

Long-Term Energy Service Agreement Social Licence Commitments

Phoenix Pumped Hydro has been selected to participate in the NSW Government's Long-Term Energy Service Agreement (LTESA) Scheme.

About the LTESA Scheme

The LTESA Scheme is a strategic risk management mechanism designed to support the development of renewable energy and storage projects in NSW. It provides participating project developers with the option to access a fixed minimum price for electricity during sustained periods of low wholesale market prices, offering commercial certainty that helps unlock private investment.

Renewable energy projects are selected for participation in the LTESA Scheme based on clear merit criteria, including project viability, cost effectiveness, capacity to contribute to long-term energy reliability, project impacts and sustainability.

LTESAs support the public interest by accelerating the delivery of clean, reliable, and affordable energy — a key step toward achieving NSW's renewable energy and storage targets.

For ACEN Australia, the LTESA adds further rigour and assurance to our existing commitments to creating long-term social value in the communities that host our projects. As part of the agreement, we have made substantial, binding commitments that reflect and reinforce our focus on regional contracting and employment, Indigenous participation, and community initiatives.

How it works

If, once a project is fully operational, market revenues fall below an agreed minimum over a financial year, the LTESA provides a temporary revenue floor to support continued viability. For generation projects, this is based on electricity market revenues. For storage projects, the mechanism is tailored to reflect their role in grid stability, with payments typically linked to the availability and performance of the asset rather than energy generation alone.

This arrangement plays an important role during the transition to a modern energy system, where new renewable and storage projects compete in a market still shaped by aging fossil fuel infrastructure, inconsistent price signals, and legacy market settings.

Projects supported by an LTESA operate under a two-way framework. If revenues exceed a set threshold, a portion is returned to the government, ensuring above-normal profits are shared with consumers. This structure balances risk and reward, supports investor confidence, and ensures transparency and accountability in delivering the next generation of energy infrastructure.

Our LTESA commitments

If Phoenix Pumped Hydro receives Planning Approval, the project will deliver a range of initiatives under an LTESA to support long-term social value creation that makes a difference in the lives of local people, for the life of the project.

Social Licence Aspect	ACEN Australia Commitment
Shared community benefits commitments	<ul style="list-style-type: none"> - During the term of the LTESA, \$62,500 per annum via our Social Investment Program (SIP) to be utilised to support key community initiatives focused on Community enhancement and resilience, Education and work, Reconciliation and Environment - Through our Planning Agreement, a commitment of 1.5% of Project Construction Expenditure will be provided over the life of the LTESA agreement (40 years) to invest in community initiatives and infrastructure
First Nations people commitments	<ul style="list-style-type: none"> - During the development and construction phase, \$200,000 to be utilised to support First Nations supply chain and workforce development. This includes initiatives that support job readiness including pre-employment training, apprenticeships, and other mentoring initiatives. - 1.5% of Total project value (\$47,090,175 in total) is committed to First Nations supply chain participation - 1.6% of Total Workforce are created for First Nations Workers on our project.
Commitments to local employment	<ul style="list-style-type: none"> - During the development and construction phase, we have committed \$200,000 towards initiatives that support local business development. - The project is committed to having 20% of Total Workforce created for apprenticeships, traineeships, and other learning workers on our project. - We are committed to having 20% of Total trade positions are apprenticeship roles - As part of our commitment to supporting underrepresented groups, the project is targeting 15% of Total Workforce for women in construction, people with disabilities, and young job seekers.
Commitments related to use of local content	<ul style="list-style-type: none"> - 66% of the Project Construction expenditure (\$2,045,202,720) will be committed to local content, ensuring local businesses benefit from procurement opportunities during the development and construction phase. - During the operations phase, we have committed to allocating 61% of our total operational expenditure (\$24,737,330) within local supply chains, supporting long-term economic growth for the region - We have further committed to use at least 30% steel from Australian suppliers as part of the project construction activities (\$43,654,500).