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Submission on the Operation of the Clean Energy Finance Corporation by Ranges Energy Co-operative Ltd

Ranges Energy Overview.

Ranges Energy's submission to the CEFC Review Panel focuses on our community's participation in renewable energy, and addresses the pressing need to devote a sizable percentage of the fund to community based energy initiatives in the mid-range project size.

Ranges Energy is a community owned co-operative managed by a volunteer board of directors elected by the shareholders. Ranges Energy grew out of an initiative by the Dandenong Ranges Renewable Energy Association, inspired by similar community energy projects around the world.

We aim to build and operate photovoltaic solar farms producing 100% renewable electricity in the Yarra Ranges and surrounding areas. We will build medium scale solar farms on large roof tops with the energy sold directly to the tenants in the building below. We are targeting civic or community buildings and large commercial buildings. Our first proposal is for a Yarra Ranges Council building in Lilydale, Victoria for an 83kW photovoltaic system, and we expect commercial installations to follow in its wake.

Currently the intention is to supply this project's energy directly, behind the meter, to the offices and with minimal feed back into the grid.

Anyone can invest in Ranges Energy. The minimum share purchase is \$100, which means that it is accessible to everyone in the community.

As a co-operative, whether the investment is \$100 or \$10,000 each member has an equal voting right. Profits will be returned to shareholders with the intention to return a yearly dividend above bank rates.

Investing in Ranges Energy guarantees that the money will fund new Renewable Energy Infrastructure in the local community. This investment is the ideal solution for renters, students or residents whose roofs are shaded.

A significant portion of the revenue will be paid to local shareholders, retaining profit in the local economy, while a percentage of profit will be gifted to community projects.

The Solar installations will reduce carbon pollution as Ranges Energy will be producing 100% renewable energy.

A Disclosure Statement for Ranges Energy Co-operative Ltd is provided as an attachment to this submission.

In summary of this submission, we would argue for the following outcomes:

1. That the CEFC ensure that community renewable energy projects are a significant part of the scope of the operations of the CEFC
2. We would like to see the CEFC avoid ruling out community sized projects in the design of the scheme. Conditions set by the scheme should not limit community eligibility.
 - For example, the minimum investment amounts for the fund should not be set at levels beyond community scale
3. The CEFC make provision for and allocate funds to a range of community renewable initiatives through early stage equity investment in community projects, and other provisions as outlines in detail below.
4. The CEFC allocate ten to twenty percent of the CEFC fund to community based energy development.
5. That the CEFC develop deep and cooperative partnerships with community renewable energy organisations, research groups like Latrobe University's Centre for Sustainable Regional Communities, broad-based community organisations like Solar Cities, and seek advice from those organisations and individuals active in this field.

The community energy sector warrants specific attention in the construction of the CEFC as such provision will underpin community understanding of and support for both clean energy policy and the roll out of clean energy infrastructure, and will enable a wider community involvement in the supply of such clean energy.

The economic and social benefits of these projects will play a vital role in building the broad social licence for renewables. A vibrant community energy sector is an economically efficient and socially desirable solution for building the social licence required to dramatically drive towards a clean energy future in Australia.

The development of a robust distributed community energy sector in Australia will be a key driver in the development of further clean energy initiatives, and in the design and deployment of the necessary physical and regulatory infrastructures for the transition to renewable energy in this country. The CEFC can play a major positive role in this development by a major commitment to community-based energy initiatives.

1. How do you expect the CEFC to facilitate investment?

We envisage the CEFC will have a broad mandate with the ability to provide financing ranging through feasibility financing, information and enabling financing to organisations like EMBARK, and equity to senior debt provision.

Additionally, we would expect CEFC to operate where there is an absence of reasonable or efficient commercial alternatives. Specific ideas are outlined under Question 4 relating to catalysing community and institutional funding.

2. Are there principles beyond financial viability that could be used to prioritise investments, such as emissions impact or demonstration effect?

a) Economic development through a multiplier effect.

It has been shown in overseas studies that there are significant multipliers to investment in locally owned energy projects. Local investment and the consequent local dividends from that investment leads to increased levels of spending in the local area. Multipliers of 3.5 have been observed in Scotland for example. In that same environment, each community-owned wind turbine also brought in an additional 2.5 jobs to the regional communities where they were installed. Currently 83% of profits from Australia's energy sector are remitted overseas, thus severely limiting these positive effects for Australia's and local area's financial prosperity. It is of interest to note that these flow-on effects are a major driver in assessing the benefits of the City of Sydney's Plan to reduce emissions by 2030 by 70% through development of large-scale renewable energy infrastructure.

b) A key principle beyond financial viability is social licence to operate.

To create broad-based support, the community needs to both understand the technology and the local benefits offered. We are looking to create this understanding through participation in our project, and the demonstration of its viability and contributions to community development, employment, dividend spending locally, and resilience. We are looking to create this understanding through participation in our project, but the principle needs extension throughout Australia.

c) Emissions impact is clearly destined to become a major part of future assessments of the worth of the program. Meeting emission reduction targets in the future will be of high priority.

d) Community development should be a major factor.

Community development through the coordination of the cooperatives, and the community education and energy project publicity given to the projects, and the ongoing engagement with the provision of an essential service through community effort and investment, are factors that should have a bearing on the range of support extended by CEFC programs.

3. What are the opportunities for the CEFC to partner with other organisations to deliver its objectives?

There is a wide range of academic and community based renewable energy initiatives currently running in Australia. The Melbourne University based Beyond Zero Emissions work, the 100% Renewables campaign and networks, the Alternative Technology Association, on-the-ground initiatives such as Hepburn Wind and Ranges Energy, the Solar Cities initiatives in central Victoria, the City of Sydney Renewables Plan, and facilitating organisations such as EMBARK are just a few examples. The very successful Australian Youth Climate Coalition now has 75,000 members and Ellen Sandell has recently announced that one of its top priorities for the future is the development of community-based renewable energy projects in Australia. There will be no shortage of opportunities for the CEFC to partner with these professionally run and competent organisations.

Commercial partnerships with a community focus could include developing and funding initiatives such as the Infigen Energy proposal to build and maintain up to two wind turbines for a local cooperative as part of their 43 turbine farm project currently being developed in NSW. CEFC could play a major role in bridging finance for the community part of this and similar initiatives, giving time for community investment to build to the level of investment required. It could also be possible for the CEFC to make such community cooperative investment a condition of their more commercial financing arrangements.

4. How could the CEFC catalyse the flow of funds from financial institutions?

There are at least six ways that the CEFC could catalyse the flow of funds.

a) Feasibility Grants

In a very successful Scottish program, farmers are encouraged to have feasibility assessments for wind turbine installation on their properties done by substantial grants to cover the cost of the assessments. If such assessments demonstrate that investment is warranted, the grant is repaid from income from the generation. The return of the assessment grant is waived if it turns out the building of the turbines are not warranted. This arrangement catalyses and authenticates the viability of the wind installations and this in turn makes conventional financing more accessible.

b) Early stage equity investment

We expect prospective equity investors to be conservative in nature. Modest funds may be available from local angel investors, local governments and regional development authorities, however these groups generally have insufficient funds or domain expertise to be called upon to fund the entire development phase.

We believe there is a role for the CEFC to contribute early stage equity investment to many community projects. By providing equity finance for feasibility and development, the CEFC would catalyse many projects.

c) Senior and subordinated debt financing

We expect that it will be difficult to raise debt financing from a bank, especially if we do not have a power purchase agreement ("PPA") in place. Commercially acceptable PPAs are not currently available. Banks will often require a PPA to provide a loan. If the CEFC were to provide loans to projects without a PPA, it would be catalysing investment.

By providing senior or subordinate financing to our project, the CEFC could change the risk profile, unlocking capital from more traditional funding sources as well as increasing project size to access economies of scale. We would of course expect that this would happen only after passing a strict due diligence process.

d) Loan guarantees

As an alternative to debt financing, a loan guarantee would be an effective way of unlocking debt financing for projects.

e) Power Purchase Agreements

Without long term confidence on the price that electricity will be sold at, it is difficult to raise equity and almost impossible to secure debt financing. The CEFC could

catalyse the flow of funds to community energy projects by providing a fixed price PPA on a longer term basis, allowing for investment decisions to be made with adequate predictability. This would allow for clearer marketing and identification of risks for equity and debt finance providers, unlocking funding for our project.

f) Funding enabling centres for the development of community clean energy initiatives

5. What experiences have firms in the clean energy sector had with trying to obtain finance; have term, cost or availability of funds been the inhibitor?

We expect term, cost and availability to all be issues in relation to obtaining finance for community energy projects. The Board of Ranges Energy has decided to develop our first project as far as possible without seeking financing. The enthusiastic response we have attracted has made that choice easy. We will fund the first installation out of members' investments. However, for further or larger projects, we expect there to be very few lenders willing to back such installations.

We need to spread our members' investment over a wide range of sites and installations to ensure stability of investment. Thus we expect to be seeking financing as Ranges Energy develops. We note the high levels of financing costs in a number of renewable energy projects we have seen. We need to minimise those financing costs by finding sources that are competitive, and tuned to the long-term nature of the investments, in our case 40 years. We rely on a great deal of volunteer support, and do not want to see this effort unnecessarily lost in excessive finance costs.

6. What non-financial factors inhibit clean energy projects?

So far Ranges Energy has enjoyed broad community backing and financial support. We have been fortunate to be able to access technical and management skills of a high calibre. But this will certainly not be the general experience. We intend to bundle much of our processes, models and documentation to assist other community groups needing that assistance but there is a limit to what can be expected of a limited number of volunteers. The EMBARK initiative is targeting that need, and substantial support for their and similar work would assist greatly in facilitating a rapid growth in community energy projects.

One theme that emerged strongly at the recent Latrobe University organised Community Power Conference was around the ongoing difficulties individuals and communities have with access to, and dealings with, power industry companies in obtaining timely advice, billing, payment for their power, etc. The lack of incentives or sanctions for retailers and transmission companies to deal with renewable energy feed-ins or equipment installation and service issues works strongly against community confidence in the commitment of governments and public service departments to renewables. Even where there is a requirement to deal with local renewable power providers, negotiations with some counterparties, in areas such as obtaining grid access, are one sided and weighted heavily against the needs of efficiency and timeliness of service to renewable power groups or individuals.

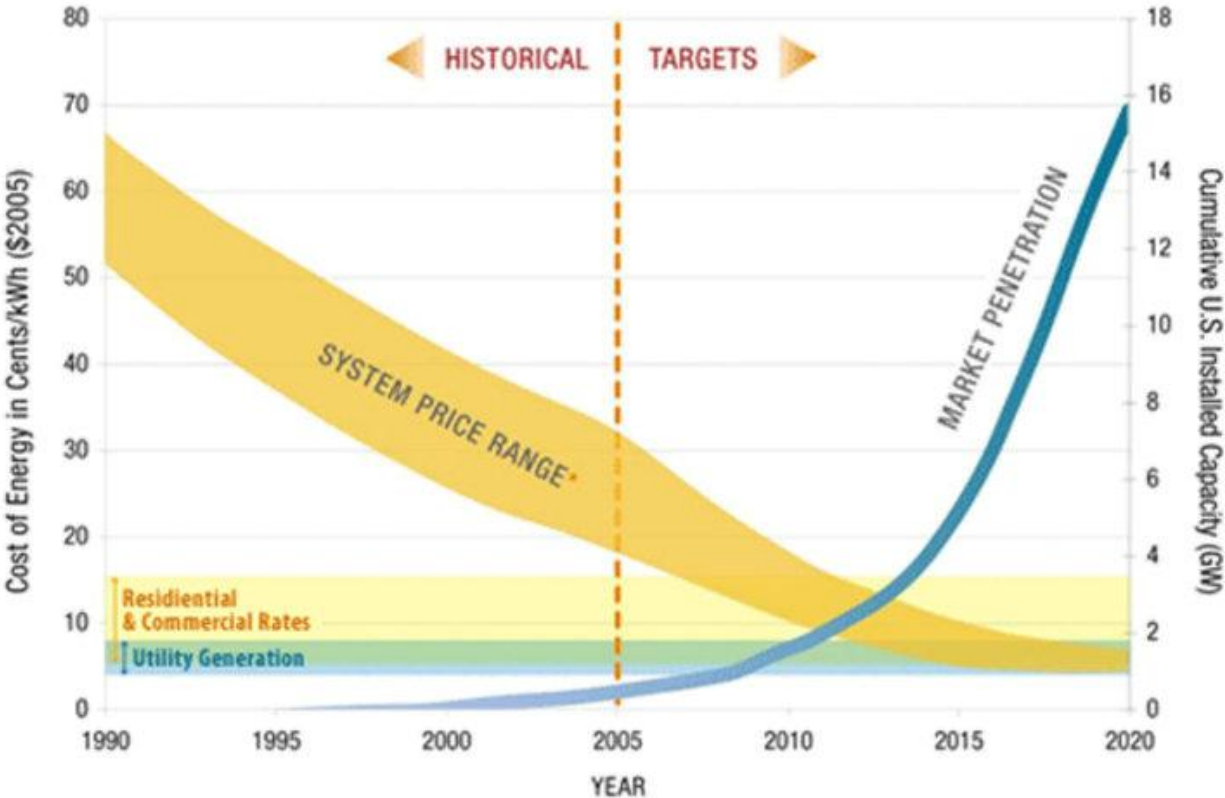
7. Are there special factors that inhibit energy efficiency projects?

8. How do you see the CEFC fitting with other government initiatives on clean energy?

The CEFC can be a key player in achieving the goal of the 20% RET and laying critical foundations for moving to more aggressive targets beyond 2020.

A well-designed CEFC that encourages community participation will deliver a broader range of projects at various scales with significant community support and associated social benefits.

There is general consensus that the development of high voltage, high efficiency transmission systems will be a factor in future government policy. An example is the commitment by the current government during the last election to a one billion dollar investment in such a transmission system in Queensland. Such transmission development is the opportunity to integrate a wide range of energy initiatives into the national system. A strong CEFC commitment to the development of community based power systems would complement and strengthen the appropriate design and deployment of these new technologies. The short to medium range expectation is that renewable energy will be cheaper than fossil-fuel based power (see the chart below of the USDOE 2008 projections of renewables cost versus fossil fuel costs) , and the corollary is that transmission systems need to be built with the capacity for managing extensive distributed renewable generation. The CEFC has the opportunity to make a major contribution to the development of both renewable energy generation and the transmission systems needed to accommodate them, thus facilitating current and future government initiatives on clean energy, and making emission targets more attainable.



Brian Lennon
Ranges Energy Co-operative Ltd

Background

What is Community Energy

Community energy projects empower communities to play a constructive role in response to climate change, energy resilience, and local investment and employment opportunities. They create environmental 'leadership by example' projects, provide social cohesion and a sense of control over their energy requirements as well as lasting economic benefits for those city based and regional communities.

Key elements of community energy projects include:

- local participation in planning and ownership
- financial benefits remain in the area
- welcomed by the local community
- built and managed to create local jobs
- accountable to the local community
- infrastructure scaled to the community's energy requirements.

Importance / benefits

Although community ownership of renewable energy projects is a relatively new concept in Australia, it is common practice in several European countries and North America.

Empowering communities to be proactive in reducing carbon pollution

- Direct ownership changes attitudes at the local level, and leverages committed individuals in a community, giving them a positive outlet for action.
- Community ownership increases support for additional climate change mitigation measures and improves broader environmental awareness by establishing a connection between the community and its energy supply.

Delivering regional economic benefits

- Projects create jobs in regional areas, and generate new income streams for communities adding depth and resilience to local and regional economies.
- Significant project profits remain in the community and deliver a genuine 'felt' benefit.

Tapping into a new funding source – the community investor

- Community ownership encourages greater investor base diversity and taps into a patient and lower-cost source of capital.
- Experience in the UK demonstrates that community projects tend to attract 'serial investors', who invest in a series of community related initiatives.

Enduring social benefits

- Locally-owned initiatives unite people around a common goal, creating social cohesion and a sense of purpose.
- Projects generally operate for 20-25 years, establishing a long-term sustainability dialogue with stakeholders and supporters.

Building social licence and accelerating renewable industry development

- Once successful local examples that directly benefit communities are established, opposition will be reduced.
- Local participation and contribution to decision making process often leads to smoother and quicker planning approvals.
- Small projects often lead to large ones. In Europe, community initiatives have led the way for large-scale corporate investment in renewable energy.

Bridging the gap between individual and corporate action

- The average rooftop solar installation delivers up to 1.5 kW of electricity, while a large-scale renewable energy project may deliver in excess of 100 MW. Between these two extremes lies an enormous opportunity for medium-scale initiatives.
- Community projects, typically in the range 1-10 MW, can deliver efficiencies that approach those of utility-scale infrastructure without sacrificing the social benefits of small-scale initiatives.

Delivering broader grid benefits

- Community renewable energy infrastructure promotes medium-scale distributed generation.
- Distributed generation reduces losses, can improve grid stability and reduces the load on the transmission network thus improving overall grid efficiency.

Barriers

Despite high levels of interest, the passion of committed individuals and promising business models, very few communities have yet progressed renewable energy projects past the conceptual phase. Specific barriers include:

Economics

- Financial challenges are heightened for communities as these types of projects do not have robust balance sheets to support the formation stages of the project.
- Capacity for a community to weather uncertainty and withstand shocks or delays during a project can be lower.

Access to capital

- Traditional equity and debt providers are reticent to commit funds as the community renewable energy sector does not yet have a long established track record in Australia.
- Institutional investors avoid smaller, one-off projects because due diligence requirements are disproportionately high.

Non-traditional market player

- Developing a renewable energy project is highly complex and requires a range of specialist skills not available in most communities.

- The ease and cost of grid connection is site specific. The greater the electricity exported into the local grid by the renewable generator, particularly an intermittent one, the more complicated and costly it will be to achieve the connection.
- Off-take agreements are bilateral and very challenging to negotiate in the current environment.

Inadequate policy framework

- While Australia has well developed (but unstable) policies covering domestic-scale renewables and solid policy for large-scale utility generation, middle ground projects where community initiatives naturally fall have been relatively neglected

Inefficiencies in scale

- Larger projects are generally more efficient as fixed costs are spread across greater generation capacity.

Capacity and skills

- To move projects forward, community groups need to transition from volunteer-based organisations to local social enterprises with paid staff.

Appendix

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Ranges Energy Co-operative Limited
DISCLOSURE STATEMENT

1 Introduction

Today's energy climate - the need for change

As the cumulative impact of fossil fuel emissions propels the planet toward global warming, climate crisis, and, ultimately, climate catastrophe and the destruction of our habitat, it is incumbent upon every individual and community to take action. The Ranges Energy Co-operative Limited ("Ranges Energy") is a step in the right direction of a clean energy future, developing community energy resilience.

Sustainable energy production is a critical factor in ensuring that we can obtain energy without contributing to the destruction of our planet. Harnessing power from the sun is one way of doing this.

In the late 1980s acknowledgement that the Greenhouse Effect and ozone depletion were major issues first began to occur. It is over twenty years later and not enough has been done at a global or systemic level to slow or halt these destructive processes. It is up to individuals and communities to take action now, as our governments appear inept at dealing with the issue. We cannot wait any longer, nor can we ignore our responsibility as energy users.

Think global, act local – the Ranges Energy Solar Farm

The formation of a community owned energy source enables communities to lead the way in reducing the negative impact of human behaviour on our planet.

Ranges Energy proposes to establish Solar Farms on the roof tops of commercial and local government buildings. It is intended that the Solar Farm will supply power directly to the building that it has been installed to, reducing transmission costs and energy losses.

The Ranges Energy Solar Farm was initiated by The Dandenong Ranges Renewable Energy Association Inc. DRREA has conducted and co-ordinated the initial project technical and financial feasibilities to secure an in principle agreement from the Yarra Ranges Council to install up to 100kw of Photovoltaics on the roof top of a shire office building in Lilydale.

Why a Co-operative?

Many people in The Yarra Ranges community are unable to install Solar power on their own roofs due to shading. Ranges Energy will be a community owned energy infrastructure co-operative, allowing individuals to contribute to the development of sustainable power generation.

By using a co-operative model, the Solar Park, the business and the associated activities remain under democratic member control. The Ranges Energy Board will govern the policies of the Co-operative and ultimately the operations of the Solar Farm in accordance with Co-operative Principles

Ranges Energy Co-operative Disclosure Statement Page 2

Viability

This co-operative provides the opportunity for a profitable and ethical contribution to renewable energy generation for the community. Renewable energy is sure to be an area of increasing interest over the decades to come. Governments throughout the world are legislating for increased targets for renewable energy to reduce the current dependence on coal production. It is anticipated that these targets will be higher and higher over coming years.

Proposed Activities

The primary activities of the Co-operative are to:

- (a) develop, own, operate and manage sustainable energy supplies;
- (b) generate and supply energy from the co-operative sustainable energy sources;
- (c) raise community awareness of the benefits of sustainable and renewable energy.

Minimum conditions required to start

The establishment of the Solar Farm is expected to occur within the first year of operations. Initially, Ranges Energy's efforts will be to continue to advance the planning of the Solar Farm project

In order to establish the first Solar Farm, Ranges Energy believes it requires fund raising from share subscriptions totalling a minimum of approximately \$300,000, with a project start-up cost of \$146,000 to install the first 40kw segment. Further segments of 15kw will be added as funds allow.

Pledges of share purchases of well over \$64000 have already been received, which is adequate start up capital for establishing the organisation and marketing presence to raise the further capital required.

In the event insufficient funds are raised for the successful commencement of activities, all funds will be returned to applicants less any costs associated with this Disclosure Statement.

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2 Share Details

All Members of Ranges Energy are entitled to share in dividends paid out of operating profit. These payments will be divided equally based on the total shares on issue. Whilst Members are entitled to only one vote each no matter how many shares they own, dividends will be received on all shares they own. Each share in Ranges Energy is valued at \$1.

Applicants must make full payment for the total number of shares subscribed for in their Application.

The minimum shareholding at the formation meeting is 100 \$1 shares.

The Board anticipates that there will be no further financial liability on members other than the ongoing annual Newsletter Subscription.

At the end of the asset life of the Solar Farm, Members may elect to cease operations of Ranges Energy.

In this case all remaining assets will be sold with the proceeds used to repay Members. share capital.

Members would also receive their pro-rata share of any remaining surplus.

Ranges Energy Co-operative Disclosure Statement Page 4

Who Can Be A Member

Typical members

Members may include individuals, companies, co-operatives, investment clubs and superannuation funds.

Benefits of Membership

Renewable energy is seen as one of the key contributors to reducing greenhouse gases into the future.

Significant amounts of energy is lost in the transmission of energy from the place of generation to the place of use.

By supporting Ranges Energy which produces renewable energy, Members are making an important contribution to reducing their greenhouse footprint by participating in supplying local council or commercial buildings with renewable energy without any transmission loss.

Requirements for membership

The Board of the Co-operative must approve all membership applications according to the Rules of the Ranges Energy Co-operative Limited (the Rules). See Section 8.

A member must:

- . Be 18 years or age, or where group membership applies, one member of the group must be 18 years or over
- . Hold the minimum number of shares (See Section 2).
- . Agree to be bound by the Rules.
- . Maintain active membership of the Co-operative (See Section 6).

How to apply for Membership

To become a member, the applicant must

- . Complete the Application Form attached to this document
- . Include the full payment for the total number of initial shares subscribed for in their Application

Ranges Energy Co-operative Disclosure Statement Page 5

Office Holders

Athol Park

80 Ridge Road, Kallista, Victoria.

Athol was a development engineer with ICI, working for the research group at Ascot Vale. His role was to invent machinery for making the new products developed by the research team. He was heavily involved with the CSIRO developing electric powered vehicles and worked with various universities exploring geothermal heat systems. In the mid 1970's, Athol was one of the pioneers of solar systems in Australia, designing low energy houses and installing PV systems.

Later he moved into Project Management and contracted his services to many companies including the Shale Oil Project in Queensland where he managed the ground works, pipelines, tanks etc. He has built several industrial manufacturing plants and has expertise in all aspects of preparing tenders, negotiating with suppliers, managing procurement, supervising installation, commissioning and hand-over of electro-mechanical plant and equipment.

He has a strong background and experience managing engineering and construction projects. For the past 5 years he has been in charge of the Facilities and Buildings for Boeing in their Fisherman's Bend Factory .

He has 10 years experience as a Quality Auditor to ISO 9001 and the environmental ISO 14000 standards and has been in charge of OH&S requirements for projects similar to the one proposed by the solar farm co-operative. He is up to date with the new OHS requirements and responsibilities of project managers, contractors and workers.

He established a rural co-operative in Gippsland called Mt Murrindal Reserve in 1973. His role involved writing the co-op rules and getting it through the system.

Antony Howard

Antony Howard was the originator of the Ranges Energy concept. He is a career Engineer with Bachelor's degrees in Engineering and Business. He has many years experience in engineering systems for the renewable energy market. His Professional interests have focused on systems and processes used to extract and use energy from the environment to reduce reliance of fossil fuels. The process of identification and energy saving has gone hand in hand with this professional interest as part of considering the overall economics of abatement strategies in energy usage.

Antony comes with experience in Alternative Energy Systems, economic analysis of projects, Life Cycle identification and an understanding of Environmental issues.

Instrumentation, experiment, project design and quantification systems have all formed a large part of Antony's professional experience. He has used these skills to provide useful tools to organizations as part of their strategies to identify, execute and quantify measures and initiatives in sustainable organizational strategies.

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Robert Watson

20 View Rd, Bayswater, Victoria

Robert is a Design Engineer for Panelprint, a precision sheetmetal and printing company supplying to custom electronics industry. He has completed a Diploma of Mechanical Engineering & most of Dip. Production Engineering. He also has electronics training, Certificate of Industrial Electronics & Part Certificate of Renewable Energy Technology.

He has worked in the Electronics/Electrical Control industry for 25 years as a Product Designer, designing equipment for datacoms, mobile phone, stage automation and theatre light, designing plastic moldings, extrusions, sheetmetal & fabricated parts.

He is proprietor of Robert Watson Design, working with 3D CAD packages including Solidworks, Solidedge, Inventor and 2D Autocad.

He has a long term interest in Sustainable Living and the design of passive solar housing. He is a long term member of the Alternative Technology Association. Through this contact he joined Sunraysia Sustainability Network and was involved with the setting up of a biodiesel plant and running of the Inaugural Sustainable Housing Day in Mildura.

He is a past Present of Dandenong Ranges Toastmasters

Peter Cook

Belgrave-Gembrook Road, Clematis, Victoria

Peter was the founding President of Dandenong Ranges Renewable Energy Association Inc which was founded in 2007. Since forming in 2007 DRREA has run 9 community energy forums around the Dandenong Ranges. Other DRREA initiatives have included the installation of 2 kW solar power systems on 4 community buildings, 43 one kW systems in the Belgrave -Upwey area and a bulk solar hot water purchase. Peter has worked at Boronia Heights College for over 20 years teaching Humanities and Environmental and Outdoor Education. He has long been interested in renewable energy having installed solar panels and a solar hot water system on their house in 1995.

Ian Johnston

4/8 Rosella Ave, Boronia, Victoria

Ian has a Professional background in Teaching, Horticulture, Tuition and Public Speaking. Since 1990 Ian has been involved in successive volunteering capacities from writing a column for the Banksia Environmental Foundation's news-letter and heading up their Tree Planting programs to being the Secretary, Treasurer and President of UYDEC (Upper Yarra Environmental Council) as well as being Secretary & President of the FOOSC (Friends of Sassafras Creek).

Ian has volunteered for Tree Project, Friends of Clematis Creek and URAGE (Upwey Regional Action Group). He project managed environmental restoration at Butterfield Reserve and oversaw construction of Poly houses at Emerald S.C. & Brandon Park S.C.

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He was a delegate to the Shire of Yarra Ranges Environmental Reference Group and was on the Hills reference Panel for the City of Knox. As a founding member he helped establish Southern Dandenongs Community Nursery. He is a Founding and continuing member of Dandenong Ranges Toastmasters and was on their committee for 5 years including a period as President.

In 2001 Ian was sponsored by Environment Victoria to participate in the Nation's only National Environment Conference. He was a key-note speaker and major contributor to the Yarra Ranges 2020 summit focusing on environmental and social themes.

He is currently President of FOSC and Secretary/Treasurer of UYDEC and is an active member of the ACF, Environment Victoria and GetUp.

Marcus Deuchar

3 Waratah Avenue, Belgrave, Victoria

Marcus is a small business entrepreneur and inventor with an early history in Corporate Management, and holds a Certificate in Business Planning and Operation.

He is the Proprietor of Vegiecars, an international internet based business offering conversion systems for Diesel vehicles to operate on Vegetable Oil and Petrol vehicles to operate on Ethanol. He has published a book on the subject of Diesel conversion systems and holds a number of product patents.

Marcus is also the Proprietor of The Natural Fix, a Design and Construction Consultancy emulating shapes and forms found in nature and focusing on the use of low energy, reclaimed or recycled materials. He is also the Proprietor of The Thermomix Man, a Kitchen Appliance Consultant and Catering Business. Through these two businesses, Marcus also consults to the Restaurant trade.

He has a long history of community involvement and development, having been a Finance Director of a Housing Co-operative, and has been involved with several food co-operatives, buying groups and Incorporated Associations. He has been a member of many committees and subcommittees, and founder of several small organisations. He was president of Heritage Seed Curators Australia, and a Secretary of the Dandenong Ranges Steiner School during its early development phase.

Marcus has a history in Theatre and public speaking. He has represented his various business and community interests as a key note speaker on several occasions, and currently offers his time as a presenter for climate think tank, Beyond Zero Emissions.

Linda Ballis

7 Naylor Rd, Emerald, Victoria

Linda has a Bachelor of Applied Science with majors in Mathematics and Computer studies.

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She has lived in the Emerald area for more than 25 years and has always had a keen interest in sustainable living, long before it was a catch phrase. She was involved in having recycling introduced to the Cardinia Council over 20 years ago.

She is currently involved with a number of alternative energy, Landcare and environmentally friendly and low-cost housing groups. Her main areas of expertise are in support roles, either in administration or finance. She was the treasurer for a local community school for nearly 10 years.

Linda and her husband John recently designed and built a 10 star rated energy efficient home in Emerald and are currently involved in producing and building materials to produce high star rated homes at reduced costs.

Linda has co-authored a book about life balance "The Wheel of Life's 8 Keys to Success" that became an international best seller.

Penelope Swales 80 Kilvington Drive, Emerald Penelope ran her own successful music production business from 1998 to 2005, when she began a double degree in Law and Anthropology at Monash University. She is a founding member and events coordinator of the Progressive Law Network, and ran their inaugural conference in 2011 with such speakers as Julian Burnside, Adam Bandt and Ian Lowe. She is also a published legal writer, having written several articles for the Alternative Law Journal and has recently been invited to collaborate with Dutch academic Hendrik Gommer. She has a keen interest in community solutions to climate change, and in using her legal skills to that end.

Penelope grew up in the Dandenong Ranges and returned to live there in 1998, buying a property in Emerald in 1999. Like many Dandenong Ranges residents who are concerned about climate change and interested in renewable energy, she is prevented from having her own solar power or hot water systems by tree cover.

Brian Lennon 1354 Mt Dandenong Tourist Road, Kalorama, Victoria Brian has professional background in teaching mathematics at universities and schools. He has done much work in industry, as a problem solver in complex situations, conducting research and development programs for equipment, or public health research in exposure to electromagnetic fields, for Telstra, the Docklands Authority, Ampolex, Raeco, an electricity supply authority, a number of private companies, unions and other organisations. Brian has managed large university programs, and has been a member of academic boards, a school principal, and chair of a private school council. He has also been active in the community as a local government councillor, a member of a number of community and environmental organisations, and a speaker on energy issues, including recently for the Melbourne University initiative, Beyond Zero Emissions.

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5 Financial Information

Demand for Energy & Energy Services

The Board expects that the Solar Farm's generated energy will be fully purchased on an ongoing basis.

Solar Farm Project Costs

The table below sets out approximate costs associated with Ranges Energy and the Solar Farm. These costs are broad estimates based on available market knowledge. The Ranges Energy Board expects to be in a better position to further refine these estimates over the coming months.

Establishment of Co-operative including Stationary, URLs phone numbers etc \$3,000
Establishment of contracts with Yarra Ranges Council and Solar Panel installer \$5,000
Purchase and installation of initial of 40kw \$138,000
Total Initial Start-up costs \$146,000

Project Financing

The Board of Ranges Energy believes the financing structure set out below will allow Ranges Solar to complete the Solar Farm project successfully.

This financing structure is based on Ranges Energy raising all required funding from Members. If the funds raised from this offering do not meet the final total required funding but are still in excess of the minimum level of funding to commence operations being \$146,000 Ranges Solar will proceed with the initial 40kw installation and continue to raise funds for further installations of 15kw as funds allow.

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6 Statutory Information required under the Co-operatives Act 1996

6.1 Estimated Cost of Formation (section 17 (2) (a) Co-operatives Act 1996)

The expenses for the initial registration of the Co-operative are expected to be between \$1,000 and \$3,000, with the initial payment to corporate affairs being donated by the Dandenong Ranges Renewable Energy Association.

6.2 The Nature of the Proposed Membership of the Co-operative (section 17 (2)(b) Co-operatives Act 1996)

Active Membership Obligation

To maintain active membership of the Co-operative a member must:

- (a) Purchase or consume energy generated directly or indirectly by the Co-operative; or
- (b) Subscribe to the Co-operative's newsletter.

6.3 The Rights and Liabilities attaching to the shares in the proposed Co-operative including capital required for the co-operative (section 17(2)(c) Co-operatives Act 1996)

Member Rights and Obligations

A member is entitled to:

- . Attend and vote at all meetings of the Co-operative
- . Be a candidate for election to the Board of Directors of the Co-operative
- . Vote for Board members.
- . Obtain a copy of Ranges Energy documents upon payment of the nominated fee as set out in the Rules.

Termination of Membership

A Member may terminate membership of the Co-operative by giving notice to the Co-operative in accordance with the Rules.

Membership of the Co-operative may be terminated for any reason set out in the Rules of the Co-operative or the Co-operatives Act.

See Section 8, Rules.

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Share Transfers and Sales

Shares may be sold or transferred providing there is consent from the Board in accordance with Rules. Ranges Solar will maintain an active register of parties interested in purchasing shares as they become available.

6.4 Projected Income and Expenditure of the Co-operative for its first year of operation (section 17(2)(d) Co-operatives Act 1996)

Forecast Income & Expenses – Year 1 of Solar Farm Operations

Income:

Share Sales \$146,000
Sale of Renewable Energy Certificates \$17,775
Sales of Energy \$6,278
Total Income: \$170,053

Expenses:

Establishment - Logo, Communications, Stationary \$1,500

Marketing - \$1,500
Contracts – Supply & Installation \$5,000
40kw System Fitted & Insured \$138,000
Total Expenses \$146,000
Balance \$24,053

Note: Projection does not include depreciation. The revenue per Megawatt hour of energy is an estimate based on available market knowledge and current legislation. The energy sales figure is based upon 6 months continuous supply. Electrical energy is freely traded and prices for both immediate and forward delivery change in line with changes in market conditions. In addition existing and new renewable energy policies at both State and Commonwealth levels are expected to develop and change over coming years. Changes in legislation is likely to affect market demand for renewable energy.

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6.5 Information about Contracts required to be entered into by the Co-operative (section 17(2)(d) Co-operatives Act 1996)

For The Co-operative to establish the Solar Farm it will be necessary to finalise the following material contracts:

Power sales

Ranges Energy will enter into a contract or contracts for the sale of its generated wind energy and the corresponding Renewable Energy Certificates (REC.s) as applicable.

Maintenance

Solar Panels require minimal Maintenance, such as washing glass fronts and replacement of failed equipment. Solar Panels are supplied with relevant industry standard warranties and guarantees. Notwithstanding this the panels will require regular expert maintenance to ensure the supply continues to operate reliably and efficiently.

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7 Rules

Rules of Ranges Energy Co-operative Limited

A trading co-operative incorporated under the Co-operatives Act 1996 (Victoria)

1. Definitions

In these rules:

“Act” means the Co-operatives Act 1996 (Victoria); “Appendix” means Appendix to these rules; “board” means the board of the co-operative;

“general meeting” means any annual or special general meeting;

“member” means a member of the co-operative; “month” means calendar month;

“Registrar” means the person for the time being holding the office of Registrar of Co-operatives under the Act;

“regulations” means the Co-operatives Regulations 1997.

2. Members to abide by co-operative principles

The co-operative and its members must comply with the co-operative principles to the extent that they apply to them.

3. Alteration of the rules

1. These rules may be altered by a special resolution in accordance with section 113 of the Act or by a resolution of the board in accordance with section 114 of the Act.

2. A proposed alteration of these rules must be approved by the Registrar under section 112 of the Act before the resolution altering the rules is passed.

3. An alteration of these rules does not take effect unless and until it is registered by the Registrar under section 115 of the Act.

4. Any member is entitled to obtain from the co-operative a copy of these rules on payment of the amount set out in Appendix 1.

4. Name

1. The name of the co-operative is the name specified in Part 1 of Appendix 2.

2. The co-operative may change its name in accordance with section 255 of the Act.

3. The co-operative may abbreviate its name in accordance with section 253 of the Act.

5. Active membership provisions

1. The primary activity of the co-operative is the activity set out in Part 2 of Appendix 2.

2. In order to establish active membership of the co-operative a member must comply with the requirements set out in Part 3 of Appendix 2.

3. All members must be active members of the co-operative.

4. If a member fails or ceases to be an active member, the board must in accordance with Division 4 of Part 6 of the Act:

a. declare the membership of the member cancelled; and

b. declare the shares of the member forfeit.

6. Qualifications and shareholding required for membership

1. A person is not qualified to be admitted to membership unless there are reasonable grounds for believing that the person will be an active member of the co-operative.
2. Every member must hold a share in accordance with Appendix 3.
7. Membership and shares
 1. An application for membership or shares in the co-operative must:
 2. be in a form approved by the board; and
 - a. be lodged at the address listed on the application form; and
 - b. be accompanied by the relevant fee or amount set out in Part 1 of Appendix 3.
 3. An application for membership must include an application for a share in the co-operative.
 4. The board must consider each application.
 5. The board at its sole discretion may accept or reject an application for membership or shares and need not give any reason for its decision.

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6. If the board approves an application for membership or shares:
 - a. the relevant shares must be allotted to the applicant; and
 - b. the board must ensure that the name of the person and the number of shares allotted is entered in the register of members, directors and shares in accordance with sections 75 and 244 of the Act; and
 - c. the board must notify the applicant in writing of allotment of the shares and of the entry in the register; and
 - d. the applicant for membership becomes entitled to exercise the rights of membership when:
 - i. the member's name appears in the register of members; and
 - ii. the member has paid to the co-operative the relevant fees and amounts set out in Part 2 of Appendix 3.
7. If the board rejects an application, the whole of the money lodged in respect of the application must be refunded to the applicant without interest.

8. Ceasing membership

A person ceases to be a member in each of the following circumstances:

1. if the member's membership is cancelled under Part 6 of the Act;
2. if the member is expelled in accordance with these rules;
3. if the member becomes bankrupt and the trustee of the member's estate disclaims any debt, contract, duty or liability of the member with the co-operative;
4. on the death of the member;
5. if the contract of membership is rescinded on the ground of misrepresentation or mistake;
6. if the member's share is transferred to another person and the transferee is registered as the holder of the share;
7. if the member's share is forfeited in accordance with the provisions of the Act or the provisions of these rules;
8. if the member's share is purchased by the co-operative in accordance with the provisions of these rules;
9. if a member's share is sold by the co-operative pursuant to any power in these rules and the purchaser is registered as holder in the member's place;
10. if the amount paid up on the member's share is repaid to the member in accordance with the provisions of these rules;
11. on notice in writing given by the member to the Secretary, of the member's resignation from membership; or
12. in the case of a member that is a body corporate, if the body is dissolved.

9. Expulsion of members

1. A member may be expelled from the co-operative if the co-operative by special resolution determines that the member should be expelled on the ground that:
 - a. the member has failed to discharge the member's obligations to the co-operative under the Act or these rules;
 - b. the member has acted in a manner that has:
 - i. prevented or hindered the co-operative in carrying out any of its primary activities; or
 - ii. brought the co-operative into disrepute; or
 - c. the member has acted in a manner contrary to any of the cooperative principles and in so acting caused the co-operative harm.
2. The member must be given at least 28 days written notice of the proposed resolution and of the date, time and place of the meeting at which the resolution will be moved.
3. The procedure at the general meeting to consider the proposed resolution is as follows:
 - a. the member must be given a reasonable opportunity to be heard at the meeting;
 - b. the member is entitled to call witnesses and to cross examine witnesses called against the member;
 - c. if the member fails, without reasonable excuse, to attend at the time and place of which notice has been given, the co-operative may consider the matter in the absence of the member;
 - d. after considering the matter, the co-operative may by special resolution determine to expel the member.

4. The expulsion of the member does not take effect until the special resolution is registered with the Registrar.

5. When a member is expelled, the co-operative must, in accordance with section 82 of the Act, repay to the member an amount determined in accordance with that section in respect of the member's shares and cancel the member's shares.

10. Suspension of members

1. A member may be suspended from membership of the co-operative for a period not exceeding one year if the co-operative by special resolution determines that the member should be so suspended on the ground that:

a. the member has contravened these rules; or
b. the member has failed to discharge the member's obligations to the co-operative under these rules; or the member has acted in a manner detrimental to the co-operative.

2. The member must be given at least 28 days written notice of the proposed resolution and of the date, time and place of the meeting at which the resolution will be moved.

3. The procedure at the general meeting to consider the proposed resolution is as follows:

a. the member must be given a reasonable opportunity to be heard at the meeting;
b. the member is entitled to call witnesses and to cross examine witnesses called against the member;
c. if the member fails, without reasonable cause, to attend at the time and place of which notice has been given, the co-operative may consider the matter in the absence of the member;
d. after considering the matter, the co-operative may by special resolution determine to suspend the member.

4. A member who is suspended ceases during the suspension to have the rights of a member except as otherwise provided in the Act or these rules.

11. Disputes

1. The grievance procedure set out in this rule applies to disputes under these rules between:

a. a member and another member; or
b. a member and the co-operative.

2. The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days after the dispute comes to the attention of all of the parties.

3. If the parties are unable to resolve the dispute at the meeting under sub-rule 2 or if a party fails to attend that meeting, then the parties must, within 10 days, hold a meeting in the presence of a referee.

4. The mediator must be:

a. a person chosen by agreement between the parties; or
b. in the absence of agreement:

i. in the case of a dispute between a member and another member, by the board of the co-operative; or
ii. in the case of a dispute between a member and the co-operative, a person who is a member of the Dispute Settlement Centre of Victoria (Department of Justice).

5. A member of the co-operative can be a mediator.

6. The mediator cannot be a member who is a party to the dispute.

This Rule provides for the mediation of a dispute. Note that section 89 of the Act provides another procedure whereby application may be made to the Supreme Court for an order declaring and enforcing rights or obligations of members between themselves, or of the co-operative and a member between themselves. The Court may refuse to make an order, or may make an order for costs, if the Court is of the opinion that the application is unreasonable or the issue trivial.

12. Fines

The co-operative does not impose fines on a member for any infringement of these rules.

13. Capital and shares

The capital of the co-operative is to be raised by the issue of shares which are to have a nominal value as described in Part 3 of Appendix 3.

14. Liability of members

1. A member is not, as a member, under any personal liability to the cooperative except for the amount, if any, unpaid on the shares held by the member together with any charges payable by the member to the co-operative as required by these rules.

2. On the death of a member, the member's estate remains liable as the member until the member's personal representative or some other person is registered in the member's place.

15. Calls on shares

1. The board may make calls on the members in respect of any money unpaid on their shares.

2. Sub-rule 1 does not apply if the terms of issue of the shares provide for the money unpaid on the shares to be paid at fixed times.

3. A call must not:

a. exceed one-quarter of the sum of the nominal value of the shares; or

- b. be payable earlier than one month after the day fixed for the payment of the last preceding call.
- 4. A member must be given at least 14 days notice specifying the time or times and place of payment of the call.
- 5. A member who receives notice of a call must pay the amount of the call on the member's shares to the co-operative at the time or times and at the place specified in the notice.
- 6. The board may revoke or postpone a call.
- 7. A sum that becomes payable on a share under the terms of issue of the share is deemed for the purposes of these rules to be an amount payable on a call notified under this rule as if the time and place for payment specified in the terms of issue were the time and place for payment of the call.
- 8. The board may accept from a member the whole or a part of the amount unpaid on a share although no part of that amount has been called up.

16. Forfeiture of shares

- 1 If a member fails to pay a call on any day appointed for the payment of the call, the board may serve a notice on the member requiring payment of so much of the call as is unpaid.
- 2 The notice must:
 - a. specify a day (being not less than 28 days after the date of service of the notice) on or before which the payment required by the notice is to be paid; and
 - b. state that if the payment is not so paid, the shares in respect of which the call was made are liable to be forfeited.
- 3 If the payment is not made in accordance with the notice, the board may, by resolution, declare that the shares are forfeited.
- 4 The board's declaration has the effect of forfeiting the shares concerned.

17. Share statement

- 1. The board, on approval of the application of a person holding shares in the co-operative, must issue to that person, without payment, a statement of holdings specifying the shares held by that person and the amount paid up on those shares.
- 2. However, if shares are held jointly:
 - a. the board is not required to issue more than one statement of holdings in respect of those shares; and
 - b. the delivery of the statement of holdings to one joint shareholder is sufficient delivery to all.
- 3. If the board is satisfied that a statement of holdings issued by the co-operative is defaced, lost or destroyed, the board may issue a duplicate statement on payment of a fee determined by the board as set out in Appendix 1.

18. Sale of member's shares

Subject to section 172 of the Act, the co-operative may sell a member's shares at the request of the member.

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19. Transfer and transmission of shares

- 1. The instrument of transfer of any share shall be executed by or on behalf of the transferor (the giver) and the transferee (the receiver of the share).
 - 2. The transferor remains the holder of the share until the name of the transferee is entered in the register of members in respect of the share.
 - 3. A transfer of shares is to be in the form of Appendix 4 or in a form approved by the board.
 - 4. A share cannot be sold or transferred except:
 - a. with the consent of the board, to any person who is qualified to be admitted to membership of the co-operative under rules 5 and 6; or
 - b. as otherwise provided by the Act or these rules.
 - 5. The board may refuse to register a transfer of shares:
 - a. to a person who is not eligible to be a member; or
 - b. to a person whom the board does not approve; or
 - c. if the co-operative has a lien or charge over the shares.
 - 6. If the board refuses to register a transfer of shares, it must send written notice of its decision to the proposed transferee within 14 days after making that decision.
 - 7. The board may decline to recognise any instrument of transfer unless:
 - a. a fee in accordance with Appendix 1 is paid by the member to the co-operative for the transfer; and
 - b. the instrument of transfer is accompanied by the certificate (if any) of the shares to which it relates, and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer.
 - 8. The board may suspend the registration of transfers during the 14 days immediately preceding the annual general meeting in each year.
- #### 20. Forfeitures and cancellations – Inactive members
- 1 In accordance with section 131 of the Act, the board, after giving any notice required under section 136 of the Act, must declare the membership of a member cancelled if:

- a. the whereabouts of the member are not presently known to the co-operative and have not been known to the co-operative for a period of at least 3 years before that time; or
- b. the member is not presently an active member of the cooperative and has not been an active member of the cooperative at any time during the period of 3 years immediately before that time.

2 Sub-rule 1 applies to a member only if he or she was a member of the co-operative throughout the period referred to in paragraph a or b, as the case requires.

3 In accordance with section 132 of the Act, the board must declare the shares of a member to be forfeited at the same time as the member's membership is cancelled under section 131 of the Act.

4 The board's declaration has the effect of forfeiting the shares concerned.

5 If the membership of a member is cancelled any amount due to the member in respect of the cancellation must be dealt with in accordance with section 138 of the Act.

21. Forfeited shares

A person whose shares have been forfeited under the Act or these rules remains liable to the co-operative for any amount still unpaid at the date of forfeiture in respect of those shares.

22. Death of a member

1. Subject to sections 84, 173 and 174 of the Act, on the death of the member, the board must transfer the deceased member's share or interest in the co-operative to:

- a. the executor or administrator of the deceased member; or
- b. with the consent of the board, to a person:
 - i. who is specified by the personal representative of the deceased member in an application under section 84 of the Act; and
 - ii. who is qualified to be a member in accordance with the Act and these rules.

2. The board may transfer the shares or interest of a deceased member to a person entitled in accordance with section 85 of the Act if:

- a. the total value of the shares or interest is less than \$10,000 (or such other amount as may be prescribed by the regulations); and
- b. there has not been a grant of administration of the estate, or probate of the will of the deceased member.

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23. Registration as trustee, executor or administrator

1. In accordance with sections 166 to 168 of the Act, the following persons may be registered as the holder of a share in the co-operative:

- a. the trustee, executor or administrator of the estate of a dead person, if the dead person was the holder of that share or was entitled in equity to that share;
- b. the administrator of the estate of an incapable person, if the incapable person was the holder of that share or was entitled in equity to that share;
- c. the Official Trustee in Bankruptcy, if a bankrupt was the holder of that share or was entitled in equity to that share.

2. If a person is entitled in equity to a share in the co-operative, the consent of the co-operative and the holder of the share must be obtained before a person can be registered in respect of that share pursuant to sub-rule 1.

24. Entitlements and liabilities of person registered as trustee, administrator etc.

Subject to the Act, a person registered pursuant to section 166, 167 or 168 of the Act and rule 23 is, while so registered:

- a. entitled to the same dividends and other benefits; and
- b. in accordance with section 169 of the Act, subject to the same liabilities and only those liabilities: in respect of the share as those to which the person would have been subject if the share had remained, or had been, registered in the name of the dead person, the incapable person or the bankrupt.

25. Transfer and transmission of debentures

1. The instrument of transfer of a debenture must be executed by the transferor (the giver) and the transferee (the receiver).

2. The transferor remains the holder of the debenture until the board consents to the transfer and the name of the

transferee is entered in the registers of debentures in respect of the debenture.

4. A transfer of debentures must be in the form of Appendix 4 or in a form approved by the board.

5. The board may decline to recognise any instrument of transfer of a debenture and may decline to register the transfer unless:

- a. a fee in accordance with Appendix 1 is paid to the co-operative for the transfer; and
- b. the instrument of transfer is accompanied by the debenture and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; and
- c. any stamp duty payable in respect of the instrument of transfer has been paid.

6. If the board refuses to register a transfer of debenture, it must send written notice of its decision to the proposed transferee within 28 days after making that decision.

26. Annual general meetings

1. In accordance with section 204 of the Act, the first annual general meeting of the co-operative must be held at any time within 19 months after the incorporation of the co-operative.
2. The second or any subsequent annual general meeting of the cooperative must be held within:
 - a. 5 months after the close of the financial year of the co-operative; or
 - b. any further time that may be allowed by the Registrar or is prescribed.
3. The board may determine the date, time and place of the annual general meeting.
4. All general meetings of the co-operative other than the annual general meeting shall be special general meetings.
5. If the board does not hold an annual general meeting within the required time, the members may requisition the meeting in accordance with section 209 of the Act.

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27. Special general meetings

1. A special general meeting of the co-operative may be convened at any time by the board of directors.
2. In accordance with section 209 of the Act, the board must convene a general meeting of the co-operative on the written requisition of the number of active members of the co-operative who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the co-operative.

28. Notice of general meetings

- 1 The board must give each member at least 14 days notice of each general meeting.
- 2 The notice may be given in accordance with section 460 of the Act.
- 3 The notice must specify the place, the day and the time of the meeting, and if special business is to be transacted, set out generally the nature of the special business.
- 4 If a special resolution is to be proposed at the meeting at least 21 days notice of that special resolution must be given to the members of the co-operative in accordance with section 192 of the Act.
- 5 A member of the co-operative who wishes to propose a resolution at a general meeting must give the co-operative written notice of the resolution.
- 6 If notice of an ordinary resolution is given under sub-rule 5 at least 14 days before the board gives notice of the meeting, the board must include details of that resolution in the notice of the meeting.

29. Business at general meetings

The ordinary business of the annual general meeting shall be:

- a. to confirm minutes of the last preceding general meeting (whether annual or special);
- b. to receive from the board, auditors, or any officers of the co-operative reports upon the transactions of the co-operative during the financial year, including balance sheet, trading account, profit and loss account, statement of cash flows, and the state of affairs at the end of that year;
- c. to elect and determine the remuneration (if any) of directors.

30. Quorum at general meetings

1. An item of business must not be transacted at a meeting of a cooperative unless a quorum of members entitled to vote is present during the transaction of that item.
2. Subject to sub-rule 3 the quorum of the co-operative is 5 members entitled to vote at a meeting of the co-operative plus:
 - a. if the active membership of the co-operative exceeds 50 but does not exceed 200, 1 additional member for each 10 members after the first 50 active members; and
 - b. if the active membership of the co-operative exceeds 200, the additional members referred to in paragraph a and 1 additional member for each 50 active members after the first 200 members.
3. If within half an hour after the appointed time for the meeting a quorum is not present, the meeting:
 - a. if convened upon the requisition of members, is abandoned; and
 - b. in any other case is to be adjourned to the same day and time in the next week at the same place; or
 - c. the Chairperson announces that written notice will be given as to an alternative day time or place and the meeting is then adjourned.
4. If at an adjourned meeting, under sub-rule 3.b or 3.c, a quorum is not present within half an hour after the time appointed for the meeting the meeting must be abandoned.

31. Presiding at general meetings

1. Subject to this rule, the chairperson of the board presides at every general meeting of the co-operative.
2. If the chairperson of the board is unable or unwilling to preside or is not present within 15 minutes after the time appointed for the meeting, the members present must select one of their number to preside.
3. The person selected under sub-rule 2 presides at that meeting until the time that the chairperson attends and is willing to act.

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32. Adjournment of meetings

1. The person presiding may, with the consent of a majority of members present at the meeting, adjourn the meeting from time to time and from place to place.
2. The person presiding must, if directed by a majority of members present at the meeting, adjourn the meeting to a date and time agreed.

3. No business may be transacted at an adjourned meeting other than business unfinished at the meeting which was adjourned.

4. This rule only applies if there is a quorum at the meeting to be adjourned.

33. Standing orders at meetings

1. Subject to sub-rule 3, the following standing orders must be observed at general meetings of the co-operative:

a. The mover of a proposition must not speak for more than 10 minutes. Subsequent speakers are allowed 5 minutes, and the mover of the proposition 5 minutes to reply. The meeting may however by simple majority extend in a particular instance the time permitted by this rule.

b. If an amendment to an original proposition is proposed, no second amendment may be considered until the first amendment is disposed of.

c. If an amendment is carried, the proposition as so amended displaces the original proposition and may itself be amended.

d. If an amendment is defeated, then a further amendment may be moved to the original proposition. However, only one amendment may be submitted to the meeting for discussion at one time.

e. The mover of every original proposition, but not of an amendment, has the right to reply. Immediately after this the question must be put from the chair. No other member may speak more than once on the same question, unless permission is given for an explanation, or the attention of the chairperson is called to a point of order.

f. Propositions and amendments must be submitted in writing, if requested by the chairperson.

g. Any discussion may be closed by a resolution "that the question be now put" being moved seconded, and carried. That resolution must be put to the meeting without debate.

2. Any member, or visitor invited to attend the meeting by the board, may speak on any issue at a meeting with the permission of the chairperson subject to any conditions imposed by the chairperson.

3. The standing orders may be suspended for any period by ordinary resolution.

34. Attendance and voting at general meetings

1. The right to vote attaches to membership and not shareholding.

2. A member of the co-operative is not entitled to vote at a meeting of the co-operative unless that person is an active member of the cooperative.

3. Subject to the Act and this rule, every member of the co-operative has only one vote at a meeting of the co-operative.

4. A member of a co-operative who is under 18 years of age is not entitled to vote.

5. In the case of joint membership:

a. the joint members have only one vote between them; and

b. that vote may be exercised by the member whose name appears first in the register of members unless the other joint members otherwise direct.

6. Subject to the Act and these rules, a question for decision at a general meeting, other than a special resolution, must be determined by a majority of members present at the meeting and voting.

7. In accordance with section 208(2) of the Act, unless a poll is demanded by at least 5 members, a question for decision at a general meeting must be determined by a show of hands.

8. In the case of an equality of votes at a meeting of the co-operative, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is demanded may exercise a second or casting vote.

35. Postal ballot

1. The manner of voting shall be in accordance with the regulations.

2. A special postal ballot or a postal ballot must be held:

a. when required by the Act; or

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b. in accordance with section 202 of the Act, on the written requisition of the number of active members of the co-operative who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the co-operative; or

c. if approved by the members by ordinary resolution.

36. Poll at general meetings

1. If a poll (or ballot) is demanded by at least 5 members, it must be conducted in a manner specified by the person presiding and the result of the poll is the resolution of the meeting on that question.

2. A poll demanded for the election of a person presiding or on a question of adjournment must be taken immediately, but any other poll may be conducted at any time before the close of the meeting.

37. Special and ordinary resolutions

1. A special resolution is a resolution which is passed in accordance with sections 192 and 193 of the Act:

a. by a two-thirds majority at a general meeting of members; or

b. by a two-thirds majority in a postal ballot (other than a special postal ballot) of members; or

c. by a three-quarters majority in a special postal ballot of members.

2. An ordinary resolution is a resolution passed by a simple majority at a general meeting or in a postal ballot by members.
3. A special resolution has effect from the date that it is passed unless it is required to be registered under section 196(2) of the Act.
38. Board of directors
 1. There shall be a board of no less than five directors and no more than nine directors.
 2. A director must be:
 - a. a natural person; and
 - b. not less than 18 years of age.
39. Qualifications of directors
 1. A person is not qualified to be a director unless he or she is:
 - a. a member of the co-operative or a representative of a body corporate which is a member of the co-operative (member director); or
 - b. an employee of the co-operative or a person qualified as set out in Appendix 5 (independent director).
 2. In accordance with section 213 of the Act, a person may only be elected or appointed as an independent director if there are at least 3 member directors appointed for each independent director.
 3. A person must not act as a director if the person is disqualified under section 214 of the Act.
 4. The first directors shall be elected at the meeting for the formation of the co-operative.
40. Retirement of directors
 1. At each annual general meeting three of the directors must retire.
 2. A retiring director retains office until the close of the meeting at which his or her successor is elected.
 3. The directors to retire in any one year are, subject to the provisions as to the filling of casual vacancies, those that have been longest in office since their last election and if there are two or more directors who became directors on the same day, those who retire must be determined by lot unless they otherwise agree among themselves.
 4. The term of office for a director is three years.
 5. A retiring director is eligible for re-election.
41. Election of directors
 - 1 At least 6 weeks before an annual general meeting, the board must:
 - (a) notify all members of the number of directors retiring at the annual general meeting; and
 - (b) advise the members of:
 - i. their eligibility to nominate as a director; and

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 - ii. the duties and responsibilities of a director; and
 - iii. the anticipated remuneration (if any); and
 - iv. the nomination and election procedures.
 - 2 Not less than 6 weeks before the annual general meeting, a notice must be displayed at the registered office of the co-operative inviting nominations of candidates for election as directors.
 - 3 A nomination must:
 - (a) be signed by 2 or more members; and
 - (b) provide details of the qualifications and experience of the person nominated; and
 - (c) be accompanied by a notice in writing signed by the candidate agreeing to his or her nomination.
 - 4 The nomination and the notice referred to in the sub-rule 3 must be lodged at the registered office of the co-operative at least 21 days before the annual general meeting.
 - 5 Details of each person who has been nominated must be given to members with the notice of the annual general meeting by the secretary or an officer nominated by the board.
 - 6 Details to be provided to members must include the candidate's:
 - (a) name; and
 - (b) age; and
 - (c) qualifications and experience; and
 - (d) length of any previous service as a director of the co-operative or with any other co-operative.
42. Manner of election
 1. The ballot for the election of directors must be conducted at the annual general meeting in the manner that the board directs.
 2. If, at the annual general meeting at which an election of directors ought to take place, the place of any retiring directors is not filled, the meeting stands adjourned until the same day and time in the next week and at the same place unless another place is specified by a director or officer of the co-operative:
 - a. at the time of the adjournment; or
 - b. by written notice to members given before the day to which the meeting is adjourned.
 3. At the resumption of the adjourned meeting nominations for any unfilled positions of director may be received and an election may be held.
43. Casual vacancy

If there is a casual vacancy in the office of director under section 219 of the Act, the board may appoint a person to fill that vacancy but the person appointed must retire at the next annual general meeting.

44. Removal from the office of director

The co-operative may by special resolution remove any director from office before the end of the director's period of office.

45. Remuneration

In accordance with section 229 of the Act a director of a co-operative must not be paid any remuneration for services as a director other than fees, concessions and other benefits that are approved at a general meeting of the co-operative.

46. Deputy directors

1. In the absence of a director from a meeting of the board, the board may appoint a person to act as a deputy for that director.

2. A person appointed under sub-rule 1 must:

- i. be a member, if the absent director is a member;
- ii. be a representative of a body corporate, if the absent director is a representative of that body corporate;
- iii. be an employee or a person qualified as set out in Appendix 5, if the absent director is an employee or a person qualified as set out in Appendix 5.

3. A person appointed as deputy may act in the place of the director for whom he or she is deputy.

4. The other members of the board may by majority vote remove a deputy director from office.

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5. A deputy director vacates office:

if the deputy director is removed from office under this rule; or
if the director for whom he or she is deputy ceases to hold office; or
if the deputy director dies; or
if the deputy director resigns.

6. A deputy director while acting as a director is entitled to the same remuneration as that to which the director for whom he or she is deputy would have been entitled.

47. Proceedings of the board

1. Meetings of the board are to be held as often as may be necessary for properly conducting the business of the co-operative and must in any case be held at least every three months.

2. Questions arising at any meeting shall be decided by a majority of votes.

3. In the case of an equality of votes, the chairperson has a second or casting vote.

4. A director may call a meeting of the board of directors by giving notice individually to every other director.

5. Except in special circumstances determined by the chairperson, at least 48 hours notice shall be given to the directors of all meetings of the board.

48. Quorum for board meetings

The quorum for a meeting of the board is 50% of the number of directors, rounded up where the number is odd.

49. Chairperson of board

1. The chairperson of the board shall be elected by the board.

2. If the chairperson of the board is unable or unwilling to preside or is not present within 15 minutes after the time appointed for meetings of the board, the members present must select one of their number to preside.

3. The person selected under sub-rule 2 presides at the board meeting until the time that the chairperson attends and is willing to act.

4. The board may by ordinary resolution remove the chairperson from office.

5. A chairperson shall be elected in the last month of each financial year.

50. Financial year

The financial year of the co-operative ends on the 30 June.

51. Authentication of Co-operative documents

Instruments requiring authentication require signatures of two directors or one director and one officer or sub-contractor of the co-operative, as delegated by the board.

52. Custody and inspection of records

A person is entitled to make a copy of entries in a register specified in section 246(1) of the Act:

1. if the copy is a photocopy or electronic copy, on payment of a fee of \$1 per page to a maximum of \$20; and
2. in any other case, free of charge.

53. Banking

1. The board must ensure that:

- a. a banking account or accounts are kept in the name of the co-operative; and

b. all money received by the co-operative is paid into that account or those accounts as soon as possible after it is received.

2. All cheques drawn on such accounts and all drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the co-operative, must be signed by any 2 or more directors.

54. Safekeeping of securities

The co-operative must keep the securities of the co-operative safely in the manner and with the provision for their safety that the board directs.

55. Audit

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1. The accounts of the co-operative must be audited in accordance with section 238 of the Act and the regulations made under that section.

2. Auditors must be appointed in accordance with the regulations under section 238 of the Act to audit the accounts of the co-operative.

3. Audits must be carried out annually.

56. Co-operative funds

1. The board may resolve to retain all or any part of the surplus arising in any year from the business of the co-operative to be applied for the benefit of the co-operative.

2. Any part of the surplus arising in any year from the business of the cooperative or any part of the reserves may:

a. be paid to a member by way of rebate based on the business done by the member with the co-operative; or

b. be applied by the issue of bonus shares to a member; or

c. be paid to a member by way of limited dividend (as defined in section 273(3) of the Act) on shares held.

3. The rebate, bonus shares or limited dividend:

a. must be declared at the annual general meeting of the co-operative; and

b. must not exceed the amount recommended by the board; and

c. in the case of dividend must not exceed the amount permitted by the Act and regulations.

4. The amount of any rebate or dividend payable to a member under sub-rule 2 may, with the consent of the member, be applied:

a. in payment for the issue to the member of bonus shares; or

b. as a loan to the co-operative.

5. Any part of the surplus arising in any year from the business of the cooperative may be credited to any person who is not a member, but is qualified to be a member, by way of rebate in proportion to the business done by him or her with the co-operative, if:

a. the person was a member at the time the business was done and the membership has lapsed; or

b. the person has applied for membership after the business was done.

6. Nothing in sub-rule 5 precludes the payment of a bonus to an employee in accordance with the terms of his or her employment.

7. A part of the surplus, not exceeding 5% arising in any year from the business of the co-operative may be applied for one or both of the following:

a. charitable purposes; or

b. supporting any activity approved by the co-operative.

8. The board must give notice of any dividend, rebate or bonus share that has been declared by displaying it at the registered office of the cooperative and in any other manner the board determines.

9. Except where the Act or these rules specify otherwise interest does not accrue to a member on any dividend rebate or bonus share held by the co-operative for a member.

57. Provision for loss

Subject to section 271 of the Act, the board may resolve to retain part of the surplus arising from the business of the co-operative in any year to be applied to meet any loss on the transactions of the co-operative.

58. Winding up

The winding up of the co-operative must be in accordance with Part 12 of the Act.

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CERTIFICATION

We the undersigned, certify that this is a copy of the rules which was presented to the formation meeting

On (date) at(location)

For the purpose of forming a co-operative to be known as:

RANGES ENERGY CO-OPERATIVE LIMITED

..... Chairperson of Formation Meeting

Signature

..... Secretary of Formation Meeting

Signature

Note: This certification is signed at the Formation Meeting which is held after the rules have been

approved by the registrar and returned to the sponsors of the proposed co-operative.

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Appendix 1

Schedule of charges:

. Copies of entry in register: refer to rule 52 Duplicate statement of holdings: \$10 (maximum) Transfer of shares: \$10

. Transfer of charge (inclusive of transfer of debenture): \$10

. Copy of rules: \$5 plus \$1 for each page after the first page to a maximum of \$10.

Appendix 2

Part 1

Name of co-operative: Ranges Energy Co-operative Limited

Part 2

Primary activity

The primary activities of the Ranges Energy Co-operative Limited are to:

a. develop, own, operate and manage sustainable energy supplies;

b. generate and supply energy from the co-operative energy sources;

c. raise community awareness of the benefits of sustainable and renewable energy

Part 3

To remain an active member of Ranges Energy Co-operative Limited a member:

a. must purchase or consume energy generated directly or indirectly by the Co-operative; or

b. subscribe to the Co-operative's newsletter.

Appendix 3

Part 1

1. The minimum shareholding at the formation meeting is 100 \$1 shares.

2. Any person applying for membership that is not a formation member must apply and pay for the minimum number of shares as set out in the membership application form as approved by the Board from time to time and where provided by that form, agree to in the future subscribe and pay for a maximum number of additional shares specified in the application form.

Part 2

Fines: The co-operative does not impose fines.

Part 3

The nominal value of a share and amount payable is \$1.

. Fees: n/a

. Charges: n/a

. Subscriptions: The annual subscription fee for the newsletter will be determined by the board but will not exceed an amount of \$20 per annum.

Appendix 4

Form for Transfer of Shares (not included here)

Appendix 5

Qualifications of an independent director

An independent director may be nominated by the Board on the basis of their qualifications, skills, experience or knowledge in the engineering, industrial, legal, commercial or financial sectors.

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8 Co-operative Principles

These Co-operative Principles are reproduced from Division 3 of the Co-operatives Act (Vic) 1996

The Co-operative Principles are the following principles:

1. Voluntary and open membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic member control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are organised in a democratic manner.

3. Member economic participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4. Autonomy and independence

Co-operatives are autonomous, self help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external resources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, training and information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefit of co-operation.

6. Co-operation amongst co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for the community

Whilst focussing on member needs, co-operatives work for the sustainable development of their communities through policies accepted by their members.

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9 Ranges Energy Application for Membership

Ranges Energy Co-operative Ltd, PO Box 1002 Upwey VIC 3158

Tel: 87411477; Email: RangesEnergy@gmail.com

NOTE: Prior to applying for membership of Ranges Energy applicants should read the accompanying Disclosure Statement and Rules of the Co-operative and consider whether you need to seek independent financial advice or other advice in relation to the Terms and Conditions contained within these documents.

Personal Information - Individuals

Surname:

First name/s:

Information - Organisations

Organisation Name:

ABN:

Trustee (if applicable):

Signatory Name:

Position:

Contact Information

Street Address:

Suburb/Town:

State

Postcode:

Tel. Work: (

)

Tel. AH:

(

)

Fax: (

)

E-mail:

(All correspondence will be by email where possible)

How did you find out about Ranges Energy?

Share Purchase (Applicants must purchase a minimum of 100 shares)

No of Shares:

x \$1 =

\$

Total Investment

= \$

Payment

Cheques should be made payable to:

Ranges Energy Co-operative Ltd

Send your signed Application and payment to:

Ranges Energy

PO Box 1002 Upwey Vic 3158

Application Agreement

I have read and accept the terms of this Disclosure Statement including the Rules of the Co-operative and apply for membership of the Ranges Energy Co-operative Ltd

Applicant Signature:

SIGN HERE

Date

DD / MM / YYYY

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Reasons for Rule Changes

This set of rules has been modeled from our mentor organisation Hepburn Community Wind Park Co-operative Limited, incorporated in 2007. Hepburn Wind recently made further changes to their rules which have been incorporated into the proposal and outlined below.

Rule 7(1) Flexibility with the address for receiving applications improves efficiency when using a third party share registry service.

Rule 12. The Co-operative does not intend to impose fines.

Rule 17(1,2,3) Removal of reference to use of a seal as this practice is no longer current especially when employing the services of a share registrar. Title and any reference to share certificate has been changed to statement of holdings as is current practice.

Rule 18 Clarification only - that the shares are member's shares.

Rule 29(1) Flexibility to adjust the timing and frequency of dividend payments as the business allows.

Rule 30(3) The rule relating to the failure to reach a quorum rule has been amended to allow for the time or venue to be changed from the following week if it is necessary.

Rule 38 The number of directors has been adjusted to allow for a higher number of directors due to the need of the workload necessary to effectively manage infrastructure and promote green energy.

Rule 40 The original rule requires a 'two-three' pattern more relevant for co-operatives that have five directors, not nine. Three vacant positions maintains board stability and facilitates renewal. The term for a director is stated.

Rule 41(3) Requirement for nominee to have form signed by two other members has been deleted as the nature of this co-operative is such that some members may not know two other members to sign a nomination form.

Rule 48 The original rules required three directors as a quorum, a figure more relevant for co-operatives with five directors, not nine.

Rule 51 Title and specifics of this rule changed to remove reference to common seal as this practice is no longer current.