardens in Australia and developing the community energy sector.



Image Credit - Anna Meltzer

Section 5. About the Haystacks Solar Garden project

The Haystacks Solar Garden project came to life after years of preparation and the support of grant funding from the NSW Government Regional Community Energy Fund. The Haystacks Solar Garden project is made up of two major parts:

1. The Haystacks Solar Garden Cooperative (see previous Section 4), and
2. A 1.5MW solar array development on a rural property in Grong Grong NSW - owned by Grong Grong Solar Farm Pty Ltd.

Haystacks Solar Garden is a project managed by three organisations: Community Power Agency, Pingala and Komo Energy Pty Ltd. A key team from each organisation are providing expert professional services to deliver this community energy project. While the Haystacks Solar Garden Co-operative Ltd is not responsible for this project, the project is highly relevant to the offer of Solar Garden Plot CCUs in this document.

Throughout 2020 various steps were taken to establish the cooperative and develop the solar array to enable those currently locked out of solar to participate in the benefits too. Below is a simplified timeline of the major milestones completed since February 2020 and the milestones yet to complete in 2022.

Promoters of the Haystacks Solar Garden project

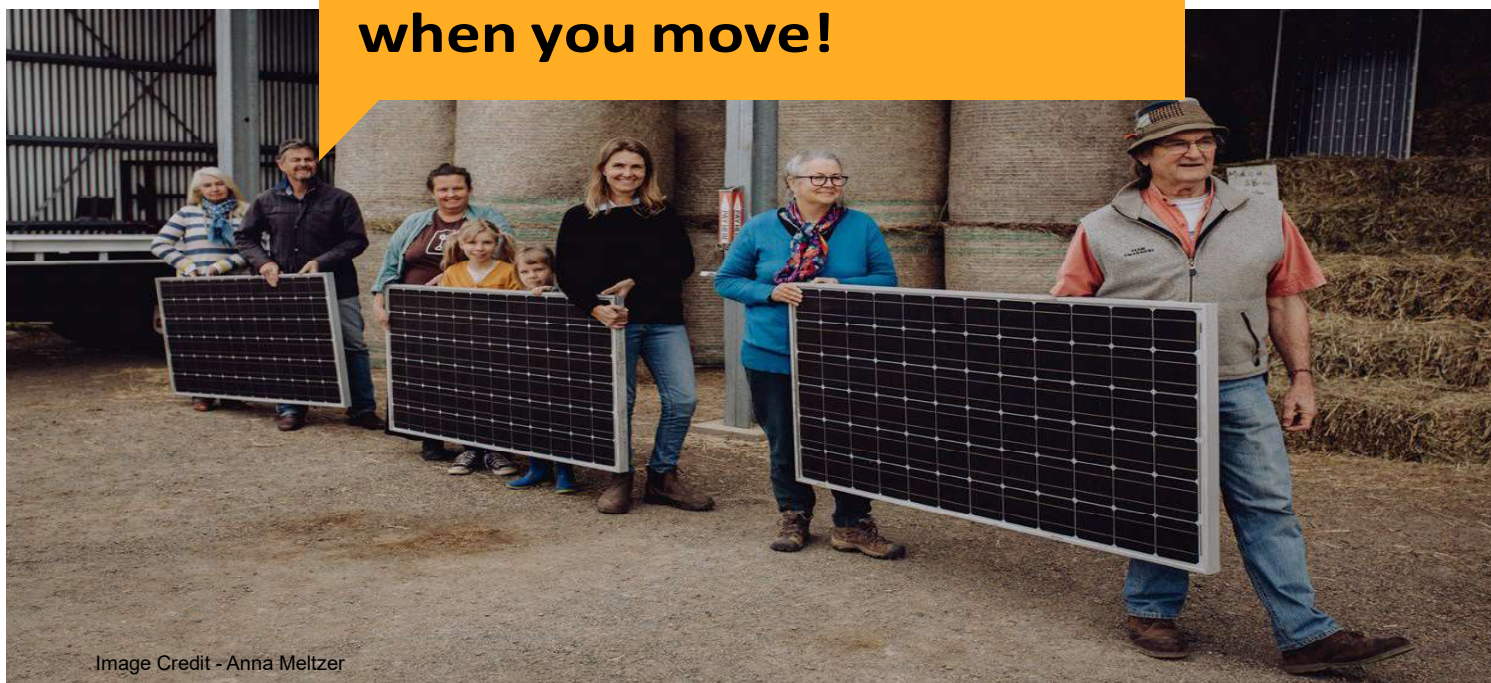
Pingala Community Energy Incorporated (Pingala) is a non-profit community group whose purpose is to create a fairer energy system for consumers in Australia. Pingala was established in 2013 and has been involved with helping establish a community co-op that has installed 4 community solar projects over the last 8 years.

In 2019, Pingala applied for the Regional Community Energy Fund (RCEF) grant along with Komo and Community Power Agency that has allowed the Haystacks Solar Garden project to go ahead.

Community Power Agency Co-operative Pty Ltd (Community Power Agency) is a co-op of workers who are Australia's leading experts in community-led energy projects. Founded in 2011, Community Power agency has supported communities engage in and benefit from the transition to renewable energy by providing expert advice and support of more than 50 community energy groups.

They also provide consulting to government and private industry and have partnered with Pingala to help deliver industry best community engagement practices on the Haystacks Solar Garden project.

**Solar that moves with you
when you move!**



Haystacks Solar Garden Milestones

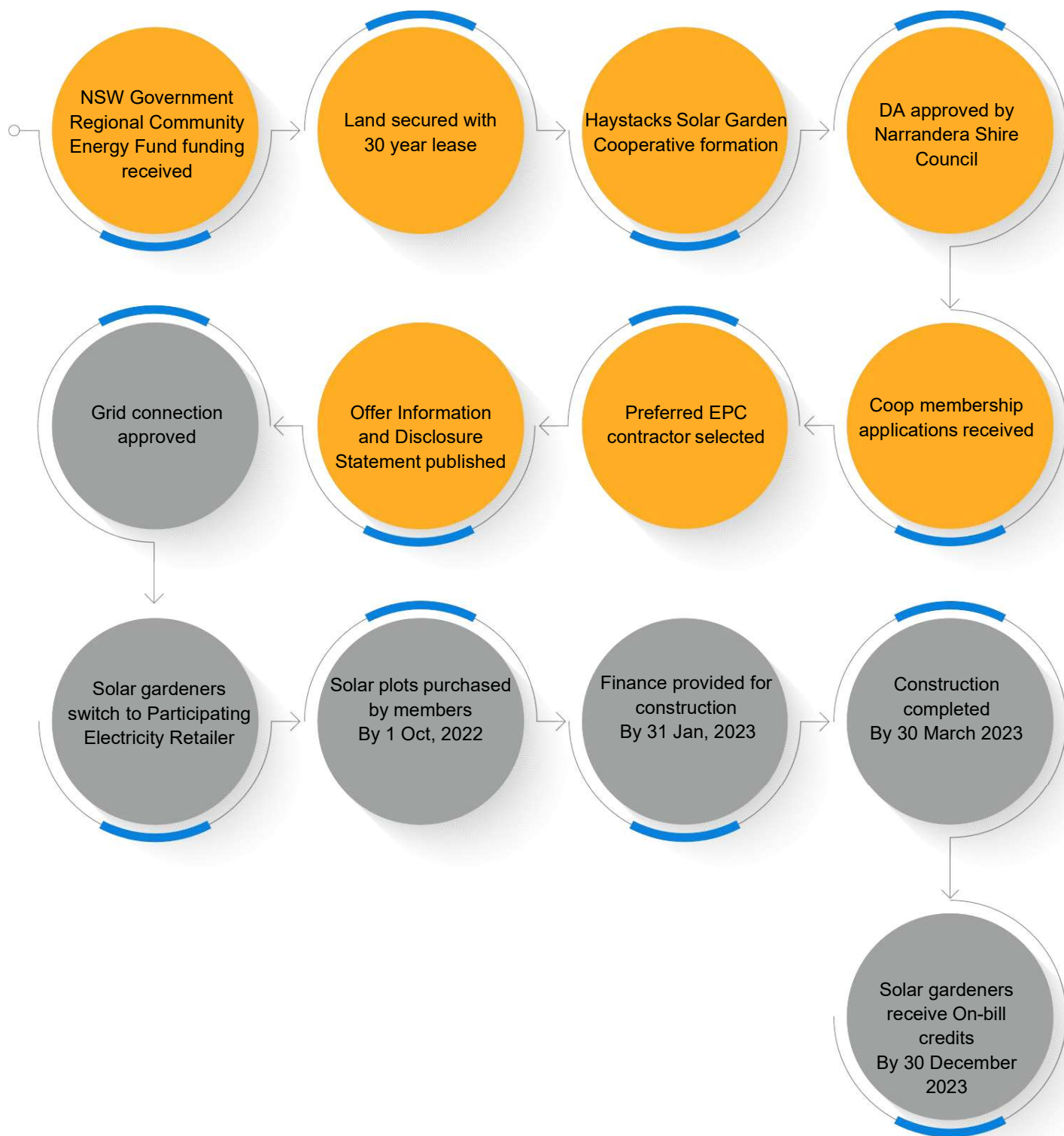


Figure 3 - Major milestones of Haystacks Solar Garden

The 1.5MW solar array

The Haystacks Solar Garden Cooperative is separate to and independent from the solar array development.

Komo Energy Pty Ltd is the developer of the physical solar array in Grong Grong NSW. The array will be hosted on approximately five hectares of agricultural land and will be 1.5MW in capacity with single axis tracking. The land is leased from the landowner for up to a 30-year term and takes up only a small portion of the 108 hectare parcel of land, leaving the remaining land to continue to be used for agriculture. The lease for the solar array over the land, provides the farming family with a small secondary income while not impacting significantly on their primary business activities.

The solar array is rated to have a peak output of approximately 1.7MW (DC). It will take advantage of the sunlight hours by being mounted on single axis tracking frames that follow the sun from east to west each day. The solar array will connect to the distribution network on an 11kV line. An online monitoring system will be used to remotely manage the site's performance and help Co-operative members see how much energy the solar garden is producing each day. The design is battery ready but does not include batteries at this stage.

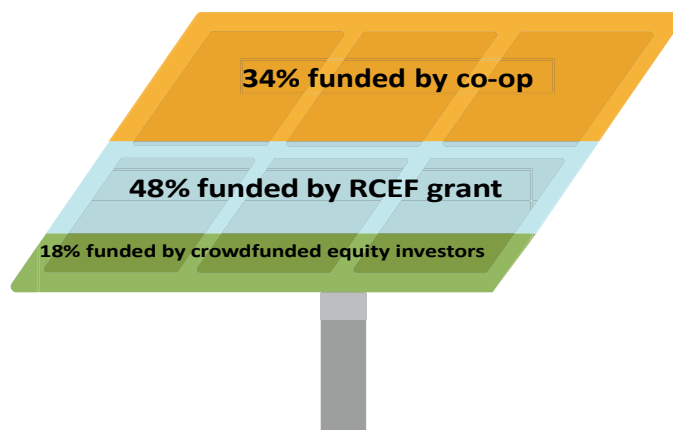
As with any community energy project the goal is to create a strong social licence around the development of the infrastructure while promoting the ongoing benefits and minimising any possible long-term disruptions. The Haystacks Solar Garden project has incorporated community consultation with neighbours and residents of surrounding towns to create opportunities for feedback and input. This has resulted in strong support for the development that we think all solar projects should strive for.

Komo Energy Pty Ltd will complete all development and approval processes, procurement and oversight of construction as well as engaging operations and maintenance contractors. Komo Energy's subsidiary Komo Service Pty Ltd will provide ongoing asset management services.

This will include managing the provision of operations and maintenance services either by a single contractor or by multiple (limited) providers to cover the regular checks (scheduled maintenance), response to any outages (unscheduled maintenance), any required cleaning and reporting on the solar array. The ongoing asset management, operation and maintenance of the solar garden will be paid for from a proportion of the energy generated from the solar garden. For further information on Komo Energy Pty Ltd and its directors [Gerald Arends](#) and [Jonathan Prendergast](#), please visit their website at komoenergy.com.au

Funding the solar array

The Haystacks Solar Garden Co-operative Ltd has the opportunity to part fund the construction of the solar array as a loan, using the funds raised from the sale of solar garden plots. The mid-scale solar industry is only just emerging in Australia and is being driven by the community sector. Without motivated communities such as Haystacks Solar Garden Co-operative Ltd members this project would not have been fostered and could not go on to succeed in driving change for more mid-scale renewables in Australia. Using a loan finance model is not uncommon in the community energy sector and has been used in projects such as the Repower Shoalhaven, Lismore's Farming the Sun and Pingala's Allambi Care solar projects. The loan used in the Haystacks model and its subsequent repayments will be one of the sources of funding for the solar garden project that Co-operative members can participate in and is a lower risk alternative to long term ownership of the solar asset. The loan will be for 10 years, secured and fund approximately 34% of total capital expenditure for Grong Grong Solar Farm Pty Ltd.



Who is the final owner of the 1.5MW solar array?

A community of equity investors, will own Grong Grong Solar Farm Pty Ltd which is the company that owns the whole 1.5 MW solar array and is responsible for the insurance and maintenance costs over the life of the solar asset. Grong Grong Solar Farm Pty Ltd has been set up as a special purpose vehicle for the purposes of developing the 1.5MW solar array. Currently Grong Grong Solar Farm Pty Ltd is a wholly owned subsidiary of Komo Energy Pty Ltd. Gerald Arends and Jonathan Prendergast are directors of both companies. Following the equity raise it is expected that Komo Energy Pty Ltd will be only a minority shareholder in Grong Grong Solar Farm Pty Ltd. The board composition of Grong Grong Solar Farm Pty Ltd may change once equity investment has been raised into Grong Grong Solar Farm Pty Ltd.

This means that there will be two communities of people coming together to create the entire project, one community of equity investors who will own the physical asset and another community of solar gardeners who will receive On-bill credits.

Section 6. Offer 1a - Solar Garden Plots (CCUs)

Purchasing a solar garden plot (Co-operative Capital Unit)

Haystacks Solar Garden Co-operative Ltd offers the opportunity to purchase solar garden plots using Co-operative Capital Units (CCU) as the legal tool to fund its first solar garden project. The purchase price for a Solar Garden Plot CCU will be \$4,200 initially and then reduce each year by \$420 over the 10 year term of the project.⁵ This will allow the Haystacks Solar Garden Co-operative to provide a proportion of the finance needed to construct a 1.5MW solar array in Grong Grong in the NSW Riverina and create Australia's first large scale solar garden.

This solar array development will generate approximately 3.8GWh of electricity per year (equivalent to approximately 700 NSW homes⁶) and eliminate 3,100 tonnes of carbon emissions and supply the local region with jobs both during the construction and ongoing.

Solar Garden Plot CCUs are offered to members of Haystacks Solar Garden Cooperative Ltd for the purpose of part funding the construction of the 1.5MW Grong Grong Solar Farm array. Funds from the CCUs will be used under a loan agreement between Grong Grong Solar Farm Pty Ltd and Haystacks Solar Garden Co-operative Ltd.

The Solar Garden Plot CCUs will entitle Solar Garden CCU holders to receive an On-bill credit through an agreement with the Participating Electricity Retailer (see section 7). Members will need to switch electricity retailers once the Participating Electricity Retailer is known to receive their On-bill credits.

5 - Please note that a CCU will be cancelled when they are worth \$0 at the end of the 10-year term and no On-bill credit will be associated with its issue. The Haystacks Solar Garden Cooperative Ltd will cease to have any involvement with the solar array after 10 years.

6 - Estimated from 7,200 kWh per year average household energy consumption as outlined in IPART NSW Electricity, Gas and Water — Research Report December 2010.



**Solar garden plots
for \$4,200**

Your solar garden plot

Members who decide to purchase a Solar Garden Plot CCU will be funding a 'solar garden plot' which will collectively supply the funds Haystacks Solar Garden Co-operative Ltd needs in order to provide a loan facility to the solar array development.

To achieve this, there are two decisions to make:

- 1. Your individual decision to purchase a solar garden plot** - it is your individual decision to purchase one or more solar garden plots and you must assess your own individual financial situation and the information contained within this Offer before making your payment.
- 2. Your collective decision as part of the Haystacks Solar Garden Co-operative Ltd to invest in the solar array** - you will be given the opportunity to collectively decide (by way of a vote) along with the other CCU holders whether the Co-op should invest the funds raised from solar garden plots/CCU in the Grong Grong Solar Farm Pty Ltd solar array development.

Financial overview of CCUs

The purchase of CCUs is complete when all solar gardeners have provided their funds and the Haystacks Co-operative elects to provide loan facility to the Grong Grong Solar Farm Pty Ltd solar array, until such time funds are held by the Haystacks Solar Garden. The issue of 333 CCU holdings for \$4,200.00 will together provide \$1,398,600.00 for the Haystacks Co-operative to fund the construction of new solar.

How CCU funds will be used

The Haystacks Solar Garden Co-operative will use the funds from issuing CCUs to provide a loan facility for the construction of a solar array near Grong Grong in the NSW Riverina region. In purchasing CCUs, solar gardeners agree in principle to allow the use of these funds for that purpose, but will also have the opportunity to vote as CCU holders and review the due diligence documents before the Haystacks Solar Garden Co-operative Ltd commits those funds. A superior majority vote (75%) will be needed to confirm the use of the funds and it is important to note that once a superior majority of solar gardeners vote to proceed ALL solar gardeners' funds will be used to execute the loan.

The financial overview of the loan facility is in the table below.


Loan Amount Available to Grong Grong Solar Farm Pty Ltd	Annual Loan Repayments Paid to Haystacks Solar Garden Co-op Ltd	Term	Fees
\$1,398,600.00	\$151,626.00 (Revenue from the investment by the Haystacks Solar Garden Co-operative Ltd will be used to fund the activities of the Haystacks Solar Garden project and On-bill credit agreements.)	10 years (from date of Practical Completion)	\$14,000.00 p.a. (Part CPI indexed and paid from Grong Grong Solar Farm Pty Ltd to Haystacks Solar Garden Co-op Ltd for the administration costs of the running the co-op)

Rights as a solar gardener/CCU holder

Solar gardeners will be the holders of Solar Garden Plot CCUs and the CCUs will be a separate class of equity ownership in the Haystacks Solar Garden Co-operative Ltd. This means that while solar gardeners have special voting rights regarding the project that their CCUs are funding, it doesn't change their rights and responsibilities as members of the Haystacks Solar Garden Co-operative Ltd (please refer to the Disclosure Statement for the Haystacks Solar Garden Co-operative Ltd).

As a solar gardener you may do the following:

- Vote along with other solar gardeners on how the Haystacks Solar Garden Co-operative Ltd uses capital from the CCUs.
- Enter into an agreement with a Participating Electricity Retailer as a customer in order to receive On-bill credits.
- Sell the residual value of your CCUs to another Haystacks Solar Garden Co-operative Ltd member in the future if you desire (Please note that risks associated with Solar Garden Plot CCU transfers are discussed on page 32).

If an On-bill credit agreement and the agreement to loan funds to Grong Grong Solar Farm Pty Ltd is not ratified by a successful vote of the holders of Solar Garden Plot CCUs under the Terms of Issue by 31st of January 2023, Haystacks SolarGarden Cooperative Ltd must return the funds to each CCU Holder within 20 Business Days. 

For full terms please see the Haystacks Solar Garden Co-operative Ltd Solar Garden Plot CCU Terms of Issue on page 39.

Requirements of a solar gardener/CCU holder

In order to purchase a CCU, an individual must be an active member of the Haystacks Solar Garden Co-operative Ltd and agree to the terms of ownership of the CCUs (full terms on page 39).

Additionally, a solar gardener must switch their electricity account to a Participating Electricity Retailer to receive their On-bill credits.

As a solar gardener you must remain an active member of the Haystacks Solar Garden Co-operative Ltd for the period of CCU ownership. Rules on active membership can be found in category 1.3B of the Haystacks Solar Garden Co-operative Ltd Rules and are as follows:

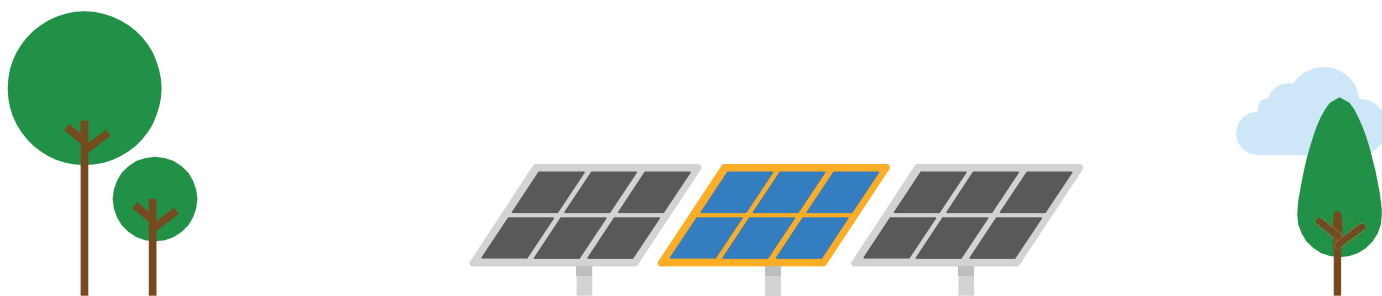
- Participate in at least one meeting in relation to a proposed solar garden each financial year, or;
- Purchase electricity from a retailer approved by the [Haystacks Solar Garden] Co-op

If at any time the Solar Garden Plot CCU Holder ceases to be an active member of Haystacks Solar Garden Cooperative Ltd:

- its Solar Garden Plot CCUs will be deemed to be immediately cancelled; and
- it will have no further rights or obligations with respect to the Solar Garden Plot CCU.

Therefore, it is very important that Solar Garden Plot CCU holders inform the Haystacks Solar Garden Cooperative Ltd in advance of any changing circumstances that will affect their active membership so that transfer of the Solar Garden Plot CCU can be arranged. Risks related to this transfer can be found on page 30.

For full terms please see the Haystacks Solar Garden Co-operative Ltd Solar Garden Plot CCU Terms of Issue on page 39.



Tax

Payments or distributions (if any) affect peoples' tax positions differently it is highly recommended that members considering a Solar Garden Plot CCU to seek their own tax advice regarding if any part or all of an On-bill credit would constitute taxable income. Also, our understanding is that stamp duty is not payable. However, please seek your own professional and independent advice.

Transferability

Solar garden plots (CCUs) are transferable so long as the recipient can and does become a member of the Haystacks Solar Garden Co-operative Ltd and switches their electricity account to the Participating Electricity Retailer. If the person you would like to sell your plot to is already a member of the Haystacks Solar Garden Co-operative Ltd (e.g. a member on a waitlist) then it is simply a matter of providing the information about who is selling and who is buying to the Haystacks Solar Garden Co-operative Ltd administration and calculating the residual value of the plot for the sale.

Due to the CCUs being valid for a fixed 10-year period the sale value of a solar garden plot will decrease by \$420 each year to match the time opportunity for membership in the project.

	Plot Price	Term	Reduction (per year)
One CCU holding	\$4,200	10 years	\$420

Refer to the Haystacks Solar Garden Co-operative Ltd Disclosure Statement for details of your membership.

You can sell your solar garden plot to another member in the future if you want to.



Redemption

Once issued to a member, CCUs are non-redeemable meaning that the Haystacks Solar Garden Co-operative Ltd is not required to re-purchase CCUs except under circumstances detailed above in a CCU holders rights.

For full terms please see the Haystacks Solar Garden Co-operative Ltd Solar Garden Plot CCU Terms of Issue on page 39.

How to take up the offer

Members of the Haystacks Solar Garden Co-operative Ltd will receive their offer in the form of a personalised link to complete an online form. This link will be open for the duration of the offer and can be edited at any time during the period. It is important that members DO NOT share this link with others as it contains their personal information.

If a member hasn't received a copy of their invitation, they should contact **accounts@solargarden.org.au** from the email address they signed up as a member with.

New members will receive an invitation upon joining and paying their membership fee (\$50) and purchasing a \$1 share. In order to receive an invitation, anyone who is not a member of the Haystacks Solar Garden Co-operative Ltd at the time of offer release may do so by signing up as a member at **<https://haystacks.solargarden.org.au/haystacks-membership/>**.

Although not compulsory, it is highly recommended that if a Participating Electricity Retailer is known those wishing to take up a Solar Garden Plot CCU undertake a bill comparison. If possible, it is also recommended that once a member has accepted the offer of a Solar Garden Plot CCU, they also switch to the Participating Electricity Retailer. This is not compulsory but is preferable as it will limit later confusion and misunderstandings.

Once a member provided all relevant information and the offer has been accepted by completing the online application form, the project team will check that all required information has been provided and send out a notice to pay with details on how the member can transfer the money for their plot.

This may take up to 10 business days depending on the number of offers being dealt with at any given time. If a member doesn't hear back within 10 business days of accepting their offer, please feel free to contact the Haystacks Solar Garden project team.

Payments can be made by bank transfer (EFT) or by visiting a Bendigo Bank branch with the bank details on the payment notice. Members must include their name and the reference number on their notice in their payment to ensure a speedy confirmation that funds have been received. Confirmation that funds have been received will be sent to the members registered email address.

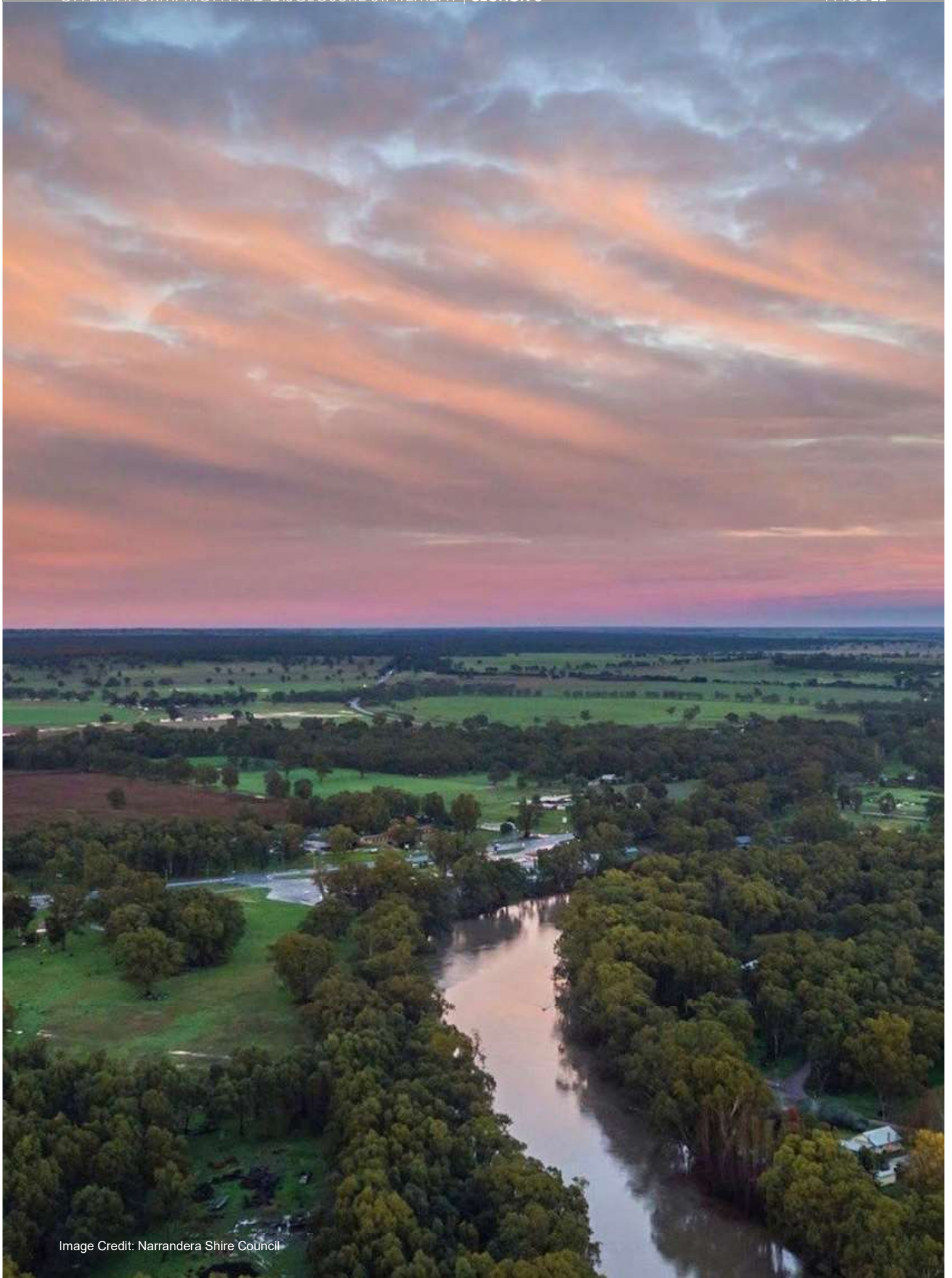
For more information please contact

Nigel Hancock
Secretary, Haystacks Solar Garden Co-operative Ltd
accounts@solargarden.org.au

Offer period

The Offer closes on 31st of October, 2022 or earlier, if the Offer is fully subscribed before the closing date. If the Offer is closed before the closing date, the co-operative will publish a notice to this effect on its website.





Section 7. Offer 1b – On-bill credit with a Participating Electricity Retailer

The main financial advantage of purchasing a Solar Garden Plot CCU is to get access to On-bill Credits. The Haystacks Solar Garden Co-operative Ltd has created an agreement structure that will give the solar gardeners access to On-bill credits through a Participating Electricity Retailer.

- Haystacks Solar Garden Co-operative Ltd estimates at least 10.8c/kWh equivalent feed in tariff on a nominal 4,200kWh per year
- Estimated average internal rate of return (IRR) of 3.5% over 10 years.

Once on-bill credits have commenced, the exact payment date of your On-bill credit will depend on your billing cycle. Haystacks Solar Garden Co-operative Ltd will begin service fee payments to the Participating Electricity Retailer within 6 months of the successful vote by Solar Garden Plot CCU holders to approve the Loan Agreement to Grong Grong Solar Farm, the latest possible date for this first payment being the 30th of December 2023.

The On-bill credit paid to solar gardeners will be calculated from the service fee that the Haystacks Solar Garden Co-operative Ltd pays to the Participating Electricity Retailer, along with a potential additional Premium from the Participating Electricity Retailer negotiated as part of the On-bill Credit Agreement.

This Premium component of the credit is in recognition of the combined purchasing power of the 333 solar gardeners and their loyalty to remain with our participating retailer. Haystacks Solar Garden Co-operative will negotiate this on a retailer by retailer basis over the 10-year project period. The amount applied to the On-bill Credit will vary depending on the contribution by the Participating Electricity Retailer.

Haystacks Solar Garden Co-operative's contribution to the On-bill credit is made possible from its own activities financing the solar array.

Under this arrangement solar gardeners participating in the project are estimated to receive at least \$455 per annum for the 10-year life of their solar garden plot. The Haystacks Solar Garden Co-operative may enter into new contracts or renegotiate current contracts in an attempt to improve on this minimum, but not reduce it.

On-bill credit components are:

$$\text{Retail Premium} + \text{Haystacks Service Fee} = \text{On-bill Credit}$$

Where:

Retail Premium paid by the Participating Electricity Retailer to Haystacks Solar Garden members per annum estimated to be worth an average of \$50 per year.

Haystacks Service Fee will be calculated based on the income the Haystacks Solar Garden Co-operative Ltd receives from its activities in the Haystacks Solar Garden project (e.g. estimated total annual cash flow from loan repayments of \$151,515.00 divided by 333 solar plots = \$455.00 per year per Solar Garden Plot at minimum).

On-bill Credit = The amount credited on a Haystacks Solar Garden member's electricity bill.

In order to receive a credit on your home electricity bill a solar gardener must;

- Own a minimum of one Haystacks Solar Garden Co-operative Ltd CCU, and
- Switch and maintain their electricity account with the Participating Electricity Retailer.

The Haystacks Solar Garden Co-operative Ltd will act as trustee for the solar gardeners in negotiations with a Participating Electricity Retailer and act as directed by a superior majority (75%) of the solar gardeners.

Example 1:

Jane

Minimum base case: no retailer premium

Jane wants to purchase **one solar garden plot** in the Haystacks Solar Garden. She has become a member of the cooperative and paid her \$50 membership application fee and purchased her \$1 share in the Haystacks Solar Garden Cooperative Ltd.

Jane is currently a customer of Energy Australia and accepts that the Participating Electricity Retailer may not be Energy Australia and she may have to change retailers. She is aware that the Participating Electricity Retailer may have higher rates of electricity than what she is currently on and switching may result in a higher electricity bill. Happy with this risk, she decides to purchase a Solar Garden Plot CCU.

Jane completes her online application to purchase one Cooperative Capital Unit which is equivalent to one 3kW solar garden plot. She receives her payment notification and transfers **\$4200** to the Haystacks Solar Garden Cooperative.

Jane's minimum On-bill Credits (subject to risks outlined in section 8)

Haystacks Solar Garden Co-operative has negotiated to provide a loan to Grong Grong Solar Farm Pty Ltd under a loan agreement. Jane and the other Solar Garden Plot CCU owners will be able to vote to approve that loan. Once approved the Haystacks Solar Garden Co-operative will receive repayments from Grong Grong Solar Farm Pty Ltd which will then be used to pay the Participating Electricity Retailer to provide an On-bill credit to Jane and the other Solar Garden Plot CCU owners. During this time the Haystacks Solar Garden Co-operative is unable to negotiate an additional retailer premium to the On-bill credit. Jane would expect her On-bill credits to be similar to the following minimum scenario:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455
+	+	+	+	+	+	+	+	+	+
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455



Example 2:

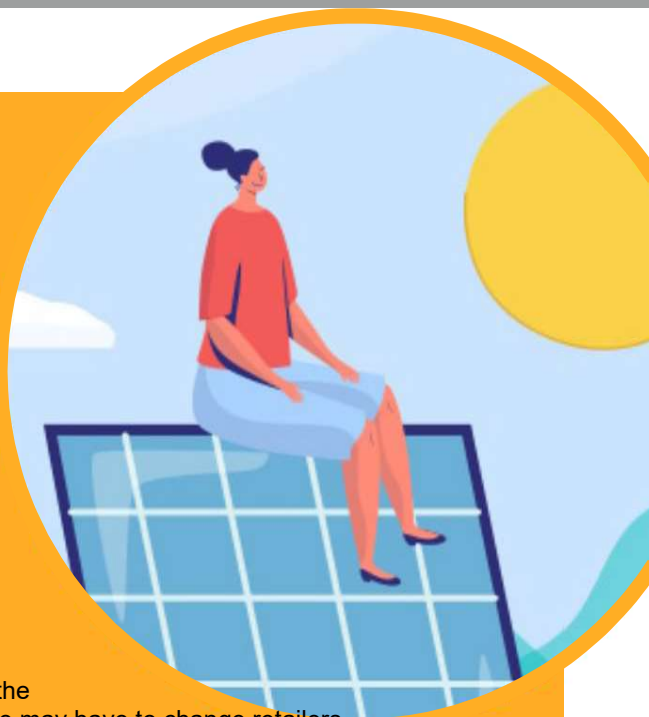
Susan

Potential retailer premium to On-bill credits

Susan wants to purchase **one solar garden plot** in the Haystacks Solar Garden. She has become a member of the cooperative and paid her \$50 membership application fee and purchased her \$1 share in the Haystacks Solar Garden Cooperative Ltd.

Susan is currently a customer of Red Energy and accepts that the Participating Electricity Retailer may not be Red Energy and she may have to change retailers. She is aware that the Participating Electricity Retailer may have higher rates of electricity than what she is currently on, and switching may result in a higher electricity bill. Happy with this risk she decides to purchase a Solar Garden Plot CCU.

Susan completes her online application to purchase one Cooperative Capital Unit which is equivalent to one 3kW solar garden plot. She receives her payment notification and transfers **\$4200** to the Haystacks Solar Garden Cooperative.



Susan's Possible On-bill Credits (illustrative purposes only)

Haystacks Solar Garden Co-operative negotiates with the Participating Electricity Retailer for an extra \$50 per customer/year towards the On-bill credit for the first 5 years. If in the years 6 to 10 of the project a similar arrangement is negotiated by Haystacks Solar Garden on behalf of its members either with the same or another retailer for \$65 per customer/year for example, and if the project performs as planned, Susan would expect her On-bill credits to be similar to the following:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455
+	+	+	+	+	+	+	+	+	+
\$50	\$50	\$50	\$50	\$50	\$65	\$65	\$65	\$65	\$65
\$505	\$505	\$505	\$505	\$505	\$520	\$520	\$520	\$520	\$520

Example 3:

Alex

Purchase of multiple plots

Alex wants to purchase **three solar garden plots** in the Haystacks Solar Garden. He has become a member of the cooperative and paid his \$50 membership application fee and purchased his \$1 share in the Haystacks Solar Garden Cooperative Ltd.

Alex is currently a customer of AGL and the Participating Electricity Retailer has been announced. He can then compare his current energy bill with the rates of the Participating Electricity Retailer. Happy with the results, he decides to switch retailers and purchase a Solar Garden Plot CCU.

Alex completes his online application to purchase three Cooperative Capital Units which is equivalent to three 3kW solar garden plots. He receives his payment notification and transfers $\$4200 \times 3 = \$12,600$ to the Haystacks Solar Garden Cooperative.

Alex's Possible On-bill Credits (illustrative purposes only)

In this scenario Haystacks Solar Garden Cooperative has negotiated an extra \$20 per customer/year from the participating electricity retailer towards the On-bill credit for the first 3 years. If in the years 4 - 10 of the project a similar arrangement is negotiated by Haystacks Solar Garden on behalf of its members either with the same or another retailer for \$50 per customer/year for example, and if the project performs as planned, Alex would expect his On-bill credits to be similar to the following:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
$\$455 \times 3$	$\$455 \times 3$	$\$455 \times 3$	$\$455 \times 3$	$\$455 \times 3$	$\$455 \times 3$	$\$455 \times 3$	$\$455 \times 3$	$\$455 \times 3$	$\$455 \times 3$
+	+	+	+	+	+	+	+	+	+
\$20	\$20	\$20	\$50	\$50	\$50	\$50	\$50	\$50	\$50
\$1,385	\$1,385	\$1,385	\$1,415	\$1,415	\$1,415	\$1,415	\$1,415	\$1,415	\$1,415



The diagram below details the energy and financial flows involved in the Haystacks Solar Garden project.

Haystacks Solar Garden

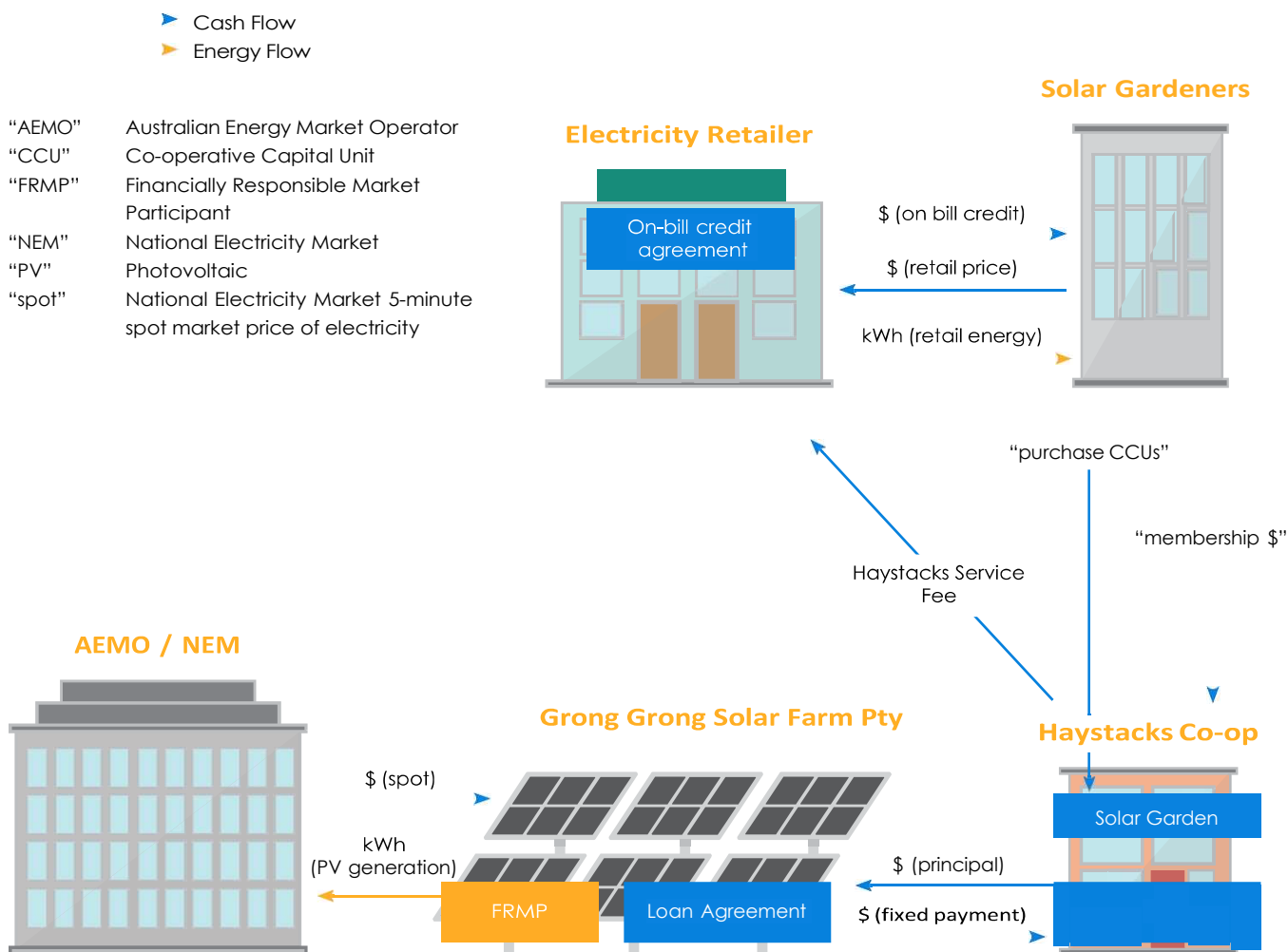


Figure 4 - Haystacks Cash and Energy Flows

Finding a Participating Electricity Retailer and negotiating an On-bill Credit Premium

In a similar way that installing solar on your roof provides a credit on your electricity bill by selling excess electricity to the grid and receiving a Feed-in Tariff from your electricity retailer, a solar garden also helps enable its solar gardeners to receive a credit on their home electricity bill too. To provide the credit on member's electricity bills Haystacks Solar Garden Cooperative Ltd has developed the On-bill Credit Agreement to do two things. First to provide a mechanism for the Participating Electricity Retailers to provide credits on a customer's electricity bill and second to use the collective purchasing power of Solar Garden CCU plot holders to secure a retailer premium to be added on top of the payments from the loan to the Grong Grong Solar Farm Pty Ltd.

It is assumed that Solar Garden Plot CCU holders will switch to the Participating Electricity Retailer to take advantage of this agreement.

During the project the Haystacks Solar Garden Co-operative may be required to negotiate new On-bill credit agreements with a (or multiple) Participating Electricity Retailer(s) at various intervals. When such an On-bill credit agreement is negotiated, the Solar Garden Plot CCU owners will be notified via email of the change in Participating Electricity Retailer no less than 2 months prior to the On-bill credit agreement taking effect. The exception to this process is the first On-bill credit agreement, which will require a vote of the Solar Garden Plot CCU owners and will give them a chance to review the terms of the On-bill credit agreement.

In order for solar gardeners to receive the credit on their electricity bill they will need to switch to the Participating Electricity Retailer.

The On-bill Credit Premium

Included in the On-bill credit agreement is a Premium to be added to the On-bill credit by the Participating Electricity Retailer. This Premium is subject to the market conditions at the time the agreement is being negotiated. The Premium represents the value of the Solar Garden Plot CCU owners sticking with the Participating Electricity Retailer for the term of the agreement and a potential variable upside to the Solar Garden Plot CCU offering. It is however not guaranteed by the Haystacks Solar Garden Co-operative.



Receiving an On-bill credit

Once the solar array is commissioned and starts producing energy, the Haystacks Solar Garden Co-operative will start receiving payments from Grong Grong Solar Farm to contract a solar garden On-bill credit service agreement with a Participating Electricity Retailer. Members must be a customer of the Participating Electricity Retailer to receive their On-bill credit.



The credit will be applied after normal calculations of home energy usage. Solar gardeners consume electricity and receive a bill as per normal, but instead of needing to pay their whole bill, they will only need to pay the remaining balance after the credit is applied. Please see page 34 regarding the handling of disputes.

Please note: members or investors are under no obligation to enter into a contract with the Participating Electricity Retailer. Further, members must be aware that the arrangement between the Participating Electricity Retailer and Haystacks Solar Garden Co-operative Ltd may be terminated at a future date, but only under conventional terms for termination in a commercial contract.

Financial overview of On-bill credits

A solar garden plot in the Haystacks Solar Garden is 3kW in size and will function for a period of 10 years. During this time an estimated minimum annual On-bill credit of \$455 will be provided to each solar gardener's electricity bill. This equates to an estimated effective feed in tariff of 10.8c/kWh⁷ for the entire solar plot generation with no curtailment. Average feed-in tariffs for NSW are currently 7.1c/kWh⁸.

Estimated minimum annual On-bill credit	Term	Plot Size	Attributable average annual share of generation	Average Estimated Equivalent Feed-in Tariff
\$455	10 years (from date of Practical Completion)	3kW	4200kWh	10.8c/kWh (Not limited to daily generation thresholds) ($\$455 \div 4200\text{kWh} = 10.8\text{c/kWh}$)

⁷ - The effective feed in tariff is calculated by taking the estimated average annual On-bill credit and dividing it by the attributable annual share of generation.

⁸ - Average feed-in tariff taken from Canstar Blue review of NSW Feed in tariffs October 2021.



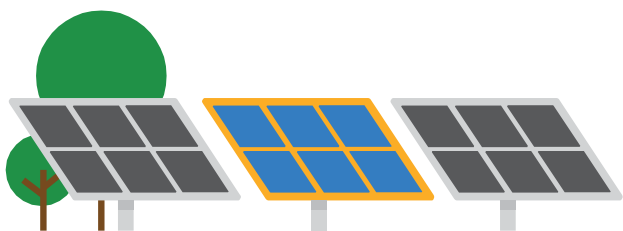
Section 8. Risks & Risk Management

Damage or failure of the solar array

Scenario	Mitigation
There is a risk that the solar array could be damaged or system components could fail during the life of its operation.	Under the loan agreement with Haystacks Solar GardenCo-operative, Grong Grong Solar Farm Pty Ltd will be required to hold certain insurances for the solar array. Grong Grong Solar 1 Pty Ltd will also have to make suitable arrangements for the operations and maintenance of the solar array to manage the general maintenance and care of the infrastructure. Grong Grong Solar Farm Pty Ltd will be required to repay the loan to the Haystacks Solar Garden Cooperative regardless of whether the solar array is functioning. It is therefore in their best interest to maintain the asset correctly and fix outages promptly. Long term and prolonged outages run the risk of Grong Grong Solar Farm Pty Ltd defaulting on the loan repayments. This risk is outlined below.

Default on payments by Grong Grong Solar Farm Pty Ltd(the solar array owner)

Scenario	Mitigation
If Grong Grong Solar Farm Pty Ltd defaulted on its loan repayments to the Haystacks Solar Garden Cooperative Ltd the cooperative would be unable to provide the Participating Electricity Retailer with the funds for the On-bill credits to solar gardeners.	<p>The loan agreement with Grong Grong Solar Farm Pty Ltd are such that the Haystacks Solar Garden Cooperative Limited has full security over the asset and would most likely take ownership of the solar asset in the case of a long-term default or insolvency of the solar array operator.</p> <p>This is similar to the way a bank would have security of a house for home loan and in the event of the loan not being repaid, the bank would seize ownership of the house. In this example the Haystacks Solar Garden Cooperative Ltd is acting in the same way as a bank.</p>



Increased energy bill costs

Scenario	Mitigation
We want solar gardeners to save money on their electricity bills. When switching electricity retailers to a Participating Electricity Retailer, some solar gardeners may find that their cost per kWh may increase due to the differences in electricity tariffs and products being offered by various retailers. This can happen depending on the product offerings or loyalty discounts you may already receive with an existing retailer and the difference between products for coal fired grid power, versus renewable energy or certified GreenPower. This could mean that a solar gardener may see an increase in their gross electricity bill before the solar garden credit is applied.	It is very important that every member consider this risk before applying to purchase a Solar Garden Plot CCU. It is recommended that someone considering purchasing a Solar Garden Plot CCU undertake a bill comparison. It is possible that the Participating Electricity Retailer will not be known when Haystacks Solar Garden Co-operative Ltd members are deciding to purchase a Solar Garden Plot CCU, however if Plot CCU holders find their electricity costs with the Participating Electricity Retailer unacceptable to them (at any point in the 10 year period or for any other reason), they may sell or transfer their Plot CCU to another Haystacks Co-operative member under the process outlined in the Rules of Haystacks Solar Garden Co-operative Limited (see risks on page 32 regarding transfer of Plot CCUs).

Unknown Participating Electricity Retailer(s)

The Haystacks Solar Garden Co-operative Ltd has developed the On-bill Credit mechanism in order to provide a way for solar gardeners to receive the financial benefits and potentially also an extra Premium to Solar Garden Plot CCU holder's On-bill credit. This requires a Participating Electricity Retailer to accept the terms of the agreement and potentially to offer a Premium price.

Scenario	Mitigation
The Participating Electricity Retailer/s is currently unknown, Haystacks Solar Garden Co-operative has not yet signed an On-bill Credit agreement with an electricity retailer.	Should the Haystacks Solar Garden Co-operative Ltd not find a Participating Electricity Retailer, or Solar Garden Plot CCU holders have not approved via a vote an On-bill Credit agreement with an electricity retailer the Terms of Issue condition precedent sunset date, the funds paid by Solar Garden Plot CCU holders will be returned to them as per the Terms of Issue.
The Premium is unknown: Those considering a Solar Garden Plot CCU should be aware that the Premium to be paid by a Participating Electricity Retailer is currently unknown and not guaranteed.	Solar Garden Plot CCU holders will be able to vote to approve this On-bill Credit agreement with a participating electricity retailer entered into by the Haystacks Solar Garden Co-operative Ltd. If Solar Garden Plot CCU holders have not approved through a vote an On-bill Credit agreement by the Terms of Issue condition precedent sunset date, the funds paid by Solar Garden Plot CCU holders will be returned as per the Terms of Issue.

Falling energy prices for solar generation

Scenario	Mitigation
The national energy market is experiencing a transition to renewable energy. Significant uptake of rooftop solar and large scale solar have led to wholesale energy prices during sunlight hours decreasing over recent years. The energy market is dynamic and there is great difficulty in predicting with certainty medium and long-term energy prices. With more supply prices drop and with more demand prices increase. We don't yet know what role the mass uptake of electric vehicles, home batteries and grid scale batteries will have on energy prices in the coming years.	As the first large scale solar garden in Australia Haystacks Solar Garden has been designed to shield its solar gardeners from as many risks as practically possible. We have minimised our exposure to price risk by using a debt financing model. The Haystacks Solar Garden Co-operative receives a steady income from loan repayments, rather than being exposed to the wholesale spot market price of the energy market.

Adverse weather conditions

Scenario	Mitigation
A solar array requires sunny weather to operate at peak efficiency.	The Grong Grong region typically only experiences adverse cloudy weather that will impact on production for short periods of time.

Transfer Risks

Scenario	Mitigation
If a solar gardener moves interstate, ceases to have an electricity bill they may be unable to meet their active membership requirements (please see the Rules for information on active membership). Should a Solar Garden Plot CCU holder cease to be an active member, their ownership of their Solar Garden Plot CCU will be cancelled and they will be unable to transfer their Solar Garden Plot CCUs once they have been cancelled.	To ensure that solar gardeners can transfer their solar garden plots in a timely manner in the event of a change in life circumstances a wait list will be maintained of prospective members wishing to purchase a solar garden plot. Additionally, solar gardeners can actively choose any person to sell or gift their solar garden plot to who is willing and able to become an active member of the Haystacks Solar Garden Co-operative Ltd. For example a friend, relative or charity of their choice.
CCUs can only be transferred to other Haystacks Solar Garden Co-operative Ltd active members. In order for a CCU holder to transfer their CCUs they must find an active member, or the recipient must first join the Haystacks Solar Garden Co-operative Ltd. It may not be possible to find an active member who is willing to purchase or receive the CCUs or an outside party may be unable to join the Haystacks Solar Garden Co-operative Ltd (for membership criteria please see our Rules).	The Haystacks Solar Garden Co-operative Ltd will keep a confidential list of those members willing to purchase extra CCUs and communicate to this list and other relevant channels when a member wishes to sell their CCUs. The Haystacks Solar Garden Co-operative Ltd cannot guarantee recipients can be found but will facilitate the process to the best of its ability.

Ceasing membership

Scenario	Mitigation
Should a member pass away they will cease to be an active member of the Haystacks Solar Garden Co-operative Ltd and their Solar Garden Plot CCUs will be cancelled if not transferred (see risks of transfer below). This transfer may be declined by the Board if conflicting with Co-operative National Law.	On the death of a member a legal personal representative of the deceased member may apply to the board for a transfer of the deceased member's shares in a form approved by the board. This will extend to any ownership of Solar Garden Plot CCUs. Please see category 2.11 & 2.13 of the Haystacks Solar Garden Co-operative Rules or Division 8 sections 102 to 106 of Co-operative National Law for more information.
Should a Solar Garden Plot CCU holder cease to be an active member for any other reason, their Solar Garden Plot CCUs will be cancelled and will be unable to be transferred. Please see category 2.3 of the Haystacks Solar Garden Co-operative Rules for more information.	Solar Garden Plot CCU holders are required to abide by the Rules of the Haystacks Solar Garden Co-operative Ltd as one of its members. Should a Solar Garden Plot CCU holder be aware of a reason that may cause their membership to cease, they are encouraged to contact the Haystacks Solar Garden Co-operative in a timely manner should they wish to transfer their Solar Garden Plot CCU. Please see risks and requirements of transfer above.

Insolvency of any of the participating organisations

Scenario	Mitigation
Grong Grong Solar Farm Pty Ltd becomes insolvent:	An insolvency of Grong Grong Solar Farm Pty Ltd will be a Default under the Loan Agreement and will ultimately entitle the Haystacks Solar Garden Co-operative to exercise its rights under the General Security Deed.
Komo Energy Pty Ltd becomes insolvent:	Grong Grong Solar Farm Pty Ltd is a special purpose vehicle and an insolvency of Komo Energy Pty Ltd is unlikely to have a direct impact on Grong Grong Solar Farm Pty Ltd. Any insolvency of Komo Energy Pty Ltd would only impact prior to achieving financial close and this allows the Cooperative to control this risk by not disbursing funds under the Loan Agreement.
Komo Services Pty Ltd becomes insolvent while acting as construction manager or asset manager for Grong Grong Solar Farm Pty Ltd:	Grong Grong Solar Farm Pty Ltd may terminate the construction management agreement and/or the asset management agreement and procure an alternative construction manager and/or asset manager for the solar farm.
Haystacks Solar Garden Co-operative Ltd becomes insolvent:	In this case solar gardeners as members have a circular responsibility that encourages solar gardeners to be proactive in the Haystacks Solar Garden Co-operative Ltd and mitigate an insolvency event. Members will have two choices, put money into the Co-operative to support it or allow it to liquidate. Should the Haystacks Solar Garden Co-operative Ltd liquidate, Solar Garden Plot CCUs and the interest in the loan agreement with Grong Grong Solar Farm Pty Ltd will be considered assets of the Co-operative and dealt with in accordance with category 6.10 of the Haystacks Solar Garden Co-operative Ltd Rules. There will be no redemption under the Solar Garden Plot CCU Terms of Issue.

Participating Electricity Retailer becomes insolvent

If the Participating Electricity Retailer becomes insolvent the Haystacks Solar Garden Cooperative Ltd will negotiate a new agreement with an alternative electricity retailer. As a collective of 333 members, the Haystacks Solar Garden should be in a strong position to manage this risk.

Insufficient funds raised

Scenario	Mitigation
Haystacks Solar Garden Cooperative does not raise the full \$1,398,000.	<p>If the 333 solar garden plots are not taken up by current active members of the Haystacks Solar Garden Co-operative Ltd, the offer will be promoted to the wider public by promoting membership into the Haystacks Solar Garden Co-operative Ltd.</p> <p>Should the 333 plots still not be fully subscribed, Haystacks Solar Garden Co-operative Ltd may reduce the 'facility limit' under the loan agreement with Grong Grong Solar Farm Pty Ltd (i.e. reduce the loan amount).</p>
Grong Grong Solar Farm Pty Ltd does not raise sufficient funds	<p>Under the loan agreement, it is a Condition Precedent for drawdown of the loan that Grong Grong Solar Farm Pty Ltd is fully funded for the construction (including a construction contingency) of the project. If this is not achieved construction will not occur and CCU holders will have their funds from purchasing a solar garden plot refunded.</p>

Disputes in dealing with Participating Electricity Retailer

Scenario	Mitigation
While it is not anticipated, disputes between retailers and customers happen. As the receipt of On-bill credits is a service provided by a Participating Electricity Retailer, any disputes may affect the timely delivery of On-bill credits and is not the responsibility of the Haystacks Solar Garden Co-operative Ltd.	<p>Haystacks Solar Garden Co-operative Ltd may act as a trustee of the On-bill credit agreement and, on the request of a Solar Garden Plot CCU holder, act as a mediator or negotiator in any disputes regarding the On-bill credit agreement, On-bill credits or other matters directly related to Solar Garden Plot CCUs.</p> <p>The Haystacks Solar Garden Co-operative Ltd may also from time to time suggest amendments to the On-bill credit agreement that will mitigate future disputes. These amendments may only be implemented if agreed by the participating Electricity Retailer and a superior majority (75%) of Solar Garden Plot CCU holders.</p>

Development and Construction risks

Scenario	Mitigation
Delays in the commencement of construction due to licensing or approvals for the development.	Grong Grong Solar Farm Pty Ltd will be required to have all licenses and approvals for development and construction prior to draw down of the loan facility under the loan agreement.
Delays in construction may take place due to logistical or supply issues, weather, disputes, unexpected finds on site, or any force majeure.	The Haystacks Solar Garden Co-operative Ltd doesn't derive income directly from the solar array, but instead from the loan agreement with Grong Grong Solar Farm Pty Ltd. This agreement allows a delay on the first repayment of up to 6 months from the date of draw down by Grong Grong Solar Farm Pty Ltd known as the Completion Sunset date.
Delays of over 6 months due to major issues	Should delays result in Grong Grong Solar Farm Pty Ltd not being able to begin repayments on the loan agreement before the Completion Sunset date, Grong Grong Solar Farm Pty Ltd will be considered in default of the loan agreement. Please see "Default on payments by Grong Grong Solar Farm Pty Ltd (the solar array owner) on page 30 for more information.

Insurances

The Haystacks Solar Garden project is divided into two main parts:

1. The Haystacks Solar Garden Co-operative Ltd
2. The solar array owned and operated by Grong Grong Solar Farm Pty Ltd

The insurances that Haystacks Solar Garden Co-operative Ltd will hold are:

- a. Public liability insurance - for events and meetings to allow for the Haystacks Solar Garden Co-operative Ltd to lease venues and for attendees to be compensated if there is an accident.
- b. Directors and officers liability insurance - this is a normal cover for co-operatives that are making offers to members to protect those who volunteer as directors or officers of the co-op.

The insurances that Grong Grong Solar Farm Pty Ltd will have for the solar array will hold are:

- a. Liability insurance - required if there is any public access to the site (e.g. events or tours), most likely needed during construction when the activity on site will impact the use of the adjacent public road. May also be passed on to contractors and included in their insurances.
- b. Property damage insurance (physical damage) - mostly protection against unforeseeable and difficult to mitigate damage types such as natural disasters and criminal activity.

Section 9. Financial Statements

Assumptions to financial statements

The financial statements below are based on the assumptions that the project is completed to the extend detailed in this document. That includes timely completion of milestones, the sale of all Solar Garden CCUs and the implementation of all agreement for a solar garden to take place. Any change to these statements will be included in an updated Disclosure Statement under s68 of CNL and presented to members and Solar Garden Plot CCU Holders during due diligence and before a vote on accepting agreement will take place.

Current funds and projections

To date the Haystacks Solar Garden Co-operative has collected membership payments from 302 members, including a non-refundable membership joining fee (\$50 incl. GST) and a single member share (\$1). Below is a current and projected Profit and Loss summary comparing the different stages should the Haystacks Solar Garden project be implemented and includes all the expenses of the Haystacks Solar Garden Co-operative Ltd during this time, for a cash flow projection on that project only please see page 38.

Table 1. Profit and Loss summary

P&L Summary	To date 30 June 2022	by First year of solar garden operation
Income		
Membership	\$15,770	
Interest income		\$21,600
Loan admin fee		\$14,000
CCU amortisation		\$139,860
Gross income	\$15,770	\$175,460
Operational Expenses		
On-bill credit agreement		\$151,343*
Administrative Expenses		
Payment systems (Stripe)	\$342	
Compliance		\$500**
IT and systems	\$269	\$2,500**
Insurance		\$2,000**
Accounting	\$1,112	\$1,000**
Staff/Contracting		\$8,000**
Total expenses	\$1,723	\$165,343
Estimated tax	\$3,549	\$2,630
Total (after tax)	\$10,498	\$ 7,487

*Subject to the On-bill credit agreement with Participating Electricity Retailer

** Costs or prices estimated and subject to inflation or price changes.

The balance sheet of the Haystacks Solar Garden Co-operative Ltd will change dramatically during the course of the first year while the Co-op begins its activities.

The below pro forma Balance Sheet represents the formation and development of the Haystacks Solar Garden Co-operative Ltd at different stages.

Table 2. Pro Forma Balance Sheet

	Current 30 June 2022	at Financial Close	by First year of solar garden operation
Assets			
Cash			
Transaction account	\$12,227	\$10,404	\$ 10,687
Stripe account	\$23	\$-	\$-
Current assets			
Loan receipts	\$-	\$151,626	\$151,626
Non-current assets			
Grong Grong Solar Farm Pty Ltd Loan	\$-	\$1,364,634	\$1,213,008
Total assets	\$ 12,250	\$1,526,664	\$ 1,375,321
Liabilities			
Current liabilities			
Accounts payable	\$1,948		
GST liability	\$ (147)		
Income Tax liability	\$45		\$2,630
Unearned Income		\$21,600	\$19,507
Amortisation of CCUs		\$139,860	\$139,860
Non-current liabilities			
Unearned Grong Grong Solar Farm income		\$96,060	\$76,553
Solar Garden CCUs		\$1,258,740	\$1,118,880
Membership shares	\$347	\$347	\$347
Total liabilities	\$ 2,193	\$1,516,607	\$ 1,357,777
Net assets	\$ 10,057	\$ 10,057	\$ 17,544
Equity			
Retained earnings	\$ 10,057	\$ 10,057	\$ 17,544
Total equity	\$ 10,057	\$ 10,057	\$ 17,544

Current cash flow projections

Below is a demonstration of the cash flows should the Haystacks Solar Garden Co-operative Ltd implement the Haystacks Solar Garden project. Table 3 below shows the cash flow at different stages as well as the projected cash flow for the total implementation. This cash flow includes all the activities of the Haystacks Solar Garden Co-operative Ltd, for a cash flow for the Haystacks Solar Garden project only, please see page 38

Table 3. Cashflow summary

	Current 30 June 2022	by Financial Close	from First year of solar garden operation	Total
Cash flow Summary				
Opening cash position	\$0	\$14,564	\$14,666	\$0
Receipts				
Membership	\$15,623			\$15,623
Shares	\$347			\$347
Loan receipts			\$130,026	\$130,026
Interest receipts			\$21,600	\$21,600
Loan admin fee			\$14,000	\$14,000
Sale of CCUs		\$1,398,600		\$1,398,600
Total Receipts	\$15,970	\$1,398,600	\$165,626	\$1,580,196
Outgoings				
On-bill credit agreement			\$151,343	\$151,343
Payment systems (Stripe)	\$294			\$294
Supply of loan facility		\$1,398,600		\$1,398,600
Administrative				
Compliance			\$500	\$500**
IT and systems			\$2,500	\$2,500**
Insurance			\$2,000	\$2,000**
Accounting	\$1,112		\$1,000	\$1,428**
Staff/Contracting			\$8,000	\$8,000**
Total Outgoings	\$1,406	\$1,398,600	\$165,343	\$1,565,349
GST and Income tax		\$(102)	\$2,630	\$2,528
Closing cash position	\$14,564	\$14,666	\$12,319	\$12,319

** Costs or prices estimated and subject to inflation or price changes.

Project Cashflow

Below are the cash flows specific to the agreements of the Haystacks Solar Garden project. The remaining net cash flows will be considered income by the Haystacks Co-operative and used to pay for administrative expenses (see page 35 of this document).

Pro forma cash flows for the Haystacks Solar Garden project

Year	0	1	2	3	4	5	6	7	8	9	10
Receipts											
Loan repayments		\$151,440	\$151,440	\$151,440	\$151,440	\$151,440	\$151,440	\$151,440	\$151,440	\$151,440	\$151,440
Loan admin fee		\$14,000	\$14,280	\$14,566	\$14,857	\$15,154	\$15,457	\$15,766	\$16,082	\$16,403	\$16,731
Sale of CCUs	\$1,398,600										
Gross cash flow	\$1,398,600	\$165,440	\$165,720	\$166,006	\$166,297	\$166,594	\$166,897	\$167,206	\$167,522	\$167,843	\$168,171
Outgoings											
On-bill credit agreement		\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343
Supply of loan facility	\$1,398,600										
Outflows before Taxes	\$1,398,600	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343	\$151,343
Net cash flows before Taxes	\$0	\$14,098	\$14,378	\$14,663	\$14,954	\$15,252	\$15,555	\$15,864	\$16,179	\$16,501	\$16,829

Section 10: Terms of Issue of Solar Garden Plot Co-operative Capital Unit

1 Haystacks Rules

- (1) These Terms are supplemental to the terms of the Haystacks Rules .
- (2) In the event of inconsistency between these Terms and the Haystacks Rules , the Rules prevails.
- (3) Terms not defined in these Terms have the meaning given to them in the Haystacks Rules.

2 Definitions

In this document, subject to clause 1 above and unless the contrary intention appears:

- (1) **EPC Contract** means a construction contract entered into or to be entered into by the Project Entity in connection with the Project.
- (2) **EPC Contractor** means a person engaged under an EPC Contract to construct the Project.
- (3) **Haystacks Rules** means the rules of the Issuer.
- (4) **Issuer** means Haystacks Solar Garden Co-operative Limited.
- (5) **Loan Agreement** means the document entitled Loan Agreement entered into or to be entered into between the Issuer and the Project Entity to fund part of the capital cost of the Project, in the form approved by Solar Garden Plot CCU Holders.
- (6) **On-Bill Credit Agreement** means the document entitled On-Bill Credit Agreement entered into or to be entered into between the Issuer and an Australian electricity retailer in the form approved by Solar Garden Plot CCU Holders.
- (7) **Participating Electricity Retailer** means an Australian electricity retailer who has signed an On-bill Credit Agreement or otherwise designated by the Issuer.
- (8) **Practical Completion** means the 'Date of Practical Completion' as certified by the Project Entity to the EPC Contractor under the EPC Contract.
- (9) **Project** means the construction and development of the solar array located at Gawnes Rd, Grong Grong, NSW 2652.
- (10) **Project Entity** means Grong Grong Solar Farm Pty Ltd ACN 632 803 984.
- (11) **Solar Garden Plot CCU** means a Co-operative Capital Unit as issued under the Haystacks Rules .
- (12) **Solar Garden Plot CCU Holder** means a person who is shown in the register of Solar Garden Plot Holders as holding a Solar Garden Plot CCU.

3 Purpose

The funds received by the Issuer from a Solar Garden Plot CCU Holder must be used by the Issuer to provide debt funding in the Project pursuant to the Loan Agreement and related purposes.

4 Condition Precedent

- (1) The Issuer must not apply any funds received from the issue of Solar Garden Plot CCUs until at least 75% of those Solar Garden Plot CCU Holders who being entitled to do so, cast a formal vote to confirm or ratify the entry by the Issuer into the Loan Agreement and On-bill Credit Agreement.
- (2) In the event the condition precedent in clause 4(1) is not satisfied by 31st January 2023 the Issuer must begin the return of funds to each Solar Garden Plot CCU Holder within 20 Business Days.



5 Term

- (1) Subject to these Terms, the Term of each Solar Garden Plot CCU is 10 years from the Practical Completion of the Project.
- (2) At the end of the Term the Solar Garden Plot CCU will be cancelled.

6 Entitlement to CCU ownership

- (1) The Solar Garden Plot CCU Holder must be an active member of the Issuer.
- (2) If at any time the Solar Garden Plot CCU Holder ceases to be an active member of the Issuer:
 - (a) its Solar Garden Plot CCUs will be deemed to be immediately cancelled; and
 - (b) it will have no further rights or obligations with respect to the Solar Garden Plot CCU.

7 Issue Price

Each Solar Garden Plot CCU will have an issue price of \$4,200.

8 Benefits to CCU Holder

- (1) One or more Solar Garden Plot CCU confers on each Solar Garden Plot CCU Holder a right to access the benefits of an On-bill Credit Agreement by entering into a retail electricity supply agreement with the Participating Electricity Retailer.
- (2) A Solar Garden Plot CCU Holder is not entitled to any other benefit including:
 - (a) any distribution or repayment of capital or income or any other payment (including any interest on capital); or
 - (b) a right to receive any distribution in the winding up of the Issuer.

9 On-bill credit agreement

The Issuer cannot amend, vary, terminate or replace an existing On-Bill Credit Agreement without the consent of at least 75% of those Solar Garden Plot CCU Holders who, being entitled to do so, cast a formal vote to accept the variation.

10 Voting Rights

At a meeting of Solar Garden Plot CCU Holders, each Solar Garden Plot CCU Holder is entitled to one vote per Solar Garden Plot CCU held.

11 Variation of Solar Garden Plot CCU Holder rights

The rights of Solar Garden Plot CCU Holders may be varied only in the way and to the extent provided by their terms of issue and only with the consent of at least 75% of all Solar Garden Plot CCU Holders who, being entitled to do so, cast a formal vote to accept the variation at a meeting.

12 Transfers

The Solar Garden Plot CCU cannot be transferred or assigned by the Solar Garden Plot CCU Holder without prior written consent from the Issuer.

13 Redemption

A Solar Garden Plot CCU unit is non-redeemable by the Solar Garden Plot CCU Holder.

14 Governing law

The governing law of the terms of issue is New South Wales and the parties submit to the exclusive jurisdiction of the courts of New South Wales.

I acknowledge that I have read and understood the Solar Garden Plot CCU terms of issue and the Offer Information and Disclosure Statement in its entirety and agree to abide by them to the extent required.

.....
Solar Garden Plot CCU Holder

.....
Name of Solar Garden Plot CCU Holder
(BLOCK LETTERS)

Disclaimers

This project is supported by a grant from the NSW Government's Regional Community Energy Fund. The views expressed herein are not necessarily the views of the NSW Government. The NSW Government does not accept responsibility for any information or advice contained herein.

Haystacks Solar Garden Co-operative Ltd warrants that all information provided about its solar garden scheme, the offer contained within here and the organisation are accurate at the time of publication. This Offer Information and Disclosure Statement provides a summary of significant information about the Haystacks Solar Garden project. It is important that you read and understand this Offer Information and Disclosure Statement before making any investment decisions about the Haystacks Solar Garden project. This Offer Information and Disclosure Statement does not consider your individual circumstances and it is encouraged that all Investors seek their own independent investment advice.

Komo Energy Pty Ltd and Grong Grong Solar Farm Pty Ltd consent to the inclusion of information relating to them, but otherwise neither Komo Energy Pty Ltd nor Grong Grong Solar Farm Pty Ltd bear any responsibility for the content of this Offer Information and Disclosure Statement.

Pingala Community Energy Incorporated consent to the inclusion of information relating to them but otherwise bear no responsibility for the content of this Offer Information and Disclosure Statement.

Community Power Agency Co-operative Pty Ltd consent to the inclusion of information relating to them but otherwise bear no responsibility for the content of this Offer Information and Disclosure Statement.

Board approval

This Offer Information and Disclosure Statement was approved by the Haystacks Solar Garden Co-operative Board on the 15th of July, 2022.

SIGNED by the Directors of Haystacks Solar Garden Co-operative Pty Ltd whose signatures appear below:



Kristy Walters (Aug 1, 2022 11:32 GMT+10)

Kristy Walters

Chair



Nigel Hancock (Aug 1, 2022 11:37 GMT+10)

Nigel Hancock

Secretary

Glossary

CCU Terms of Issue	CCU Terms of Issue are the rights and responsibilities of holders of CCUs in a Co-operative. Each issue of CCUs may have their own terms of issue and they should be reviewed before purchasing a CCU.
CCUs (Co-operative Capital Units)	Co-operative Capital Units (CCUs) are a special type of equity offered by Co-operatives for a specific project. CCUs have special terms that should be reviewed (see CCU Terms of Issue) and allow co-operatives to provide flexible ways for people to get involved in their projects.
Co-operative	An organisational structure based on the principle of democratic ownership of one member, one vote. Co-operatives in New South Wales are registered with the Department of Fair Trading and subject to Co-operative National Law (CNL)
Disclosure Statement	The disclosure statement sets out information necessary to ensure eligible co-operative members are informed of the nature and extent of their financial involvement or liability as a member of the co-operative.
Distribution Network	Distribution networks transport electricity from transmission networks to end-use customers. The high voltage electricity that is used for transmission from the generator is converted into lower voltages by substation transformers. It is then carried in wires over poles - or in densely populated areas, in wires buried underground - to businesses and homes.
GWh	A gigawatt hour is a standard measure of electrical power equivalent to 10,000 kilowatts being used or produced in 1 hour.
kWh	A kilowatt hour is a standard measure of electrical power equivalent to 1000 watts being used or produced in 1 hour.
LGCs	Large-scale generation certificates are administered by the Commonwealth Government as part of the Renewable Energy Target. Large-scale projects are classified as any solar installation over 100kW, wind installations over 10kW and Hydro installation over 6.4kW. Every one-Megawatt Hour (MWh) of renewable electricity generated by the renewable power station is entitled to one LGC. Liable Entities (usually electricity retailers) are bound to purchase LGCs based on their energy consumption and sales.
MW	A megawatt is a standard measure of electrical power equivalent to 1000 kilowatts. It is frequently used to describe the capacity of a solar array.
On-bill credit	An amount of credit applied to a members' electricity bill which represents the benefit of participation in the solar garden scheme.
Premium	The potential additional amount a Participating Electricity Retailer provides in the On-bill credit agreement to the Solar Garden Plot CCU holder.
Registrar	The Registrar under the CNL is the Registrar of Co-operatives, NSW Fair Trading https://www.fairtrading.nsw.gov.au/associations-and-co-operatives/co-operatives
Solar Array	A solar array is the physical infrastructure that captures energy from the sun and converts it to electricity supplied to the distribution network. It is made up of but not limited to solar panels, inverters and tracking framework.
Solar Garden	A solar garden is a community of people coming together to access or develop solar and is made up of multiple solar garden plots. A solar garden is a specific form of community energy project that enables benefits from participation to be received via members' electricity bills.
Solar Garden Plot	A solar garden plot is a virtual allocation of 3kW of solar capacity assigned to each Cooperative Capital Unit.
SPV	A special purpose vehicle is a separate formal corporate structure (either a company or a trust) that brings together separate parties, such as a developer and an investor, for the purpose of a development. The development usually exists for a defined time period. At the completion of the project life, each party then goes their own way

