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BLUESCOPE UNDERWRITES INVESTMENT IN 500,000 PANEL SOLAR FARM

Offtake equivalent to 20% of BlueScope's total Australian electricity purchases

At a signing ceremony today at BlueScope's Port Kembla Steelworks, BlueScope and its partners ESCO Pacific and Schneider Electric announced a landmark 7-year Power Purchase Agreement (PPA), where BlueScope will offtake 66% of the 133MW of energy generated from ESCO Pacific's Finley Solar Farm.

The 500,000 solar panel farm to be located at Finley, 100km West of Albury in the Riverina of NSW, is expected to be online by mid-2019. The ground-mounted solar farm will be located on a 300 Hectare (Ha) site which is almost half the size of BlueScope's Port Kembla Steelworks.

BlueScope's, Chief Executive, Australian Steel Products, **John Nowlan** said:

“BlueScope's approach to energy has always been about balancing the 'Trilemma', whereby we have access to affordable and reliable energy whilst reducing emissions where we can – which is why we support the intent of the National Energy Guarantee (NEG).

“This PPA is one of Australia's largest corporate offtake agreements, and is the largest with a solar farm to date, and complements our firm electricity supply arrangements, which provide the reliable electricity supply we need for manufacturing processes that must operate 24/7. The PPA will help keep downward pressure on our energy costs, and will support the gradual transition to renewable energy. The volume under the agreement is equivalent to 20% of BlueScope's total Australian electricity purchases.

“BlueScope supports Australia's 2030 emissions target, including the government's target to reduce electricity sector emissions by 26% on 2005 levels by 2030. By investing in solar energy, we are helping accelerate the decarbonisation of the electricity grid by reducing greenhouse gas emissions by around 300,000 tonnes of CO₂e each year. This is comparable to taking 90,000 cars off the road and is enough to power 60,000 homes.”

Attending the signing ceremony was **NSW Energy Minister**, the Hon. **Don Harwin**, who said:

“Delivering affordable and reliable energy for households and businesses is a priority for the NSW Government. NSW takes a technology neutral approach to energy and we want to see a diverse range of generation sources to ensure the reliability and affordability NSW needs for the future.

“I applaud the innovation, industry leadership and example set by BlueScope, ESCO Pacific and Schneider Electric in taking advantage of the opportunities of our evolving energy market as they enter into this historic agreement. This is one of many great opportunities for NSW industries to harness the power of our state's abundant natural resources.”

The Solar Farm will provide 130 jobs during the construction phase and create 8 permanent jobs (2 full-time and 6 part-time) once fully operational. Investment in the project is expected to exceed \$250m.

ESCO Pacific, Managing Director, **Steve Rademaker**, said:

“ESCO Pacific is delighted to be partnering with BlueScope, an iconic Australian company that has identified the substantial energy cost savings that a solar corporate PPA can deliver to its business.

“By transacting directly with ESCO Pacific’s Finley Solar Farm, BlueScope’s PPA will enable the project to commence construction later in the year, creating jobs and injecting much needed value into the local economy.

“ESCO Pacific strategically identified the site at Finley as an ideal location for a solar farm due to its high solar resource and direct connection to the existing TransGrid owned Finley substation. These factors were critical in helping deliver to BlueScope a cost effective solar corporate PPA.

“As a leading Australian solar developer, ESCO Pacific is seeing significant inbound interest from a diverse range of corporates looking to secure low cost electricity. With a substantial pipeline of projects at an advanced stage of development in New South Wales, Victoria and Queensland, we are well placed to bringing more of our solar projects to market.”

Schneider Electric’s, Managing Director, **Gareth O’Reilly**, said:

“As the world’s largest renewable energy and cleantech consultant, Schneider Electric has long been committed to helping businesses benefit from adopting low-cost renewable energy sources through PPAs and other projects. Today, we are delighted to see our partnership with BlueScope come to fruition in the form of a landmark renewable energy PPA with ESCO Pacific, and to see them join a growing cadre of local and global companies committed to sourcing renewable energy.

“Australian businesses have been left struggling with inflated energy bills and budgets, with both wholesale electricity and LGC prices more than doubling between 2015 and 2018. Through Schneider Electric’s leading Energy & Sustainability Advisory Service, we worked closely with BlueScope Steel to identify a long-term renewable energy PPA as a strategy to reduce cost in the short term and reduce volatility over the longer term.”

(ENDS)

WHAT IS A CORPORATE PURCHASE POWER AGREEMENT (PPA) AND HOW DOES IT WORK?

The corporate Power Purchase Agreement (PPA) is an electricity offtake contract, which will act as a partial hedge against future electricity price increases. The PPA complements BlueScope's existing firm electricity supply arrangements and provides a further opportunity to reduce its energy costs. The PPA does not require an upfront investment of capital by BlueScope. BlueScope's partner, ESCO Pacific, is responsible for the financing, development, construction and operations of the Solar Farm whilst BlueScope agrees to purchase the energy output for a guaranteed 7-year period.

FACT BOX

Finley Solar Farm NSW:



500,000 solar panels



133MW Power Generated
(BlueScope PPA – 88MW
or 233,000 MWh)



130 Jobs created during
construction, 8 permanent
roles once operational



300 Hectares (Ha). Almost
half the size of
BlueScope's Port Kembla
Steelworks site

EQUIVALENT TO:



90,000 cars off the road



Powering 60,000 homes



300,000 tonnes of CO₂e



20% of BlueScope's
Australian electricity
purchases

ABOUT US:



BlueScope is one of Australia's top 100 ASX Listed companies and is a leading steel manufacturer and steel building products supplier in Australia, New Zealand, ASEAN, China and the US. With hundreds of manufacturing facilities spanning 18 countries, BlueScope today has over 14,000 employees around the world.

In Australia, BlueScope is well known for its iconic premium branded products such as COLORBOND®, ZINCALUME® and TRUECORE® steels as well as its portfolio of businesses including LYSAGHT, RANBUILD, ORRCON STEEL, FIELDERS and METALCORP.

For more information visit: www.bluescope.com



ESCO Pacific is one Australia's leading solar farm developers and operators with over 320MW of solar projects under construction and a further 1.3GW at an advanced stage of development. ESCO Pacific's lead project, the 148MW Ross River Solar Farm, will start generating electricity near Townsville, QLD in August. ESCO Pacific's team is comprised of experienced energy, infrastructure, development, grid connection and finance professionals with a proven track record of developing, and delivering to market, high quality utility scale solar developments in Australia and internationally

For more information visit www.escopacific.com.au



Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries. With global presence in over 100 countries, Schneider is the undisputed leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We provide integrated efficiency solutions, combining energy, automation and software. Schneider Electric's Energy and Sustainability Service (ESS) is the world's largest renewable energy and cleantech consultant to C&I buyers, having advised on over 4 GW of global, offsite PPAs. In addition to offering consulting services, Schneider Electric ESS has also expanded its New Energy Opportunities (NEO) Network™ to connect Australian companies with resources to efficiently navigate the process of evaluating PPAs, and other renewables and cleantech options. An online community of commercial & industrial (C&I) buyers, and project developers and solutions providers, the NEO Network gives members a forum to share insights, access exclusive market intelligence, identify prospects and accelerate projects.

For more information visit www.schneiderelectric.com

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