



Round 2 Demand Assessment – Confidential Letter of Intent Form (non-binding)

Please consider this form alongside the Round 2 presentation (Info Pack), which may inform your response.

Who should complete this form?

- Anyone wishing to purchase new water from the Barossa New Water project in Barossa or Eden valleys.
- If you did not participate in Round 1, you are encouraged to participate in Round 2.
- Continuing Round 1 participants should also complete this form as it presents new Round 2 information.

Confidentiality

Your information will be kept confidential. Responses will be aggregated as part of a summary report.

SECTION 1: CUSTOMER INFORMATION

Name of customer/s:	
Company / trading name:	
Email:	
Mob:	

Guideline for responding

Please consider more than your immediate water needs. Consider how business growth and climate change may impact your long-term water demand. Your likely demand will drive engineering and costs in the business case.

SUMMARY OF IMPORTANT INFORMATION

Engineering options

There are two options arising from Round 1 demand and the engineering analysis recently completed:

- **Option 1:** 11GL desalinated or ‘recycled’ Bolivar water (300-400ppm) to Barossa and Eden valleys.
- **Option 2:** 7GL desalinated Bolivar water to Barossa Valley & 4GL River Murray water via MAPL to Eden Valley.

Water quality

Water supplied to the Barossa Valley floor will be high quality (300-400ppm) desalinated water from Bolivar wastewater treatment plant. Under Option 1, Eden Valley would receive the same water as Barossa Valley. Under Option 2, Eden Valley would receive River Murray water.

Climate change

Please consider the forecast impacts of climate change by 2050:

- Mid-range climate projections say average annual rainfall will decline 7% to 15% by 2050
- Average temperatures are forecast to increase 1.4 to 1.7 degrees Celsius by 2050
- Stream flows will be significantly reduced within the Barossa zone.

Customer capital price

Price assumption: Customers in Barossa and Eden valleys make a capital contribution of about **\$10,000 per ML**. This likely will include a **payment for shares** * (upfront) and an **infrastructure levy** paid over eight years.

Year	1	2	3	4	5	6	7	8	9	Total
Capital payment (\$/ML)	2,000 *	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
Q1: Please indicate your level of support for this payment plan? (Circle one)	Very low	Low	Moderate	High	Very high					



Barossa New Water – Detailed Business Case (DBC)

Customer annual charges

	Option 1: Recycled water solution for Barossa and Eden Valley – 11GL		Option 2: Recycled water solution for Barossa (7GL) and raw water solution for Eden (4 GL)	
	Barossa Valley: 7GL Bolivar recycled (\$/ML)	Eden Valley: 4GL Bolivar recycled (\$/ML)	Barossa Valley: 7GL Bolivar recycled (\$/ML)	Eden Valley: 4GL River Murray (\$/ML)
Fixed annual charge	980	870	980	980
Water use charge	730	960	730	630
Total annual charge	1,710	1,830	1,710	1,610
Rounded annual charge (\$/ML)	1,700	1,800	1,700	1,600
Water product reliability	Bolivar very high	Bolivar very high	Bolivar very high	Murray River high (less reliable than Bolivar)

GST exemption

Capital prices (infrastructure charges) and annual charges are GST exempt. No GST will be added to above prices.

Price subject to change

Round 2 responses will drive the remaining 66% of DBC engineering design and costings. Therefore **all prices may change**.

Demand scenarios

You are being asked for your minimum, likely and maximum additional demand for new water from this project based on pricing assumptions. Do not include existing water use or existing irrigation supply. Please tell us your additional demand using these guidelines to determine your low, medium and high volume of new demand.

Table: Guidelines to inform your demand for additional water

Minimum demand (e.g. 0.5-1ML/ha)	Likely demand (e.g. 1-2ML/ha) – Drives Engineering and Costs	Maximum demand (e.g. 2-3ML/ha)
<ul style="list-style-type: none"> Immediate need from 2025 Noting change in climate (average rainfall decrease and average temperature increase) 	<ul style="list-style-type: none"> Mid-point of immediate and maximum need for 5-20 years Assume mid-range change in climate (average rainfall decrease & average temperature increase) 	<ul style="list-style-type: none"> Dare to dream = growth scenario Maximum need for 25-50 years Assume pessimistic change in climate (rainfall decrease >15% and average temperature increase >1.5 degrees)

Owner / operator models

The DBC must consider different owner-operator options including Barossa Infrastructure Limited (BIL), a new customer owned entity, SA Water and others. Round 1 customer views on the owner-operator model include:

- It is acceptable for SA Water or BIL to own and/or operate the desalination plant near Bolivar
- Customers prefer that BIL own and operate the desalination plant, bulk transport and Barossa network
- Customers prefers that BIL, or a new customer-owned entity, own and operate the Eden Valley network.

Completing this form

You can complete this form in hardcopy or electronically in Word. The form is unable to be completed online.

Online meetings

Q2: Did you attend a Round 2 online meeting on 31 Jan or 1-2 Feb 2022? (Circle one) **YES** or **NO**



Barossa New Water – Detailed Business Case (DBC)

SECTION 2: BAROSSA VALLEY DEMAND FOR DESALINATED BOLIVAR WATER

Price assumption: Barossa Valley floor Round 2 capital price is **\$10,000/ML**. Annual charge is **\$1,700/ML**.

Q3: At these prices, what is your minimum, likely and maximum new demand by property?

Please provide lot and plan number and street address for locations to which you would like new water delivered.

Q4: What is your new total demand? (Please add up your demand in each column and fill out the bottom line.)

Example response (do not fill out)

Property Lot and Plan No.	Property address	MIN (ML)	LIKELY (ML)	MAX (ML)
<i>Example: Lot 302 Plan No 119856 = D119856 A302</i>	<i>527 Smyth Road, Tanunda</i>	<i>4</i>	<i>80</i>	<i>450</i>
<i>Example: Lot 3 Plan 169929 = F169929 A3</i>	<i>345 Seppeltsfield Road, Nuriootpa</i>	<i>6</i>	<i>20</i>	<i>550</i>
Total		10	100	1,000

Your response

Property Lot and Plan No.	Property address	MIN (ML)	LIKELY (ML)	MAX (ML)
Total (ML)				



SECTION 3: EDEN VALLEY DEMAND FOR DESALINATED BOLIVAR WATER

Price assumption: Eden Valley (Option 1) Round 2 capital price is **\$10,000/ML**. Annual charge is **\$1,800/ML**.

Q5: At these prices, what is your minimum, likely and maximum new demand by property?

Please provide lot and plan number and street address for locations to which you would like new water delivered.

Q6: What is your total new demand? (Please add up your demand in each column and fill out the bottom line.)

Example response (do not fill out)

Property Lot and Plan No.	Property address	MIN (ML)	LIKELY (ML)	MAX (ML)
<i>Example: Lot 5 Plan 2535 = F2535 A5</i>	<i>12 Vigorous Rd, Eden Valley</i>	<i>4</i>	<i>80</i>	<i>450</i>
<i>Example: Lot 10 Plan 43095 = D43095 A10</i>	<i>1234 Hamptons Rd, Springton</i>	<i>6</i>	<i>20</i>	<i>550</i>
Total		10	100	1,000

Your response

Property Lot and Plan No.	Property address	MIN (ML)	LIKELY (ML)	MAX (ML)
Total (ML)				



SECTION 4: EDEN VALLEY DEMAND FOR RIVER MURRAY WATER

Price assumption: Eden Valley (Option 2) Round 2 capital price is **\$10,000/ML**. Annual charge is **\$1,600/ML**.

Q7: At these prices, what is your minimum, likely and maximum new demand by property?

Please provide lot and plan number and street address for locations to which you would like new water delivered.

Q8: What is your total new demand? (Please add up your demand in each column and fill out the bottom line.)

Example response (do not fill out)

Property Lot and Plan No.	Property address	MIN (ML)	LIKELY (ML)	MAX (ML)
<i>Example: Lot 5 Plan 2535 = F2535 A5</i>	<i>12 Vigorous Rd, Eden Valley</i>	<i>4</i>	<i>80</i>	<i>450</i>
<i>Example: Lot 10 Plan 43095 = D43095 A10</i>	<i>1234 Hamptons Rd, Springton</i>	<i>6</i>	<i>20</i>	<i>550</i>
Total		10	100	1,000

Your response

Property Lot and Plan No.	Property address	MIN (ML)	LIKELY (ML)	MAX (ML)
Total (ML)				

SECTION 5: OTHER QUESTIONS (DELIVERY DAYS & ECONOMIC ASSESSMENT)

Assumption: The design has a 150-day delivery period (e.g. 150 ML allocation would have 1 ML/day max flow). Higher flow rates / less days will increase costs. On farm storage may be needed to meet peak irrigation needs.

Q9: To what extent do you support the 150-day delivery period and resulting flow rates? Your support for this design element is: (Circle one)	Very low	Low	Moderate	High	Very high
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Substitution of existing water sources: We asked for new demand. But in practice, you may choose to use the new water **replace** some existing water sources where the new source is higher quality (e.g. using less salty ground water / shandy).

Q10: What proportion of your new water demand will be used to replace some existing water sources (e.g. groundwater, on-farm dams)? (Circle one or delete incorrect responses)	Less than 20%	20-40%	40-60%	60-80%	More than 80%
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We are seeking data about the number and size of wineries in the area to help build the economic business case.

Q11: Do you have a winery? (Circle one) **YES** (see table below) or **NO**


Q12: What size is your winery? (Please complete table below and indicate number of wineries if more than one.)

Winery size	Micro	Small	Medium	Large	Major
Annual grape capacity of your winery/wineries (t/pa)	0-100t	100t-750t	750t-5,000t	5,000-20,000t	+20,000t
Number of wineries per size category in Barossa or Eden					

SECTION 6: YOUR INVESTMENT CERTAINTY

Q13: Your favourite option: Please rank the two engineering options to show your preference (**Write “1” and “2” below**).

Option 1: Highly reliable desalinated Bolivar water for both areas. Annual charge \$1,800/ML in Eden and \$1,600/ML in Barossa Valley	
Option 2: Less reliable River Murray water for Eden Valley at \$1,600/ML pa and reliable Bolivar water for Barossa Valley at \$1,700/ML.	

Q14: How likely are you to invest in the scheme? (Write “yes” or put a tick in one box per relevant row) You can use this: 

Level of certainty *	1 = Very Unlikely	2 = Unlikely	3 = Likely	4 = Very Likely	5 = 100% Certain
Barossa Valley Customers: How likely are you to invest, as both options deliver reliable desalinated Bolivar water at \$1,700/ML pa?					
Eden Valley Customers – Option 1: How likely are you to invest in desalinated Bolivar water delivered to Eden Valley at \$1,800/ML pa?					
Eden Valley Customers – Option 2: How likely are you to invest in Murray River water delivered to Eden Valley at \$1,600/ML pa?					

Note* For all options the Round 2 capital charge is estimated to be \$10,000/ML paid over 9 years.

SECTION 7: CONFIDENTIALITY

Regardless of whether you are a BIL customer, do you approve your data in this form being shared with BIL?	YES / NO (circle one)
Regardless of whether you are an SA Water customer, do you approve this data being shared with SA Water?	YES / NO (circle one)

YOUR SIGNATURE (NON-BINDING COMMITMENT)

Your signature (type or write your name):	Date:
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Due date: Please scan and email the completed form to angus.macdonald@kbr.com by **11 February 2022**.