

Australian Industry Participation (AIP) Plan Executive Summary

1. General Project Details

Company Name: Kennedy Energy Park Pty Ltd (ABN 81 605 095 298)

Description of the project: Kennedy Energy Park Pty Ltd is developing the Kennedy Energy Park (KEP), a 60.2MW hybrid renewable energy project. The project incorporates 43.2MW Wind, 15MW (AC) Solar photovoltaic (PV) and a 2MW/4MWh Battery Energy Storage System (BESS). Vestas Australian Wind Technology and Quanta Power Australia Pty Ltd were selected as the Engineering, Procurement and Construction (EPC) contractor under a consortium arrangement. The project includes two new electrical substations, one at the KEP site and a second near Pentland, as well as modifications to existing overhead distribution lines to facilitate connection to the Ergon network. Design and procurement activities for the non-long lead items and site construction services will be undertaken from October 2017 through to mid-2018. Site mobilisation is expected to commence in February 2018, with site construction over the period from mobilisation through to October 2018.

Estimated total project value: \$150 million

- **Estimated value of key goods and services procured for the project (if different to total project value):** \$135 million

Project location: Flinders Highway, Queensland, 23 km southeast of Hughenden

Link to project information: <http://www.kennedyenergypark.com.au/>

Project contact for procurement information: Mr Brenton Strachan (EPC Contractor contact) 07 3029 1150 or enquiries@quantasolar.com.au

2. Opportunities for Australian industry involvement

List of goods and services to be procured for the project and the expected opportunity for industry participation	Opportunities for Australian suppliers	Opportunities for overseas suppliers
Wind Turbine Generators ¹	No	Yes
Wind turbine towers ¹	No ²	Yes
Power Transformers ¹	Yes	Yes
Specialist Primary Equipment including STATCOM, synchronous condenser ¹	No	Yes
PV Modules ¹	No	Yes
PV Inverters	No	Yes
BESS – Batteries and associated power conversion equipment	No	Yes
PV Module Piling	Yes	Yes
PV Tracking Systems	No	Yes
Buildings	Yes	No
Electrical distribution and protection	Yes	Yes
Cable, fixings, hardware and consumables	Yes	Yes
Fabricated Steel	Yes	Yes

¹ The procurement process for these items has been completed and advance orders placed.

² Australian manufacturers do not presently have the capability to supply the very large diameter lower tower sections required for this project.

List of goods and services to be procured for the project and the expected opportunity for industry participation	Opportunities for Australian suppliers	Opportunities for overseas suppliers
Foundation supplies (concrete and reinforcing)	Yes	No
Services		
Transport and logistics	Yes	Yes
Design / Engineering	Yes	Yes
Cranes and load lifting	Yes	Yes
Fencing	Yes	No
Bulk Earthworks / Roads / Foundation excavation	Yes	No
Labour (skilled, semi-skilled and unskilled)	Yes	No
Fauna specialist (e.g. snake catcher)	Yes	No
Telecommunications	Yes	No
Cleaning / Waste	Yes	No
Fuel supply and delivery	Yes	No
Plant and equipment hire	Yes	No
Accommodation	Yes	No
Geotechnical and materials testing	Yes	No

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

3. Communication Strategy

- Key packages (>\$500,000) will be listed on the EPC Contractor's website www.quantasolar.com.au, including information on how suppliers can respond along with pre-qualification requirements and key assessment criteria.
- Advertising in local press, media releases and social media will be used to promote the project and encourage Australian entities to pursue opportunities.
- Engagement with the Department of State Development, Townsville Enterprise Ltd and Mt Isa to Townsville Economic Zone will be undertaken to utilise their facilitation resources and understanding of the local industry capability to promote the project and identify local entities with relevant capabilities and experience.
- Direct contact with Australian entities will be made to provide project information and identify potential opportunities, and inviting tender responses. Details of potential suppliers shall be obtained through EPC Contractor's networks based on previous project experience, as well as industry associations (e.g. National Electrical and Communications Association).
- Engagement with Flinders Shire Council with a view to having Council promote project details and opportunities on its website. The EPC Contractor will seek to include its own contact details on the Council's website and a link to its website (www.quantasolar.com.au) for expression of interest from suppliers.

4. Opportunities through all tiers of supply and in all stages of the project

- The project requires the facilities to be designed and constructed in accordance with all applicable Australian and New Zealand Standards. Recognised international standards would be used where appropriate Australian and New Zealand Standards do not exist.

- The EPC Contractor shall be required to submit a Procurement Plan that includes:
 - Process to identify Australian suppliers of goods and services
 - Development of technical specifications
 - Minimum information required information for each key package
 - Timely communication and consultation with Australian entities
 - Bid assessment process considerations, including whole-of-life costs, quality management, health and safety.
- Procurement entities will undertake training on the obligations and commitments under the AIP Plan, including the requirement to provide Australian suppliers with full, fair and reasonable opportunity.
- The same tender documentation will be issued to potential suppliers at the same time. Technical requirements will not differ between suppliers, though these requirements may be modified based on information and proposals received from suppliers.
- Where relevant, a response to a supplier query will be issued to all suppliers involved in the tender process.
- Adequate time will be provided for suppliers to respond to tenders, and any extension of time will apply to all suppliers involved in the tender process.

5. Opportunities for longer-term participation

- The project proponent has a funding agreement with ARENA that includes knowledge sharing obligations with an objective to improve Australia's renewable energy industry. The knowledge and learnings will be documented and publicly available via reports published on the ARENA website.
- Vestas (Wind turbine OEM) operates a global supply chain, negotiating contracts and framework agreements within the greater Vestas group. Australian suppliers/potential suppliers will have the opportunity to be introduced to Vestas Global Procurement requirements providing Australian based suppliers understanding into the opportunities and demands from Vestas.
- To facilitate further improvement if unsuccessful, Australian suppliers will be advised of specific deficiencies related to their offer where they were unable to meet the technical or delivery requirements.
- The Warranty, Operations and Maintenance contractor shall be required to submit a Procurement Strategy document, which shall include details of how Australian entities for key goods and services will be identified and consulted as part of the long-term operations of the facility.

6. Procedures and Resources

- The EPC contractor will be required to submit commentary to the Proponent on its procurement activities – including the provision of opportunity to Australian entities. The EPC contractor will be required to maintain records in an up-to-date procurement register and adequately resource the implementation of the procurement obligations.
- The EPC Contractor will be required to nominate a senior procurement lead position within its project team, whereby this person will maintain responsibility for implementation of the actions and obligations within the AIP Plan.
- The Proponent, in consultation with the EPC Contractor and WOM Contractor, shall identify a set of key performance indicators (KPIs) for Australian Industry Participation during construction and the initial operation of the project. The KPIs will be regularly monitored and reported with corrective action plans developed, as required, to improve the chance of achieving the relevant KPI.