FIRST NATIONS
CLEAN ENERGY NETWORK

First Nations co-ownership and equity participation in clean energy projects

About the First Nations Clean Energy Network

The First Nations Clean Energy Network (the Network) aims to make sure First Nations participate in and benefit from Australia's clean energy boom, and that the rapid transition to renewable energy occurs fairly for First Nations communities.

As a national, First Nations-led coalition led by a Steering Group of First Nations leaders, the Network is made up of First Nations people, groups, community organisations, land councils, unions, academics, industry groups, technical advisors, legal experts, renewables companies and others - working in partnership to enable and empower First Nations to respond to and shape clean energy projects that impact communities, land, waters and Sea Country.

The Network advocates for an energy system that ensures First Nations participation and benefit, and tracks the growth in First Nations leadership and ownership of clean energy projects. These are examples of First Nations community leadership and nation-building in practice – with projects bringing jobs, investment and infrastructure to First Nations groups and Australia as a whole.

We're grateful to Pinsent Masons for their efforts in compiling the information in this guide, delivered in collaboration with the First Nations Clean Energy Network.

About this guide

This guide to First Nations co-ownership and equity participation in clean energy projects is designed to support First Nations communities review their participation in clean energy projects proposed for, or being developed on, Country.

It contains an overview of the potential risks and benefits of participating directly in clean energy projects as a shareholder or under similar arrangements – called equity participation in this guide. It also unpacks different forms of equity participation for First Nations considering co-investing in clean energy projects with developers.

The guide supplements the Network's other toolkits, including Best Practice Principles for Clean Energy Projects, Clean Energy Negotiations Guide for First Nations, Clean Energy Planning Toolkit for First Nations, and Renewable Energy Project Development: What's involved?

Note, sources of funding for equity investments are *not* explored in this guide.

This guide is an introduction only and contains general guidance about equity participation for clean energy projects to inform and empower First Nations communities. It does not, and cannot, identify or discuss project-specific risks that will arise for each project, and should not be relied upon as legal, financial or technical advice.

First Nations communities and groups seeking to partner with developers and secure equity participation in clean energy projects should seek professional legal, financial, and other specialist advice from appropriately qualified persons before entering into any agreements with project developers.

First Nations equity and co-ownership in clean energy projects

Australia is currently transitioning away from fossil fuels to new investment in clean energy. This presents opportunities for First Nations to engage, participate and benefit from clean energy projects.

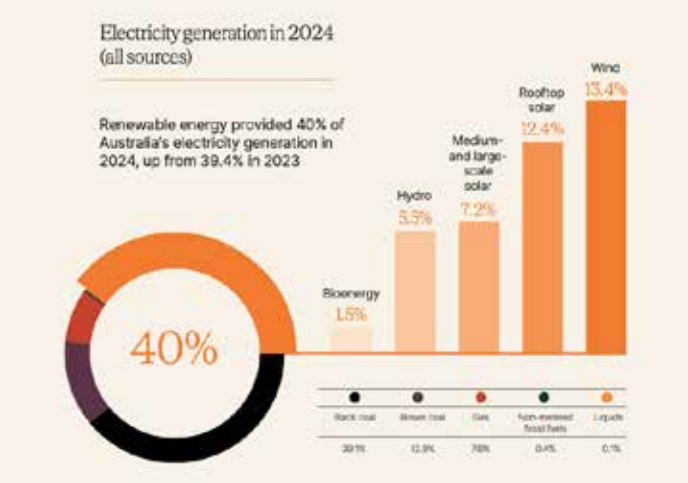
Australia's economy is rapidly transforming as part of the global clean energy transition.

New investments in clean energy, including storage, totalled $12.7 billion in 2024 – the highest year on record, compared with investments of $8.3 billion in 2023.

In 2024, 40% of Australia's electricity was provided by clean energy projects including wind farms, solar farms, and large-scale battery and storage projects.[1]

In addition, many new major transmission lines and energy storage solutions, including pumped hydro projects, are being constructed to transport and store the electricity generated from clean energy projects.

Electricity generation in 2024



Source: *Clean Energy Council* [2]

Looking forward, the scale of Australia's transition to clean energy is massive.

Australia's clean energy transition

Source: *Clean Energy Council*[3]

The Australian government recognises First Nations are important partners in the energy transition.[4]

With over 60% of energy projects likely to be developed where First Nations have rights and interests in lands and waters,[5] delivering over $20.9 billion in capital investment,[6] our involvement is a necessity.

Nothing about us without us.

First Nations around the country aim to meaningfully engage with clean energy projects and share in the opportunities and benefits renewable energy development has to offer.

We want a say in how a project is built, operated and closed, and the opportunity for long-term financial returns and significant benefits for communities.

For investors, First Nations equity participation can add speed, certainty, and strength by de-risking projects, attracting investment, securing community support, and unlocking long-term value.

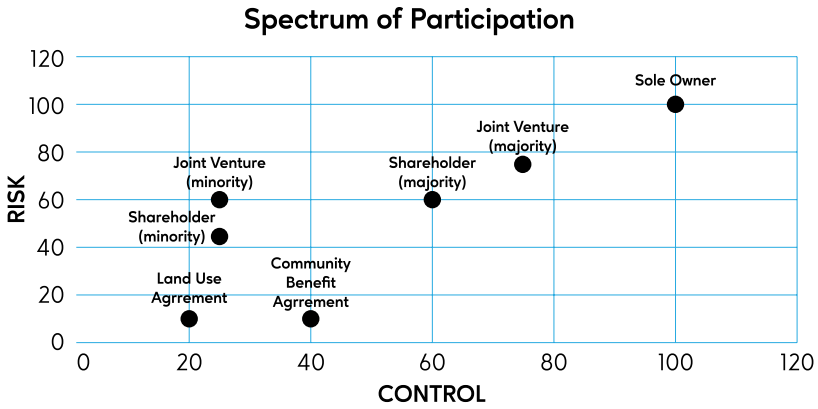
Projects that embrace First Nations rights and values, and put into practice the principles of free, prior and informed consent (FPIC) are more bankable, more resilient, and more likely to get approved, funded and built, and to operate profitably with social licence.

For First Nations, increasing our equity participation and co-ownership in clean energy projects has the potential to see our communities **directly benefiting** from Australia's energy transition.

If structured correctly, with projects commercially sound and more likely to succeed, First Nations equity participation and ownership is an opportunity to create positive outcomes for our communities.

That includes a seat at the table, involvement in project leadership and decision-making, access to rights to protect equity/ownership, project revenue sharing, and engaging in a shared purpose over the life of a project guided by our values and aspirations.

First Nations equity participation also brings potential risks that need to be considered and understood. A high-level simplified summary of the level of control and potential risk with different legal structures is set out in the following chart:



*In the above chart, 'Joint Venture' is an unincorporated joint venture.

Communities should carefully consider the risk and reward of the degree of participation taken in a Project and then seek legal and commercial advice to support and protect community interests.

Alternative arrangements with proponents, such as revenue-sharing, royalties, payments under Cultural Heritage Agreements, or rent-for-land payments may offer a better solution for some groups.

This guide highlights the benefits of First Nations engagement in a clean energy project, an overview of equity, what equity participation involves, and the potential risks and benefits for First Nations groups seeking to hold equity in projects.

It also provides examples of common ways First Nations can hold equity in projects, including case studies from Australian and international clean energy projects.

Benefits of engagement as a First Nations group

Economic opportunities for renewable projects can come in different forms, often with multiple benefits able to be realised for a single project.

Financial

Equity Ownership: The First Nations community/group has some level of ownership of either the project itself or a corporation involved in the development of the project.

Revenue Sharing: The First Nations community/group will benefit financially from the project via a benefit sharing fund or payments (could include rent for lease of land, revenue through royalties, share options, and/or a Power Purchase Agreement).

Non-financial

Employment & training opportunities: There is direct employment of, and training for, First Nations people as part of the development, construction, operation or maintenance of the project.

Procurement opportunities: The project requires or includes specific involvement of First Nations owned businesses in the supply chain.

Key decision-making roles: There are First Nations people from the relevant community/group in management, leadership or executive positions for the project.

Engagement in project design: The project design process enables genuine public participation consistent with best practice engagement frameworks to inform place-based design.

Cultural heritage protection: Design surveys, strong protection and monitoring built in, including robust cultural awareness training.

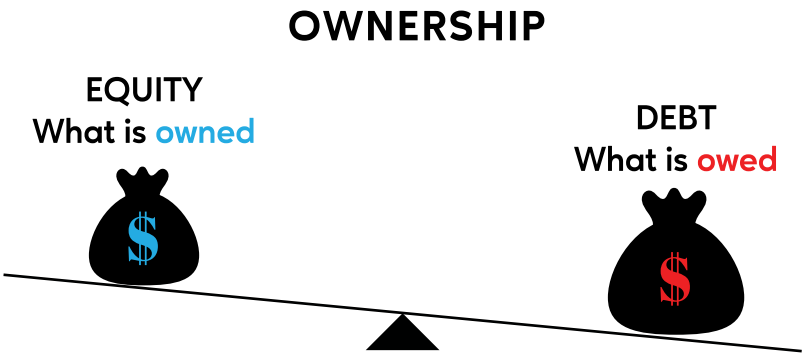
Community specific issues: The specific issues raised by or relevant to a given First Nations community/group are addressed by the project (such as low-cost, clean, reliable power).

What is equity?

The purest form of consent is equity. You can never argue you're not getting consent if you're an equity partner and in a position where you have some say in how the project would be built.[7]

Equity is the value of an ownership stake in an asset or company after the deduction of debts.

For example, a person's motor vehicle equity is the market value of their car (the asset) minus any amount still owed on the loan (the liability). A homeowner's equity is the market value of their house (asset) minus the balance of the homeowner's mortgage or loan (liability).



How does equity work in a basic company structure?

In a company, a shareholders' equity is the value of the total assets of the company minus the total liabilities of the company.

Example of a Summary Balance Sheet for Project RenewCo

	FY23	FY24
Cash	300,000	120,000
Financial assets	250,000	320,000
Receivables & prepayments	45,000	31,000
Property, Plant & Equipment (PPE)	1,250,000	1,110,000
Financial instruments	9,000	95,000
Intangible assets	550	550
Total assets	**1,854,550**	**1,676,550**
Bank loans	(220,000)	(500,000)
Payable and accruals	(60,000)	(20,000)
Finance lease	(125,000)	(25,000)
Financial instruments	(65,000)	(55,000)
Deferred tax liability	(20,000)	(105,000)
Total liabilities	**(490,000)**	**(705,000)**
Net assets / Total equity	**1,364,550**	**971,550**

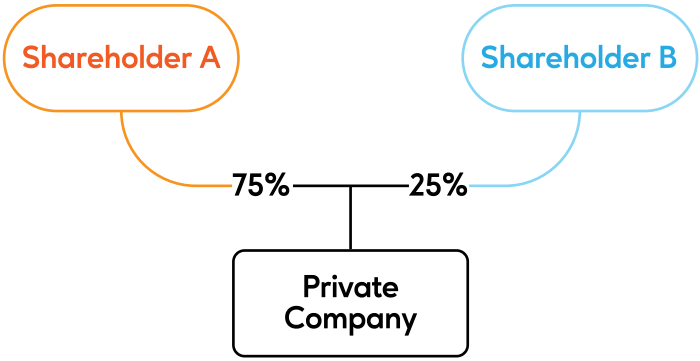
In a basic private company structure, owners or **shareholders** are issued ordinary shares.

For example, in a company with 100 ordinary shares, where Shareholder A holds 75 ordinary shares and Shareholder B holds 25 ordinary shares:

Shareholder A holds 75% of the ordinary equity and **Shareholder B holds 25% of the ordinary equity.**

This basic corporate structure is set out in the diagram below.

Figure 1: Basic corporate structure of a company



Shareholder equity is the value that remains *after debt*. In other words, equity ranks behind debt.

This means if a company is wound up, the company's debt must be paid out *before* shareholders receive the balance of any remaining cash or assets of the company.

If a company is insolvent – where the company cannot pay its debts as and when they fall due – any amounts available are distributed to the company's creditors and, usually, there is nothing left to pay shareholders.

The key risk with equity investment is that shareholders may *not* receive some or all of the expected return on their investment.

In the worst-case scenario, shareholders may also lose the value of their initial investment.

The *rights* attached to each shareholders' equity will depend on the overall investment structure and the investment documents that have been negotiated.

In the following sections, we provide some common examples of investment structures.

Equity participation in clean energy projects

One way First Nations communities and groups can participate in and benefit economically from clean energy is to own equity in projects.

Equity participation is a way to proactively exercise First Nations rights, protect community interests, ensure control and a boardroom role in decision-making, and share the economic benefits derived from a project.

Share ownership (or security ownership) is the most direct form of equity participation.

Equity can take many legal forms.

Primarily, **equity participation** means investing in a project in return for owning a stake or a share in the project, and a right to share in the project's future profits.

Other rights or benefits that typically come with equity include voting and governance rights which give equity holders 'a seat at the table' to oversee the development and operation of the project.

Equity participation can co-exist with other participation and partnering arrangements made between First Nations groups and companies.

That might include First Nations training and employment targets, preferred contracting programs, community benefit agreements, Indigenous Land Use Agreements (ILUAs), cultural heritage agreements, and so on.

Equity participation can also co-exist with arrangements to ensure more affordable and reliable energy, such as through negotiating long-term energy supply contracts from the project to benefit local communities.

Benefits and barriers of First Nations equity participation in clean energy projects

First Nations communities and groups are increasingly interested in being equity owners in clean energy projects impacting land and waters.

There are a growing number of First Nations clean energy equity partnerships in Australia.8 However, compared to the large number of projects already developed or under development,[9] First Nations equity arrangements in clean energy projects are still relatively rare.[10]

Potential benefits of First Nations equity participation

There are growing numbers of First Nations exploring equity participation in clean energy projects in Australia.[11]

Equity participation in clean energy projects can provide longstanding financial and other benefits to First Nations communities and groups, including:

- ☐ **Economic empowerment** – gained through financial benefits from projects, including long-term revenue streams, potential profit share, and opportunities for people to gain experience in project investment, governance and development.

- ☐ **Decision-making and influence** – through the recognition of ongoing rights to have a 'seat at the table' in planning and the execution of projects, and co-designing project development in a way that respects values, rights, interests and aspirations.
- ☐ **Partnership opportunities** – through collaboration, knowledge sharing and values alignment with governments, private companies, and other stakeholders.
- ☐ **Access to funding** – equity participation can open doors to various funding opportunities, including grants and investments aimed at promoting renewable energy.
- ☐ **Community/group cohesion** – through strengthening community engagement and inclusion protocols and strategies, and building a sense of pride and ownership amongst community members.
- ☐ **Changing the story** – through setting a precedent of First Nations participation and inclusion in clean energy projects for the market and investors, benefiting both First Nations communities, clean energy project developers, and the broader Australian society.

Potential barriers to First Nations equity participation

First Nations communities and organisations need access to capital to come to the negotiating table as true partners.[12]

First Nations peoples have long been prohibited and excluded from participating in Australia's financial system.[13]

A key barrier to First Nations equity participation in clean energy is a lack of access to finance and capital to fund equity and other critical commercial support.

To ensure First Nations can harness the opportunity to invest in clean energy projects, targeted funding and dedicated innovative financial mechanisms are needed (for example, concessional loans, loan

guarantees, and future revenue streams from a clean energy project being 'monetised' to enable First Nations groups to fund their equity participation).[14]

Another key barrier is the need to have a good understanding of equity and its risks to ensure equity participation in clean energy can be done in an informed way.

This guide provides a general overview to start the journey.

Ways of doing equity/co-ownership in clean energy projects

The meaningful participation of First Nations rights holders is critical to de-risking clean energy projects. Communities must decide the forms participation takes – full or part ownership, leasing and so on – after they have properly assessed their options.[15]

Direct equity participation

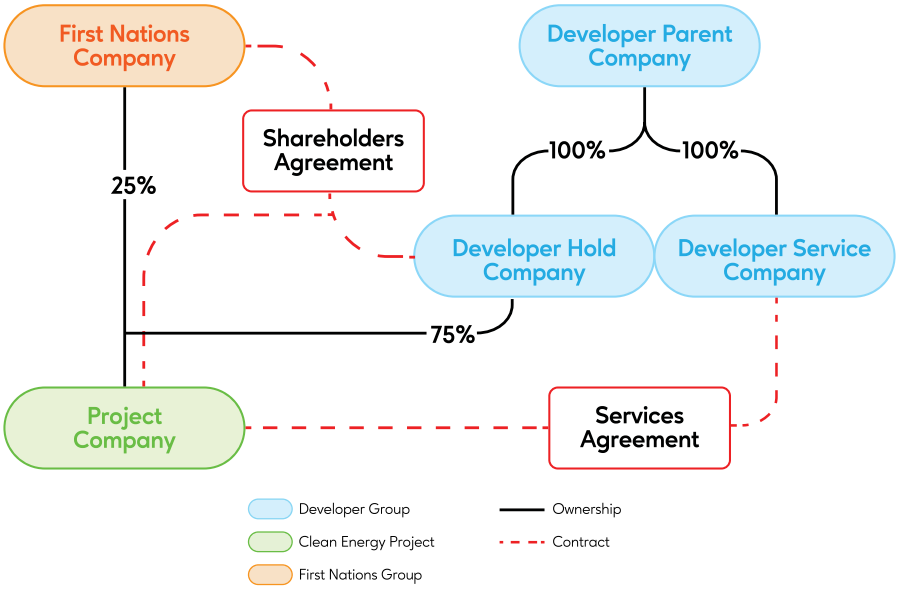
Direct equity participation is owning shares or units in a clean energy project or company. For instance, a First Nations group may directly own or hold shares in a company. That means the group collectively owns the project with other shareholders.

Or, a First Nations group may own other securities in a company, or in a group of companies that has been created to develop a clean energy project.

Example One: A simple corporate structure

Example One shows a simple corporate structure for First Nations direct equity participation in the development of a clean energy project.

First Nations equity investment in a simple corporate structure



In this example of a simple corporate structure:

- ☐ The **Project Company** is the entity responsible for developing the clean energy Project. The Project Company will own and hold the assets of the Project and be a party to the Project agreements.
- ☐ The **Project Company** has two equity shareholders: the **First Nations Company** and the **Developer Hold Company**.

- ☐ If the **Project Company** is profitable, it can pay profits to its two shareholders in the form of dividends. In Example One shown, the First Nations Company would be entitled to 25% of the profits distributed by Project Company, and the Developer Hold Company would be entitled to 75%.

- ☐ If the **Project Company** is not profitable, there won't be profits to distribute to shareholders.

The **First Nations Company** is a new or existing company through which the First Nations group/community holds an equity interest.

(In Example One shown, the First Nations company holds a 25% equity interest but in real-life examples equity interest can be more or less than 25%).

The equity interest percentage is commercially negotiated between the First Nations Company's legal advisors and the Project Company, and can be based on the value of the First Nations Company's investment (which could be cash and/or non-cash considerations / contributions).

Forming a First Nations Company

Existing consent and decision-making bodies are not necessarily appropriate to act as the same body for commercial considerations for a Project. For example, a PBC may not be the appropriate entity to undertake existing works and be responsible for executing the Community Energy and Benefit Plans as well as take on the commercial risks of the Project. This may mean setting up a new entity, or possibly reducing the community's depth of participation in its chosen solution.

The form and identity of the First Nations Company should be discussed with the First Nations Company's legal, accounting and/or tax advisers and the Developer to confirm it is 'fit for purpose' for the clean energy project investment.

The **Developer Hold Company** is a company through which the Developer holds an equity interest.

(In Example One shown, the Developer holds a 75% equity interest).

The equity interest to be held by the Developer Hold Company could be more or less than 75%.

The Developer will very likely push for or require a majority interest above 50% or a super majority interest above 75%.

This means they have day-to-day control of the project as well as the ability to pass most company resolutions without the need for a vote in favour from the First Nations Company (depending on the terms of the shareholders agreement, or Constitution).

The relationship between the two shareholders and the management of the **Project Company** is governed by the **Shareholders Agreement**. How that plays out will depend on what the Shareholders Agreement says in terms of the rights of control over decision-making of the different shareholders.

In Example One, the Developer **(Developer Hold Company)** will provide development services to the project under a **Development Services Agreement**.

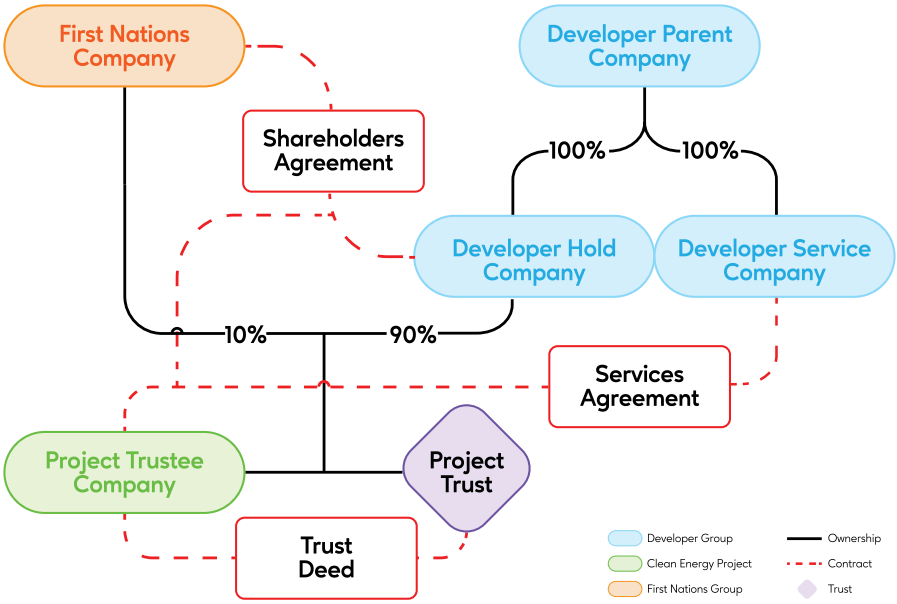
If the **First Nations Company** is also providing services to the Project, it might enter into a **separate services agreement** with the Project Company, or the parties might enter into a **joint venture agreement** to collaborate to develop the project.

Example Two: A unit trust structure

In Example Two, the clean energy project is held in a unit trust structure.

Unit trusts are commonly used in clean energy project developments. They provide more flexibility to distribute income or capital to the beneficiaries of the trust than may be possible in a simple corporate structure (as in Example One).

First Nations equity investment in a unit trust structure



The key differences between the Simple Corporate Structure and the Unit Trust Structure are:

- ☐ The **Project Trustee Company** acts as the trustee of the **Project Trust**.

  The Project Trustee Company holds all legal title in the assets of the project 'on trust' for the beneficiaries of the Project Trust.

  The obligations and powers of the Project Trustee Company to hold trust property and make decisions for the Project Trust are set out in the **Trust Deed**.

- ☐ The **Project Trustee Company** and the **Project Trust** have two **securityholders** – the **First Nations Company** and the **Developer Hold Company**.

  Both securityholders hold shares in the Project Trustee Company. And both securityholders have the same percentage of units in the Project Trust.

  If the Project is making revenue, securityholders will receive distributions from the Project Trust proportional to the number of units held (instead of receiving profits paid by the Project Trustee Company).

  In Example Two provided, the **First Nations Company** would receive 10% of the distributions of income, and the **Developer Hold Company** would receive 90%.

  Instead of a shareholders agreement, the **Project Trustee Company**, the **First Nations Company** and the **Developer Hold Company** enter into a **securityholders agreement** governing their shareholding/unitholding and the management and operations of the **Project Trust**.

Quasi-equity arrangements

Incorporated joint ventures are becoming more common in the Indigenous business sector. This option is suitable for long term projects or where the parties are entering into large scale and high-risk projects.[16]

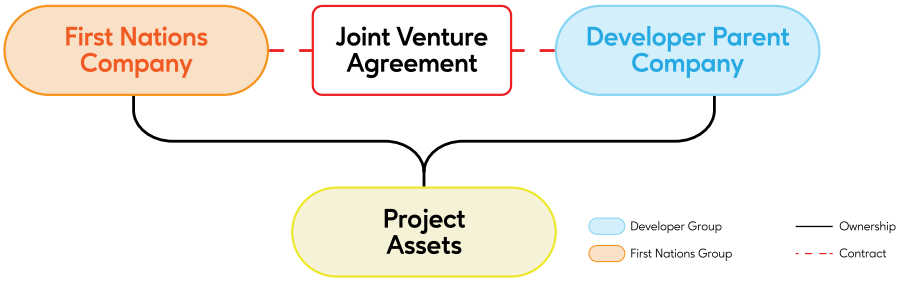
Another common approach to the development of clean energy projects is through quasi-equity arrangements, such as co-development agreements or joint venture agreements.

Co-development agreements or joint venture agreements share some common factors with true 'equity' arrangements, such as sharing risk, sharing resources, and receiving shared revenue from a project.

A co-development / joint venture agreement allocates development responsibilities and financial entitlements between the parties to the agreement. It also states processes for decision-making, approving costs, and financial management.

Example Three: Quasi-equity structure – Co-development / joint venture agreement

Joint venture / Co-development agreement



Co-development / joint venture agreements are particularly relevant when the parties to a project are each contributing different types of experience, capital or assets (e.g. land).

For example, it is common that one party will have the experience and expertise to develop a **greenfield project** or has capital to fund the development, and another party provides key assets (such as land).

In co-development / joint venture agreements, the parties commonly agree to divide the responsibilities according to the level of expertise or assets held. The allocation of risk and liability typically follows the responsibility held.

Benefits and risks of quasi-equity arrangements

There is no Australian standard for these types of agreements. They are flexible, open for negotiation in all aspects, and contractual in nature. This can result in unequal bargaining power – First Nations parties need to be aware of this issue.

Benefits

There are benefits to First Nations groups entering into quasi-equity arrangements through co-development / joint venture agreements.

They include:

- ☐ **Revenue sharing** – this varies widely depending on the terms of the agreement that has been negotiated and the role of each party. Generally there is an opportunity for First Nations groups to receive revenue from a project, which could be linked to the achievement of specified milestones, flow-through rent, or service fees.

- ☐ **Contractual flexibility** – this allows for a variety of structures and collaboration across different stages and areas of responsibility: e.g. planning, land use, project development, the use of shared expertise, responsibility and risk sharing.

- ☐ **Resource sharing** – this may provide additional or greater opportunities to share resources, knowledge, expertise and technology assets. This can build the capacity and skills of a First Nations community and/or a company, and may also promote meaningful engagement across all aspects of both the project and potential impacts/benefits of First Nations rights, interests and aspirations.

- ☐ **Control and Autonomy** – this may occur in decision-making roles, including in co-design and development, providing it aligns with agreed strategies set out in any agreement.

Risks

The risks to First Nations groups entering into quasi-equity arrangements through co-development / joint venture agreements include:

- ☐ **No limited liability** – there is no limitation of liability, other than as agreed in the contracts. This means there is potentially more direct (or personal/group) liability for the project costs, including claims from third parties. Any risk allocation needs to be carefully reviewed and negotiated by First Nations parties.

- ☐ **Complex negotiation and unequal bargaining power** – development agreements can be complex, change at certain milestones, and require in-depth knowledge and negotiation capability. Clear agreements, with careful alignment of values, goals and expectations, and upfront transparent negotiations are crucial to ensure First Nations rights and interests are protected (see 'Preparing for and conducting negotiations').

- [ ] **Conflict** – the potential for conflict over direction and decision-making can stall a project. Parties must rely on negotiated agreement protocols to resolve any conflict. It is important that First Nations groups negotiate decision-making rights at the beginning to reduce the chance of disputes and ensure First Nations rights and interests are upheld.

- [ ] **Limited right to profit** – the financial benefits will be limited to what is agreed in the joint venture agreement. Only with direct equity interest in the project will a First Nations group have an ongoing right to dividends over the life of the project, and the prospect of capital growth in the value of an equity interest. If a First Nations group does *not* have a direct equity interest in the project, there will *not* be an ongoing right to dividends over the life of the project, or the prospect of capital growth in the value of an equity interest.

Additional points on equity and quasi-equity participation

First Nations groups considering equity or quasi-equity participation should engage early with project developers to understand the proposed structure and its risks. They should then seek to negotiate early any changes to reflect the rights, interests and aspirations of the First Nations group, and to remove or reduce key risks.

The three structures discussed above – a basic corporate structure, a unit trust structure, and a quasi-equity structure – are examples only.

Equity investors and quasi-equity investors can have great flexibility in how they structure their investments to meet the needs of a particular project, and each investor's commercial, legal and tax requirements. For First Nations, this can include a group's rights and interests.

Investment structuring decisions must carefully consider the '**bankability**' of a project. This means the ability of a project to attract financing or investment from project financiers, and/or future buyers of the project.

The following section sets out some potential general risks of equity participation in clean energy projects which should be considered by potential First Nations equity investors.

Understanding equity investment risks

Examples of key risks involved with equity participation in clean energy projects

First Nations groups considering equity participation should consider each of these potential risks – based on your group's perspective and set of circumstances.

Project risks

No development: The Project is not developed because it cannot secure land, development approval, connection, technology, or construction contracts. This is a large risk for early-stage/greenfield projects, which are likely to be the type of projects where First Nations investment opportunities will arise.

Breach of law: The Project is developed but the development breaches laws, regulations, or the contractual rights of third parties.

Delays / cost overruns: The Project is developed but is developed late and/or over budget and the Project cannot recover some or all of the costs of the delay from its contractors / suppliers.

Litigation / damages: The Project is sued by its contractual counter-parties or local stakeholders.

Regulatory investigations/penalties: The Project (and its directors/

officers) are investigated by regulators for breaches of laws / regulations and penalties are imposed.

Curtailment: The Project has been developed in an area where there is a high risk of curtailment (when the times that the Project is allowed to produce and sell electricity are reduced).

Other operational issues: The Project technology is not working properly or the Project cannot otherwise operate cost-effectively / profitably or in accordance with its approvals.

Personnel: The Project cannot secure appropriately qualified people to develop, construct and/or operate the Project. Or, there are employment/personnel related issues including wage claims, unfair dismissal and work, health and safety (WHS) claims.

Financial risks

Repayment risk: The First Nations group borrows funds to pay for its equity contribution and is not able to repay those funds.

Profitability risk: The Project is not profitable, or is less profitable than expected, so equity holders receive a lower, or zero return on their investment.

Dilution of equity participation: If the Project requires additional funds above the initial equity contribution, and the Developer asks for additional equity from all equity investors, the Developer has the legal right to provide that funding if other holders do not. If the First Nations investor does not provide additional equity, its equity participation will be diluted, i.e. its equity percentage share and future profit share will be reduced.

Project debt repayment risk: The Project is not able to meet its debt repayments.

Enforcement of security: Lenders/banks will require security over the Project's assets and also, potentially, over the shares/units held by the equity participants. If the Project cannot pay its debt, the banks can take possession of this property and sell the project / project equity. Equity participants will then receive only the balance of the sale proceeds after all debt is repaid, which may be zero.

Preferential payments to other equity investors: The Developer may receive additional payments from the Project (or preferential payments) before the First Nations equity participant, reducing the available profit/income available for the First Nations equity investor. Additional payments may be payments for services under development services agreements, interest payments under shareholder loans, or preferential dividend / distribution rights if the majority investor(s) holds a different class of shares or security to the First Nations equity investor.

Offtake / energy price risks: Payments received under offtake agreements, or from on-the-spot market for electricity generated by the Project, may be lower than modelled and may result in the Project being less profitable than expected.

Market risks: Changes in the Australian market and the global market can impact the profitability of not just clean energy projects, but the supply chains, energy policy, or the attractiveness / competitiveness of Australia as an investment country.

Legal: Legal or regulatory changes may impact the Project and increase operational costs or reduce revenue.

Financial model: There are significant errors in the financial model / budget for the Project.

Bankability / financing: The Project is not 'bankable', i.e. it cannot secure project financing or a third-party buyer or government support through grants or government funding/support initiatives such as ARENA funding or the Capacity Investment Scheme, or any other mechanisms.

Exit risks: A First Nations equity investor might have a minority shareholding, which is not easily sold by itself. This risk is heightened where the shareholders / securityholders agreement does not give the First Nations investor the right to sell alongside the majority investor or exit at certain points in the Project timeline.

Governance and decision-making risks

Majority decision-making: The majority equity holder is likely to have the power to pass most decisions without the approval of the First Nations investor. This may be problematic if the First Nations investor does not agree with the decision. This risk can be reduced if a requirement around unanimous approval is determined upfront for certain decisions that the First Nations investor considers critical to its investment.

Deadlock: If there are any unanimous approval rights, there is a risk of deadlock if the equity holders cannot agree. This may hold up the Project or in some cases, if there is a deadlock resolution mechanism, may result in equity being reduced and/or a forced sale.

Drag rights: The majority investor may negotiate drag rights that force the First Nations investor to sell their equity if the majority investor wants to sell.

Lack of tag rights: The majority investor is able to sell its equity and there is no right for the First Nations investor to sell alongside the majority investor (called tag or tag-along rights).

Director/officer duties: If a First Nations investor has board appointment rights, their First Nations appointees must be aware of the risks of breaching director/officer duties owed to the Project Company.

Lack of resources: One or all investors do not have the time, experience or resources required to act as directors for the Project or perform other roles on the Project.

Counterparty risks

Lack of experience: The Developer and/or key contractors to the Project do not have sufficient experience to deliver the Project in accordance with the Project Plan and Budget.

Breach of law / regulation: The Developer or a key contractor is not able to obtain key approvals (for example Foreign Investment Review Board or environmental approvals) for the development of the Project or breaches 'good corporate citizen' related laws. For example, the Developer or a key contractor becomes subject to sanctions or does not comply with anti-money laundering / counter terrorism, bribery, or modern slavery laws.

Care for Country: The Project developer may be legally compliant with development approvals but does not share the values or appropriate care for Country required by the First Nations investor.

Relationship breakdown: A breakdown in the relationship between the key investors occurs due to having non-aligned interests, a breakdown in trust/understanding, and/or disagreements about the management / future operation of the Project.

Reputational risks

Stakeholder opposition: The Project is not supported by influential local stakeholders.

Litigation / regulatory enforcement: Even if successfully defended, litigation and regulatory action can have a serious reputational impact on equity investors.

Addressing equity investment risks

Always get specialist advice. Due diligence is essential when making investment decisions.

The ability of a **Project Company** to pay a return to its equity investors will depend on its ability to develop and deliver the clean energy project on time, on budget, and in accordance with the financial model for the project.

A potential First Nations equity investor and its advisers should conduct **due diligence** on the Project Company, the Developer and the Project to understand the nature and risks of the potential investment.

They should spend time reviewing and re-negotiating the key investment and project contracts to remove, reduce or manage those risks.

First Nations should gain necessary advice from a range of independent advisors with financial, commercial, and legal expertise.

The level of due diligence and negotiation should be appropriate to the nature, scale and complexity of the project, as well as the financial risk being assumed by the First Nations equity investor.

Due diligence in minimising the risk of making bad decisions about equity

Most opportunities for First Nations investment will be in greenfields projects at the early stages of project development. First Nations communities may be able to provide valuable assistance to achieve key early project milestones.

First Nations communities demonstrating to project developers how they can assist with securing land access and development approvals, perhaps by improving local community support and engagement for land tenure and approvals – and thereby reducing the cost and risk of this key project element, may increase their opportunity for equity participation.

However, the risks for First Nations equity investors are greater at the 'greenfield' or early stage in a project, when there are still significant project milestones yet to be obtained.

One of the key risks is that the Project never gets built, or it is delayed, or completed over-budget. This may result in equity investors receiving no return on investment or a much lower return.

In the worst case scenario, equity investors may receive no return on their equity investment.

First Nations investors into greenfield clean energy projects should find out where the Project is up to.

That includes identifying the key stages in Project development, the Project timetable, when decisions are to be made, and the Project approvals or contracts still outstanding, and also whether there are any competing projects in the area that may impact this Project's development.

This will assist First Nations to assess whether there may be project delays, or if there are any project completion risks.

Getting down to business: Key focus areas for First Nations

Indigenous Nations have the right to make decisions about what happens on their lands.[17]

Key areas for First Nations to review with expert legal, commercial and technical advisers, and examples of high-level questions to ask.

LAND

Does the project have the right to build on the project land?

- ☐ What is the plan for securing the land if the Project doesn't have the right to build on it?

  Examples can include land acquisition, land options, leases, Indigenous Land Use Agreements (ILUAs), cultural heritage agreements, neighbour agreements, easements and/or coordination agreements, or if there are mining or gas rights on or near the project land (as applicable).

APPROVALS

What approvals are required to build and operate the Project? What input or support is the First Nations group able to provide to this process?

- ☐ What is the status of community engagement?
- ☐ What is the status of the technical and environmental reports required for the approvals process? (See 'Direct Equity Participation')

CONNECTION

Does the Project require connection to an electricity distribution network? What is the status of the technical submissions and negotiations for a connection agreement with the Network Service Provider?

- ☐ Is the Project in an area where it will compete for access to the network?
- ☐ What are the risks of curtailment during the life of the Project?

TECHNOLOGY

What specialist technology is required for the Project (for example, solar PVs, wind turbines, large-scale batteries)?

- ☐ Has the Developer entered into supply contracts for key technology and equipment?
- ☐ How has the risk of supply chain delays and associated costs been addressed?
- ☐ What warranties and defects liabilities apply to the technology and equipment that has been supplied?

CONSTRUCTION

What is the construction model for the project?

- ☐ Have construction contracts been negotiated with one or more construction contractors?
- ☐ How are the risks of cost overruns and delays allocated between the Project Company and the contractors?

COUNTERPARTY

Who is the Developer and what is their reputation?

- ☐ Does the Developer have a track record in Australia or elsewhere of developing successful and profitable projects?
- ☐ Will the Developer need any significant approvals from the Australian government to develop the project, for example foreign investment approval, or merger approval?
- ☐ Who are the key contractors / advisers to the project and what are their credentials / reputations?

FINANCIAL MODEL

Is the Project's financial model, including the project timeline and budget, viable?

- ☐ When does the Developer expect a return on their investment?
- ☐ Will the Developer sell the Project during pre-construction, after construction, or do they intend to own and operate the Project?
- ☐ Does the Developer's expectations for a return on investment align with the First Nations investor's expectations?
- ☐ Does the Developer's expectations for the timing of exit/sale of the Project align with the First Nations investor's expectations?
- ☐ What are the sources of project financing?
- ☐ Will the Developer receive any additional income from the Project in addition to, or in priority to, equity payments to the First Nations investor?

Preparing for and conducting negotiations

Equity participation in clean energy projects can require negotiating complex legal agreements – often at the same time as conducting project due diligence with advisors. It is important to be well prepared for these negotiations.

Key factors that can assist with First Nations' preparation and negotiations include:

Understand the value your First Nations group brings to the Project

Identify the key assets/value that you will be contributing to the Project, such as land and waters, land ownership, native title rights, cultural heritage consultation requirements, community knowledge, knowledge about Country and land/waters, First Nations community endorsement, local businesses and workforce, and so on.

Lead a Community Benefit Planning process to capture community aspirations for benefit. Active participation in clean energy project partnerships and/or the development process is a type of community benefit. It builds community clean energy knowledge, capacity and project planning and delivery experience that can be applied to other projects and initiatives.

These values and insights can be pivotal in securing favourable terms and ensuring community interests are well-represented and protected (and equally that projects can proceed in a timely way with minimal risk).

Appoint experienced advisors

Organise experienced legal and other advisors to provide assistance, particularly if your community or group do not have prior and detailed experience in these types of deals. Ensure you understand the scope of work the advisors will provide, and the fees being charged.

You may be able to negotiate for advisors to be paid by the Developer or via other means, or other arrangements whereby the advisors are paid after the deal has been secured and revenue is flowing.

To find appropriate expert advisors, speak with other First Nations groups that have experience in negotiating clean energy projects. You could also approach the First Nations Clean Energy Network for advice and referral to experts and advisors who can assist.

Set up your negotiation team

Identify your key negotiating team. Work out what decisions they are authorised to make on behalf of your First Nations community or group, and when they will need to come back to the wider group for consultation / approvals.

Design a negotiation timetable

Agree on a realistic negotiation timetable that builds in requirements for reporting and engaging with your First Nations group. The timetable should also factor in key timing / decision-making pressures on the Developer.

Frame discussions around your group's protocols and aspirations and First Nations Best Practice Principles

Consult and get agreement on your community engagement and development protocols and aspirations and agree on a framework for enabling free prior and informed consent (FPIC).

Remind counter parties and their advisers to adhere to the 'Aboriginal and Torres Strait Islander Best Practice Principles for Clean Energy Projects' in their negotiations with you.[18] First Nations could 'get agreement' with the counterparty to work from and embed the principles into the agreement and decision-making processes.

Address due diligence

Identify your key concerns from the due diligence process. Work out with your advisers how to address these in the negotiations.

Identify strategic goals

Identify your fundamental requirements (goals / aspirations) arising from the due diligence. Work out with your advisors how to address these in negotiations.

Examples of your fundamental requirements might include:

- ☐ A minimum return on investment or a reasonably certain revenue stream – and identify which corporate structure best meets those goals. Potential equity returns will be lost if minimum returns or regular revenue are required.

- ☐ Cultural and heritage protection requirements and procedures/ governance that must be followed throughout the project lifecycle, and unanimous approval thresholds for any changes to these procedures/governance.

- ☐ If outcomes like local content, procurement and training arrangements are a priority, ensure these are built into agreements to enhance local employment, upskilling and the use of local suppliers and resources. Identify the benefits of these local content outcomes to the Project, such as meeting conditions of government grants or conditions of a Capacity Investment Scheme (CIS) tender.

Get clear on roles, governance and decision-making

Clear agreements provide a solid foundation for project implementation and ongoing management. Be clear on the roles, responsibilities, and expectations of each party and how decisions will be made. Ensure you understand where there are misalignments or conflicts of interest, and agree how these will be addressed. This will help minimise misunderstandings and disputes.

Set up a system for disputes

Management of disputes and defaults should be clearly outlined, with defined parameters and processes for resolution. This ensures any issues that arise can be addressed promptly and effectively, minimising disruptions to the Project.

Set the framework for knowledge sharing and capacity building

Agree upfront about the types of First Nations Intellectual Property (IP) to be shared (including Indigenous Knowledge, bio-diversity, land

use and management etc.) which are of high value for developers in pre-feasibility stages.

Agree upfront the protocols for sharing and using any cultural knowledge and other First Nations IP for the benefit of the Project and requirements on the Developer to protect and keep such information confidential.

De-risk IP sharing through protocols set out and agreed to in the initial term sheet or head agreement to capture rights and interests (such as cultural authority and processes / Indigenous governance, and so on) where needed.

Agree up-front about what information can be shared with other communities and groups. This is important if you want to use the investment to share knowledge and assist other First Nations groups engage in clean energy projects.

Build trust

Focus on relationship building and demonstrate interest in the other investor's knowledge and position. This is key to successful negotiations. Prioritising strong, collaborative relationships with project developers, other stakeholders, and the community, fosters trust and cooperation. This is vital for a project's success as long-term complex projects rely on relationships.

Case Studies

Australia

Australia is set to see rapid expansion of clean energy projects. Much of this development will occur on land and waters subject to First Nations rights and interests.

This provides an opportunity for First Nations to accelerate First Nations equity and benefit-sharing from partnerships in clean energy project development.

Bulabul Battery: 5% equity share

The Wellington Aboriginal community in NSW has secured an option for a **5% equity stake** in the Bulabul Battery project to be located on Wiradjuri Country, some 3km north-east of Wellington township in Central West NSW.

Developed in consultation with the Wellington Aboriginal Action Panel - WAAP, developer AMPYR Australia announced its long term partnership with the Wellington Aboriginal community, including supporting it to take a 5% equity stake in the 600MWh Wellington Battery Energy Storage System (BESS) (Stage 1 of the project), to be located next to the existing Wellington and Wellington North solar farms.

To assist the partnership, a new community organisation comprising members of the Wellington Aboriginal community was established, called the Wambal Bila Indigenous Community Corporation. AMPYR Australia is providing up to $300,000 to support Wambal Bila establish its initial operations.

The partnership and equity model is reportedly designed to provide Wambal Bila with a steady income stream and the opportunity to share in project revenues for the project's lifetime. It also provides Wambal Bila with an entitlement to an annual priority distribution amount and the ability to share equally alongside the investor in project revenues.

Wambal Bila and AMPYR Australia will also seek to agree to a similar equity stake in the Wellington Stage 2 BESS.

East Kimberley Clean Energy Project: Four equal shareholders at 25% each

The East Kimberley Clean Energy Project in Western Australia is developing Australia's first 100% green energy hydrogen and ammonia export hub.

The project will include development of a ~2000-hectare solar farm on freehold land near Kununurra where energy generated will be combined with water and hydro energy from the Ord Hydro Power Plant at Lake Argyle to produce green energy. Hydrogen stores will be transported by pipeline to Wyndham in Balanggarra Country for conversion to green ammonia, which will be sold locally as fertiliser and exported in support of decarbonised food production and fertilisers.

The East Kimberley Clean Energy Project is owned and managed through a partnership – the Aboriginal Clean Energy Partnership, with the following partners owning the project as **equal shareholders**:

- ☐ *Balanggarra Ventures Limited* – a subsidiary of Balanggarra Aboriginal Corporation, a native title corporation working for the Balanggarra People, the native title holders of Country in and around Wyndham;
- ☐ *MG Corporation* – the Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation (the MG Corporation), a First Nations corporation working for the Miriuwung and Gajerrong Peoples, the native title holders of Country in the north-east part of the East Kimberley region;
- ☐ *Kimberley Land Council* – a key First Nations body providing native title, conservation and land management protection support for Aboriginal people in the Kimberley region; and
- ☐ *Pollination* – a specialist climate change investment and advisor firm.

Yindjibarndi Clean Energy Project: 25-50% equity share

The Yindjibarndi Clean energy project is an initiative led by the Yindjibarndi Aboriginal Corporation (**YAC**) in partnership with ACEN Renewables, a renewable energy developer.

YAC has established a company, Yiyangu Pty Ltd (**YPL**) which is 100% owned by the Yindjibarndi people through the Yindjibarndi Wealth Trust. YPL and ACEN have entered into a partnership agreement and created the Yindjibarndi Energy Corporation (**YEC**) which YPL own 25% of and ACEN the balance. The agreement provides that Yindjibarndi people:

- ☐ have approval rights of all proposed project sites;
- ☐ hold **equity of 25-50%** in all projets;
- ☐ are given contracting preference for Yindjibarndi-owned businesses; and
- ☐ are provided training and employment opportunities.

YAC holds a participation agreement and an ILUA with Rio Tinto. In 2023, YEC agreed with Rio Tinto to explore collaboration opportunities on renewable projects in Yindjibarndi Country in the Pilbara region. YEC is currently planning to develop various projects to generate up to 750 megawatts of solar, wind and battery storage. In 2024, YAC and other partners have obtained native title consents for large-scale development and in June 2024, Western Australia's government gave environmental approval for a 150MW solar project in the Pilbara – the first of its kind given under the new Green Energy Approvals Initiative. In December 2024, YEC was awarded 'Project Priority' status under the Federal Government's Rewiring the Nation program, providing access to finance at concessional rates for the development of new transmission infrastructure in the Chichester Range Transmission Corridor.

North-West Alliance (NWA): 50/50 equity share

North-West Alliance (**NWA**) is a joint venture between Veolia and Our Country, a First Nations corporation – a partnership that has been established since 2013 to provide waste and water management services in the Pilbara region.

The joint venture is incorporated and **50/50** owned by Veolia and Our Country.

Since it began, the NWA has become one of the largest First Nations waste management companies in Australia with an annual turnover of more than $25 million. NWA also holds contracts with several large chemical manufacturers, including Yara Nitrates and Yara Pilbara Fertilisers, who both renewed their contracts with NWA in April 2025.

The joint venture is managed with the ethos of Kujungka la palyamarnku - 'working together to make it better'. As a result, the NWA:

- ☐ operates with 47% First Nations employees and subcontracts with First Nations businesses;
- ☐ has a First Nations trainee at every depot and First Nations people in leaderships positions throughout the business; and
- ☐ runs two community programs, including an education program for local schools and remote communities, and a working group for local communities and ranger programs running community clean-up programs, in the Pilbara.

International

This section provides an overview of involvement by First Nations communities across Canada, New Zealand and the United States of America in the development of clean energy projects and the benefits shared.

Key takeaways

Internationally, First Nations communities have benefited from:

- ☐ taking equity stakes in clean energy projects, and in some instances have partnered as early-stage developers of projects. These stakes are typically held by for-profit entities that represent the interests of First Nations communities.
- ☐ training programs designed to provide project specific training opportunities and priority employment during construction and operation.
- ☐ First Nations-owned businesses and JVs receiving preference on contracts for the project without needing to go through tender processes.
- ☐ promotion of First Nations sovereignty through the enabling of First Nations communities with the resources needed to manage and operate their own energy resources, ensuring that all decisions are made in the best interest of their community through community involvement.

Oneida Energy Storage, Canada: ~10% equity ownership

Oneida Energy Storage project (**OES**) consists of a 250 megawatt/1,000 megawatt-hour energy storage development located in Haldiman County in Jarvis, ON, approximately 17 kms from Six Nations boundaries.[19]

OES is a joint venture between the Six Nations of the Grand River Development Corporation (**SNGRDC**), NRStor Inc, Northland Power and Aecon Concessions. SNGRDC and NRStor Inc were partners in the early-stage development of OES.

SNGRDC is a for-profit organization owned by the Six Nations community, with the purpose of 'generating income outside of federal funding to tackle community priorities' that affect the community.[20]

SNGRDC has a **~10% equity ownership interest** in OES and has negotiated control as a board member, internships and training opportunities, procurement and employment.

Waasigan Transmission Line project, Canada: 50-50 equity partnership

The Waasigan Transmission Line (**WTL**) is a proposed new double-circuit 230 kilovolt transmission line between Lakehead Transformer Station (**TS**) in the Municipality of Shuniah and Mackenzie TS in the Town of Atikokan, and a new single-circuit 230 kilovolt transmission line between Mackenzie TS and Dryden TS in the City of Dryden.[21]

The WTL project is being developed and delivered by Hydro One and nine First Nations partners in a **50-50 equity partnership** model.

Eight of these First Nations partners are represented by Gwayakocchigewin Limited Partnership (**GLP**), which was established to engage and participate in the development of the WTL. Each GLP partner Nation is represented in GLP by a board member, a protection committee member, and a community engagement coordinator.

Additional benefits negotiated include compensation for specific impacts, training and employment benefits, and First Nations organisation capacity funding,

Wuskwatim Generating Station, Canada: 33% ownership stake

The Wuskwatim Generating Station (**WGS**) is a 211 MW run-of-river hydroelectric generating station on the Burntwood River at Taskinigup Falls. The WGS was developed by Wuskwatim Power Ltd Partnership (**WPLP**) and commenced operation in 2012. The WPLP comprised Manitoba Hydro and the Nisichawayasihk Cree Nation (**NCN**).[22]

The Manitoba Hydro-Electric Board and NCN currently own the project having ownership stake of 67% and 33% respectively.

WPLP is governed by the board of Directors of the General Partner, consisting of six board members, two of which are NCN representatives.

Additional benefits negotiated include governance opportunities, training and jobs, and contracting opportunities.

Mokai Power Station, New Zealand: 75% ownership

The Mokai Power Station is a geothermal power station located approximately 30 kilometres northwest of Taupo. The Mokai Power Station currently produces 113 megawatts of electricity which is delivered to the National Grid.

The development of the Mokai Power Station was undertaken by the Tuaropaki Trust through the Tuaropaki Power Company, a project company initially wholly-owned by the Trust.[23]

The Tuaropaki Power Company is currently 75% owned by the Trust and 25% owned by Mercury Energy, an electricity retailer and generator.

The Trust is a Māori land organisation with an asset base of over $1 billion - formed by 297 Māori families amalgamating their land in the 1950s.

Additional benefits negotiated include participation and control, and employment.

Kawarau Geothermal Fields - Ngāti Tūwharetoa, New Zealand: 100% owned

In 2005, the Ngāti Tūwharetoa purchased the New Zealand Crown's Kawerau geothermal steamfield assets and supply business, becoming the only **100% iwi-owned** geothermal supplier in Aotearoa New Zealand.

The geothermal plant is 100% owned by iwi through the Ngāti Tūwharetoa Settlement Trust (**NTST**) which manages the financial and whenua resources returned to Ngāti Tūwharetoa in the Central North Island Forests Iwi Collective settlement.

The NTST states that its mission is to *'actively improve the social, economic and cultural wellbeing of Ngāti Tūwharetoa [and] continues to plan and invest for the benefit of our mokopuna and their future.'*[24]

In the case of the NTST, 1500 registered beneficiaries of the geothermal activities are entitled to a range of trust-administered benefits: from scholarships to study geothermal engineering (among other fields) at university, to living subsidies for those over 65.

Nga Awa Purua Power Station, New Zealand: 35% ownership

The Nga Awa Purua (**NAP**) Power Station is a geothermal plant located on the Rotokawa geothermal field in Taupō, New Zealand – it is currently the largest single turbine geothermal power station in the world.[25]

The NAP Power Station is owned by the Nga Awa Purua Joint Venture with Tauhara North No 2 Trust (**NAP Trust**) owning 35% and Mercury Energy owning 65%. The operation of NAP is managed by Mercury Energy.

Additional benefits negotiated include land access.

Campo Kumeyaay Wind Farm Project, United States: 100% ownership

The Campo Kumeyaay Wind Farm Project is an initiative in collaboration with the Campo Band of Mission Indians (**the Band**).[26]

The project comprises 25 power-generating turbines which are located on Campo Tribal lands maintained under contract with Enxco Inc.

The Band earns landowner payments for the wind part farm on its tribal land which includes approximately USD $16,000 per turbine each year.

Additional benefits include employment in construction and operation.

Moapa Southern Paiute Solar Project, United States: Grants and tax subsidies

The Moapa Southern Paiute Solar Project is a project in collaboration and benefit of the Moapa Band of Paiute Indians (**the Tribe**).[27]

This project includes a 250-megawatt alternative current solar array located on roughly 2,000 acres of the Moapa River Indian Reservation in Clark County, Nevada.

The Department of Agriculture High Energy provided the Tribe with a USD $2.36 million grant to develop the Moapa Southern Paiute Solar Project , and the Tribe partnered with First Solar (a solar technology company that operates on a global scale).

Income from the 25-year power purchase agreement with the Los Angeles Department of Water and Power was put towards lease payments, consulting fees and the purchase of goods and services for the Tribe. Additionally, the Inflation Reduction Act of 2022 means the Tribe can get tax subsidies of up to 30% for the solar farm.

Additional benefits negotiated included employment and education donations.

Glossary

Asset	Any resource of economic value owned or controlled by an individual, organisation, company or government which can be used to generate profit now and into the future.
Bankability	The ability of the project to attract financing or investment from project financiers, and/or future buyers of the project.
Co-ownership	Two or more people or groups sharing ownership rights, including sharing both the benefits and responsibilities associated with, a particular business, asset or property.
Counterparty	The buyer OR the seller in a financial transaction, contract, or agreement. Eg. a buyer is the counterparty to a seller, a borrower is the counterparty to a lender.
Curtailment	The act or process of reducing, restricting, or stopping something before it is finished. Eg. the deliberate restriction of electricity generated to prevent grid overloads.
Development services agreement	A legally binding contract between two or more parties collaborating on developing a project, outlining each party's rights, responsibilities, timelines, risk allocations, and obligations throughout the project lifecycle.
Direct equity participation	Owning shares or units in a project.
Dividend	A share of profits paid to shareholders through a periodic payment, based on the number of shares a shareholder holds.
Due diligence	The detailed examination of a company before a business deal or before entering into an agreement or contract with another party. Due diligence can be a legal obligation.

Electricity distribution network	The infrastructure (poles, underground channels and wires, substations, transformers, switching equipment, monitoring and signalling equipment) responsible for delivering electricity from power generation sources to energy consumers in urban and regional areas.
Entity	A person, business, group or other legal or administrative arrangement that has its own identity and exists as a distinct unit with legal rights and obligations. Eg. a corporate entity.
Equity	The value of an ownership stake in a company or asset that shareholders or owners hold after all debts and liabilities have been paid.
Equity investor	Buying a stake, or a share, in a company or a basket of assets to obtain a financial gain or a return through capital appreciation, dividend payments, the addition of shares, etc.
Equity investment	Buying company shares, offering ownership and profit share, with growth and income potential for long-term wealth building.
Equity participation	Participating directly or investing in a project in return for owning a stake or share in the project and a right to share in the project's future profits.
Financial liability	A legally binding contractual obligation to pay money or another financial asset, or provide services to another entity. (eg. salaries, rent, bank loans, other interest-bearing financial liabilities).
Financier	A person or company involved in investing, raising or providing large amounts of money / finance for investment, or arranges loans to groups or companies.
Fit for purpose	The degree to which a product, service, experience or process matches its intended use.
Greenfield project	A project built from scratch without any constraints from previous projects or systems, allowing for the creation of new systems, structures, or technologies from the ground-up.
Holding shares	Holding a stake in a company and collectively owning the project with other shareholders.

Insolvent	Where a company cannot pay its debts as and when they fall due.
Joint venture agreement	A contract made when two or more individuals or entities plan to undertake a project (instead of a long-term continuing business) and agree to mutually share the profit or loss at the end of the project. Also known as a joint development agreement, or JV agreement.
Majority interest	When a company has above 50% equity interest in a project
Milestones	Used to mark and track specific points along a project timeline.
Network Service Provider (NSP)	A person or group that owns, operates or controls an electricity transmission or distribution system.
Ordinary shares	Also called common shares, give their owners the right to vote at company shareholder meetings but they have no guaranteed dividend.
Private equity	Investments in private companies that are not publicly traded, often involving buyouts, venture capital, or growth capital.
Quasi-equity investor	Typically involves capital structured as a loan with some equity-like characteristics, such as flexible repayment terms, performance-based returns, profit participation loans, or the option to convert the loan into ownership shares, in order to provide growth capital to businesses or projects that may not qualify for traditional loans or equity investments. Quasi-equity can be a cheaper risk capital alternative to equity financing.
Quasi-equity participation	A type of financial instrument that allows both the investor and investee to share the risk and reward of an enterprise or project more flexibly than debt allows, and in situations in which equity financing is not possible.
Return on investment (ROI)	Used to assess the profitability of an investment or project by measuring the return an investor receives relative to the amount of money they initially invested.

Security Holder Agreement	A written agreement that sets out the obligations, responsibilities and rights that a shareholder and a director have to each other and to the Company itself. Security Holder Agreements are the same as Shareholders Agreements.
Securities	Securities are primarily equity/ownership (eg. stocks) or debt (eg. loans).
Security holders	Anyone who owns an interest in an organisation, be it debt or equity -- both mean that the holder has an interest in the organisation's financial wellbeing.
Shareholder	Any person, company, or institution that owns at least one share in a company. They have a right to share in the profits but assume a level of risk.
Shareholder Agreement	A written agreement setting out the obligations, responsibilities and rights that a shareholder and a director have to each other and to the Company itself. Shareholders Agreements are the same as Security Holder Agreements.
Shareholder equity	The value that remains after debt.
Shares	Units of ownership in a company or financial asset.
Super majority interest	When a company has above 75% equity interest in a project
Third party	Every financial contract has at least two parties: the entity or business initiating the transaction, and the counterparty to that transaction. A third party is a person or group not directly involved in a transaction.
Trust Deed	A legal document required to create a Trust.
Unit trusts	Commonly used in clean energy projects for various reasons, including the greater flexibility to distribute income or capital to the beneficiaries of the trust than may be possible in a simple company structure.
Venture Capital	A type of private equity focusing on early-stage companies with high growth potential, where equity stakes are provided in exchange for funding.

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