

**APPLICATION FORM FOR
THE ISSUE OF AN
ELECTRICITY
GENERATION LICENCE BY
THE
ESSENTIAL SERVICES
COMMISSION OF SA
UNDER THE *ELECTRICITY
ACT 1996***

July 2012

ELECTRICITY

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INFORMATION FOR APPLICANTS BEFORE FILLING OUT THIS FORM

Purpose of this form

This form is to be completed by persons making application to the Essential Services Commission of South Australia (the Commission) for the issue of a licence to authorise electricity generation operations in the electricity supply industry in South Australia.

The Commission can also consider joint applications from two or more persons who wish to hold a licence jointly. Persons making joint applications must ensure that each of the applicants completes a separate application form, together with a covering letter explaining that the application is for a licence to be jointly held.

Generation operations which require a licence

Section 15(2)(a) of the *Electricity Act 1996* (the Act) is explicit in that it requires a person that carries on the operation of the generation of electricity to hold a licence. This requirement applies to all generators with the exception of a generator that can rely on:

- (1) one of the statutory exemptions specified in the *Electricity (General) Regulations 1997* (Regulations) outlined below;
- (2) an individual exemption issued by the Commission (with the approval of the Minister) pursuant to section 80(1) of the Act; or
- (3) an exemption made by Governor under a regulation pursuant to section 98(2)(e) of the Act.

Pursuant to Regulations 6(1) and (2), the following generators are exempt from the requirement to hold a generation licence:

- ▲ a generator whose generating plant has a rated nameplate output of 100kVA or less;
- ▲ a generator that does not supply electricity for reward to or by means of a transmission or distribution network;
- ▲ a generator that generates electricity for the sole consumption of that generator or a designated body (such bodies must be designated by the Minister¹); or
- ▲ a generator that generates electricity for a person at a premises occupied or used by the person as a tenant or licensee (whether directly or indirectly) of the generator (or a designated body) where that person is not charged for the supply of electricity except by a licensed retailer/generator or as an unspecified part of rent or charges for the occupation or use of the premises.

It is important for generators (or proposed generators) to carefully consider whether they can rely on a statutory exemption from the requirement to be licensed. If the reliance on a statutory exemption is queried by the Commission, the onus to provide evidence that a particular exemption can be relied upon is on the relevant generator.

¹ To date, the Minister for Energy and Resources has not designated any bodies for the purposes of Regulations 6(1).

In addition, in the event that the operations of a generator change so that it can no longer rely on one of the three exemptions specified above, it will need to apply to the Commission for a generation licence immediately in order to continue those operations.

Basis for this form

Section 16(1)(a) of the Act provides that an application for the issue of a licence must be made to the Commission in a form approved by the Commission. This is the form approved by the Commission.

Prior reading

It is essential that licence applicants read the Commission's Advisory Bulletin No 4 – *"Licensing Arrangements for the Electricity and Gas Supply Industries"* before they fill out this form. This Bulletin is available on the Commission website www.escosa.sa.gov.au under electricity/licensing.

Use of this form and applicant's responsibilities

An application for a licence may be made by any legal person including, without limitation, individuals, partnerships, incorporated associations, unit and other forms of trusts and corporations. Entities that are not a legal person (for example, an unincorporated joint venture) cannot apply for a licence.

For the purpose of this application form, reference to the term "Officer" include the applicant's directors and secretary, and other persons who make or participate in making decisions that affect a substantial part of the business of the applicant (e.g. Chief Executive Officer, Chief Financial Officer, General Manager etc.).

Applicants should list the information requested in the spaces provided in this form and enclose additional information when required. Applicants must take all reasonable steps to ensure the information provided in the application form is complete, true and correct and are required to make a declaration to that effect in the application form. Failure to disclose information or misrepresent any matter relevant to such information may result in a licence not being issued or in the suspension or cancellation of a licence at a later time.

Applicants are responsible for providing the Commission with current, accurate and relevant documentation. This will ensure that the application is processed promptly and without delay. All applications are assessed on a case-by-case basis. If insufficient information is provided with an application, the Commission will request additional information to be submitted before the application is considered further.

Licence conditions

Sections 21(1) and 22 of the Act requires the Commission to place certain mandatory conditions in generation licences. The Commission strongly recommends that applicants review these mandatory conditions. Applicants must be familiar with the relevant conditions and confident that they can comply with the conditions.

Special licence conditions for wind generation licensees

Applicants for a wind generation licence should also familiarise themselves with the *Commission's Statement of Principles for Wind Licensing*.² The key special licence conditions that are to be imposed on wind generation licensees as a result of the Statement of Principles are summarised below.

Fault Ride-Through Capability

1. Each generating unit which the licensee is authorized to operate under this licence must comply with:
 - (a) the automatic access standards for generating system response to disturbances following contingency events specified in clause S5.2.5.5(b)(1) of the NER; and
 - (b) subject to clause 2, the automatic access standards for generating system response to disturbances following contingency events specified in clause S5.2.5.5(b)(2) of the NER; and
 - (c) subject to clause 3, the automatic access standards for generating system response to voltage disturbances specified in clause S5.2.5.4 of the NER.
2. The licensee is not required to comply with clause 1(b) in respect of a generating unit which the Licensee is authorized to operate under this licence where:
 - (a) the minimum access standard requirements specified in clause S5.2.5.5(c)(2) of the NER in relation to generating system response to disturbances following contingency events; and
 - (b) the requirements of clauses S5.2.5.5(d), (e) and (f) of the NER are satisfied in respect of that generating unit.
3. The licensee is not required to comply with clause 1(c) in respect of a generating unit which the licensee is authorized to operate under this licence where:
 - (a) AEMO and the relevant network service provider have agreed, pursuant to clause 5.2.5.4(c)(3) of the NER, that there would be no material adverse impact on the quality of supply to other network users or of power system security as a result of that non-compliance; and
 - (b) The requirements of clauses S5.2.5.4(c), (d), (e) and (f) of the NER are otherwise satisfied in respect of that generating unit.

Reactive Power Capability

1. The electricity generating plant operated by the licensee must at all times be capable of continuous operation at a power factor of between 0.93 leading and 0.93 lagging at real power outputs exceeding 5 MW at the connection point.
2. The electricity generating plant operated by the licensee must at all times be capable of providing:
 - (a) subject to clause 4(b), at least 50% of the reactive power required to meet the power factor referred to in clause 1 on a dynamically variable basis; and

² Statement of Wind Principles can be found at <http://www.escosa.sa.gov.au/library/100430-LicenceConditionsWindGenerators-FinalDecision.pdf>.

- (b) the balance of the reactive power required to meet the power factor referred to in clause 1 on a non-dynamic basis.
- 3. At generation levels below full rated output the electricity generating plant operated by the licensee must be capable of:
 - (a) absorbing reactive power at a level at least pro-rata to that of full output; and
 - (b) delivering reactive power at a level at least pro-rata to that of full output.
- 4. For the purposes of clause 2(a):
 - (a) dynamically variable means continuous modulation of the reactive power output over its range, with an initial response time or dead time < 200 milliseconds and a rise time (as defined in clause S5.2.5.13 of the NER) < 1 second following a voltage disturbance on the network; and
 - (b) for a period of ≤ 2 seconds on any single occasion, a short-term overload capability may be used to meet the 50% requirement, provided that use of that short-term overload does not cause a breach of any other licence condition.
- 5. The reactive power capability of the electricity generating plant operated by the licensee must be capable of control by a fast-acting, continuously variable, voltage control system which is able to receive a local and remote voltage set point.
- 6. The electricity generating plant operated by the licensee must be able to operate at either a set reactive power, or a set power factor, which is able to be set locally or remotely at any time.
- 7. The power factor or reactive power control mode of the electricity generating plant operated by the licensee must be capable of:
 - (a) being overridden by voltage support mode during power system voltage disturbances; and
 - (b) automatically reverting to power factor or reactive power mode when the disturbance has ceased.

Further information

Applicants should note that the Commission may ask applicants who have submitted an application form to provide further information to the Commission, or to clarify the information that they have already provided if required.

Please note that, in the event that an application lacks sufficient detail and the Commission is required to request additional information from an applicant, delays in the assessment of the application may occur.

Consultation and Confidentiality

The Commission will consult with relevant government, industry and consumer groups in the conduct of its licensing functions through a public consultation process. Consequently, applications and/or supporting information will be made available on the Commission's website and in hard copy from the Commission's office for this purpose.

If applicants believe that they are providing confidential information when completing this form they should write "this information is confidential" after any such information. It is the

applicant's responsibility to ensure this is clearly highlighted on the form. Applicants should also provide a 'non-confidential' version of the form capable of publication on the Commission's website.

The Commission will use information supplied in applications and in support of applications in accordance with the requirements of Part 5 of the *Essential Services Commission Act 2002*. Applicants claiming confidentiality are encouraged to familiarise themselves with Part 5. Applicants should note that the Commission may disclose confidential information in some circumstances.

How to lodge an application

Applicants should send their completed application form in writing and electronically.

- ▲ In writing to: Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001
- ▲ Electronically to: licensing@escosa.sa.gov.au

Application fees and annual licence fees application

Applicants should also enclose the application fee (presently set by the Minister for Resources and Energy at \$1,000 per licence) with their application.

Holding a licence incurs annual licence fees. The licence fees determined by the Minister for Resources and Energy are administered by the Commission. At annual intervals, the Commission, on behalf of the Minister, will send to each licensee, depending on the category within the sector, an invoice for the licence fee. Licence fees are to be paid on receipt of an invoice via one of the payment options set out in the invoice.

The initial licence will not be issued until the first annual licence fee (or approved licence fee instalment) has been paid.



LICENCE APPLICATION FORM

1. THE APPLICANT

Applicants must answer all questions in this section.

1.1 Identity of Applicant

State the full name of the applicant. The applicant is the person who will be undertaking the electricity generation operations that will be the subject of the licence. Joint applicants should each complete an application form, and submit their application forms at the same time, with a covering letter explaining that a joint application is being made.

Name: Bungala Two Operations Pty Ltd as trustee for The Bungala Two Operations Trust

1.2 Legal Identity of Applicant

Provide information about the applicant, (i.e. whether the applicant is a natural person, private limited company or partnership, etc). If the applicant is a body corporate, please also state the jurisdiction in which the applicant is registered, and the applicant's ABN/ACN.

Bungala Two Operations Pty Ltd as trustee for The Bungala Two Operations Trust

ACN: 615 612 765

Registered in: Victoria

Company type: Australian Proprietary Company

Registered office: NORTON ROSE FULBRIGHT AUSTRALIA 'GROSVENOR PLACE' LEVEL 16 225
GEORGE STREET SYDNEY NSW 2000

Bungala Two Operations Trust

ABN: 77 292 664 630

1.3 Address and Contact Details of Applicant

Business Address:

NORTON ROSE FULBRIGHT AUSTRALIA 'GROSVENOR PLACE' Level 16, 225 George Street, Sydney

State: New South Wales

Post Code: 2000

Postal Address (if different to Business Address):

N/A

Telephone: +61 420 796 921

Facsimile: N/A

Email: diego.cannadabartoli@enel.com

1.4 Contact Person on behalf of Applicant

The full name, title and contact details of a person to whom the Commission can direct enquiries and correspondence about the application.

Full Name: Silvia Piana

Title: Senior Expert Regulatory Affairs

Business Address: Viale Regina Margherita 125 – 00198 Rome - Italy

State: N/A

Post Code: 00198

Postal Address (if different to Business Address): N/A

Telephone: +39 06 8305 8496 Facsimile: N/A

E-mail: silvia.piana@enel.com

Australian contact (for urgent communications):

Full Name: Diego Cannada Bartoli

Title: Business Development

Business Address: 24 Three International Towers, 300 Barangaroo Avenue

State: New South Wales

Post Code: 2000

Postal Address (if different to Business Address): N/A

Telephone: +61 420 796 921 Facsimile: N/A

E-mail: diego.cannadabartoli@enel.com

1.5 Contact Person for Licence Fees

The full name and/or title of the person to whom the Commission can direct enquiries and correspondence about licence fees.

Full Name: Silvia Piana

Title: Senior Expert Regulatory Affairs

Business Address: Viale Regina Margherita 125 – 00198 Rome - Italy



State: N/A

Post Code: 00198

Postal Address (if different to Business Address): N/A

Telephone: +39 06 8305 8496 Facsimile: N/A

E-mail: silvia.piana@enel.com

Australian contact (for urgent communications):

Full Name: Diego Cannada Bartoli

Title: Business Development

Business Address: 24 Three International Towers, 300 Barangaroo Avenue

State: New South Wales

Post Code: 2000

Postal Address (if different to Business Address): N/A

Telephone: +61 420 796 921 Facsimile: N/A

E-mail: diego.cannadabartoli@enel.com

1.6 Diagram of Corporate or other Structure

Please attach with this application form details of the corporate or other structure, including details of any related companies within the meaning of the Corporations Act 2001; and a diagram of the organisational chart, including composition of the board, management and other key personnel responsible for the key functions of the business.

Enel is a multinational power company and a leading integrated player in the global, power, gas and renewables markets. It is the largest integrated utility in Europe in terms of market capitalisation and rates among Europe's leading power companies in terms of installed capacity and reported EBITDA. The Group operates in over 30 countries worldwide, producing energy through approximately 85 GW of managed capacity. Enel distributes electricity and gas through a network of over 2 million kilometres. With over 65 million business and household customers globally, the Group has the largest customer base among European competitors. In 2015, Enel generated a total of 284 TWh of electricity, distributing 417.4 TWh over its own grids and selling 260.1 TWh. Company revenue totalled 75.7 billion euros, with an EBITDA of 15.3 billion euros. Enel also sold 8.9 billion m³ of gas. Enel was listed on the Milan stock exchange in 1999, and now has 1.1 million retail and institutional investors. Enel's largest shareholder is the Italian Ministry for the Economy and Finance, which currently holds 23.585% of the shares in the company. Enel's renewable energy division **Enel Green Power** already manages almost 38 GW with more than 1200 power plants from wind, solar, geothermal, biomass and hydropower sources in 19 countries in Europe, the Americas, Africa, Asia and is now arriving in Australia.

DIF was established in 2005 as an independent fund management company focused on investments in high-quality infrastructure assets that generate long-term, stable cash-flows such as PPPs, renewable energy projects and other core infrastructure projects. To date, DIF has invested in and

manages more than 180 projects across the social infrastructure, transport and renewable energy sectors, with a total asset value of more than €20 billion.

DIF invests in infrastructure projects in its target geographies of Europe, North America, Australia and New Zealand via DIF Infrastructure IV Cooperatief U.A. ("DIF Infrastructure IV"), a Dutch investment cooperative and DIF's fourth combined infrastructure and renewables investment fund (DIF also established and successfully invested in a dedicated renewable's investment fund). DIF Infrastructure IV closed its fund raising in September 2015 raising €1.15 billion (approx. AUD 1.7 billion), exceeding its target of €1 billion.

DIF Infrastructure IV's investors target investments that generate predictable, long-term and stable cash flows. These are generally inflation linked and secured by government or highly rated entities for the life of a project, typically 25-30 years for PPP projects and 20-25 years for renewable energy projects.

DIF's team has a strong track record in project origination, project financing and asset management. With 70 staff located across offices in Sydney, Madrid, Amsterdam, Paris, London, Frankfurt, Luxembourg and Toronto, DIF is able to efficiently source and manage its investments in the geographic areas in which it operates. DIF established its Sydney office in June 2015 and approximately six months later achieved financial close on the acquisition of its first Australian investment, the Royalla Solar Farm, a 20MW solar photovoltaic plant in the Australian Capital Territory. Since then, DIF has been actively bidding on a range of other PPP and renewable energy transactions in Australia and New Zealand and is currently supporting the Pacific Partnerships led Consortium as co-sponsor and equity provider on its Melbourne Metro PPP bid. More broadly, DIF has a strong background in road projects and across Europe has invested in 842km of road projects with a total project value of €7.3bn.

DIF as advisor and manager of DIF Infrastructure IV and its four previous funds, and manager of the Ampere Equity Fund (a renewable energy fund that DIF took over as the fund manager of in 2014), is focused on managing the performance of its portfolio through leveraging economies of scale and ensuring best practices are adhered to in the operations of its assets. DIF also considers itself a long term investor operating a buy and hold strategy.

Further details on DIF and its team members can be found at www.dif.eu.

Enel Green Power (EGP) has entered into a consortium arrangement with DIF Australia to acquire the **Bungala Solar PV Project**.

The Bungala Solar Project is a proposed solar PV plant located near Port Augusta in South Australia, with planned capacity of up to 300MWac.

The project comprises three sub-projects located on adjacent sites, the second of which is a 110MWac Solar PV farm supported by a PPA from Origin Energy Electricity Limited (Origin) which is scheduled to reach commercial operation in August 2018 (Bungala Two).

The Bungala Two project site is under a long term lease, executed in July 2017, between the Project Entity (Bungala Two Property Pty Ltd atf The Bungala Two Property Trust) and the owner (the Bungala Aboriginal Corporation).

Bungala Two Operations Pty Ltd is managed by four Directors (see point 3.3)

See Annexure A (**CONFIDENTIAL**) for the corporate structure diagrams and Organization Chart.

NOTE: ALL ATTACHED DOCUMENTS ARE CONFIDENTIAL AND MUST NOT BE PUBLISHED WITHOUT THE APPLICANT'S WRITTEN CONSENT.

2 THE LICENCE

Applicants must answer all questions in this section.

2.1 Date from which Licence is sought

If the applicant seeks to have the licence issued by a certain date, provide this date. Please note that the Commission does not undertake to issue the licence by this date. Applicants should usually allow the Commission a minimum of eight weeks to consider an application, as a public consultation period of several weeks forms part of the Commission's consideration of licence applications.

The Applicant seeks to have the Generation Licence issued as soon as possible and in any event by no later than 30/10/2017 in order to be able to finalize AEMO registration process and be ready for early generation.

2.2 Nature and scope of operations for which Licence is sought

Applicants for a generation licence must state the location of the generation plant, the expected name plate capacity of the generation plant, the type of generation and fuel used and some details about how the generator is to be connected to the network. Applicants for a wind generation licence must attach a map showing the location of the wind turbines.

The Bungala Solar PV Plant (Bungala Solar) is located 15 km northeast of Port Augusta in South Australia. Bungala has a nameplate capacity of up to 300 MWac, divided in three subprojects: Bungala One, with a capacity of 110 MWac; Bungala Two, with a capacity of 110 MWac; Bungala Three, with a capacity up to 80 MWac. The three Solar PV power plants will be connected to electric grid through a new 132 kV T-line, 15 km long, that will connect the new Emeroo substation to the Davenport substation: both the T-line and the Emeroo substation are under construction by ElectraNet.

See Annexure A (**CONFIDENTIAL**) for the site map.

NOTE: ALL ATTACHED DOCUMENTS ARE CONFIDENTIAL AND MUST NOT BE PUBLISHED WITHOUT THE APPLICANT'S WRITTEN CONSENT.

3 SUITABILITY OF APPLICANT TO HOLD A LICENCE

Applicants must answer all questions in this section.

3.1 Standard of honesty and integrity shown by Applicant

In deciding whether the applicant is a suitable person to hold a licence, the Commission may:

- ▲ consider the applicant's previous commercial and other dealings, and
- ▲ the standard of honesty and integrity shown in those dealings.

Please provide information that will assist the Commission in its consideration of this matter. If the applicant:

- ▲ has been found guilty of any criminal offence,
- ▲ has been successfully prosecuted under any Territory, State or Commonwealth legislation (such as the Australian Securities and Investments Commission Act 2001 or the Competition and Consumer Act 2010) or
- ▲ has been the subject of disciplinary action,
- ▲ has been the subject of any past or present administrative or legal actions in relation to an authorisation, authority, or licence in any industry,

details of such matters must be disclosed. Failure to disclose such information or misrepresent any matter relevant to such information may result in the cancellation of a licence.

The Commission may use the service of an external expert to assist with the assessment of the applicant's standard of honesty and integrity.

The Applicant has not been:

- found guilty of any criminal offence;
- successfully prosecuted under any Territory, State or Commonwealth legislation;
- the subject of disciplinary action; or
- subject of any past or present administrative or legal actions in relation to an authorisation, authority, or licence in any industry

3.2 Standard of honesty and integrity shown by Officers and major shareholders of Applicant

Applicants should address responses to this question in the same manner as 3.1 above except here it relates to officers and major shareholders of the applicant.

Please also supply details of any policies and procedures addressing the probity and competence of officers and other key management staff.

None of the Applicant's Officers or major shareholders have:

- displayed any prior misconduct, or experienced refusal or suspension from licensing or professional membership;
- breached any statutory obligations, committed any criminal or civil offence or been successfully prosecuted under any applicable legislation;
- been disqualified from managing corporations under the *Corporations Act 2001*; or



- had an actual or potential conflict of interest likely to affect their ability to carry out their role.

The Applicant is indirectly owned by a 50/50 joint venture between Enel Green Power Bungala Pty Ltd and DIF Solar Pty Ltd, the ultimate holding companies of which have established codes of conduct, policies and procedures that all Officers must comply with.

See Annexure B "Codes of Conduct" (CONFIDENTIAL).

NOTE: ALL ATTACHED DOCUMENTS ARE CONFIDENTIAL AND MUST NOT BE PUBLISHED WITHOUT THE APPLICANT'S WRITTEN CONSENT.

3.3 Names and addresses of the Officers of Applicant

State the names and addresses of the officers of the applicant. "Officers" of the applicant include the applicant's directors and secretary, and other persons who make or participate in making decisions that affect a substantial part of the business of the applicant.

Full Name: Marko Kremer

Date of Birth: 20/05/1977

Office Held: Director Bungala Two Operations Pty Ltd

Address: 40 Calypso Avenue Mosman, Australia

State: NSW

Post Code: 2088

Professional experience:

Marko is a Managing Director of DIF and leads DIF's investment office in Australia. Marko joined DIF in 2008 and in 2015, was responsible for leading DIF's expansion into Australia and New Zealand. Within DIF, Marko has led numerous, infrastructure transactions including the acquisition of various interests in the Dundalk, M4, M50 and Eastlink Irish toll road assets, the acquisition (and subsequent setup of DIF's Spanish office) of five operational Spanish projects which include a hospital, three transportation hubs and a portfolio of 16 metro stations, and the acquisition of five Dutch operational projects which include a road, military housing and school PPPs. Marko also led DIF's investment in four major greenfield PPP projects, the most recent being the A1A6 motorway expansion project in The Netherlands.

Prior to joining DIF Marko was an Executive Director in the Leveraged Finance Team at ABN AMRO, with responsibility for originating, structuring and executing leveraged finance opportunities and spent prior to that, five years at ING Wholesale Banking.

Marko holds a Master in Management Engineering from the University of Twente, The Netherlands and is a CFA and CAIA charter holder. He is currently a Director of DIF's first infrastructure investment in Australia, Royalla Solar Farm, and has previously served as a Director on a number of SPVs where

DIF has an investment, bringing significant commercial and financial expertise gained from overseeing complex infrastructure projects across Europe and Australia.

Full Name: **Harsimran Bal**

Date of Birth: 26/08/1988

Office Held: Director Bungala Two Operations Pty Ltd

Address: 7 Wattlebird Place Glenwood, Australia

State: NSW

Post Code: 2768

Professional experience:

Simran Bal joined DIF in 2017 as an Associate. He is responsible for origination and execution of infrastructure and renewable energy transactions in Australia. Prior to DIF, he worked for nearly three years at Grant Samuel, a boutique Corporate Advisory firm. Simran started as a graduate at Ernst & Young. He has a double degree in Applied Finance and Accounting from Macquarie University and graduated in Chartered Accountancy at the Institute of Chartered Accountants, Australia.

Full Name: **Nicola Bellettieri**

Date of Birth: 18/08/1977

Office Held: Director Bungala Two Operations Pty Ltd

Address: Via Boito 36, Belluno, 32100 Italy

Professional experience:

2106-17	Head of AFC, Sub Saharan Africa & Asia Area, Global Renewable Energy Division Enel Green Power	Rome, Italy
2015	CFO, New countries, Enel Green Power	Rome, Italy
2014	CFO, Portugal, Enel Green Power	Oporto, Portugal
2012-13	CFO, France, Enel Green Power	Lyon, France
2010	Head of P&C & IFRS, Enel JV - RusEnergosbyt	Moscow, Russia
2008-09	IFRS Reporting Mgr, Enel JV - SeverEnergia	Moscow, Russia
2007	Senior Controller, Enel International Division	Rome, Italy

Full Name: **Vincenzo Argentieri**

Date of Birth: 05/05/1981

Office Held: Director Bungala Two Operations Pty Ltd

Address: Contrada San Giacomo 7, San Michele Salentino BR, 72018 Italy

Professional experience:

Jan 2015 – up to date - Head of Enel Green Power East Asia and Australia Business Development (Rome, Italy): in charge for scouting and project development from green-field to ready-to-build renewable energy investments in the region.

June 2012 – Dec 2014 – Head of Carbon Origination and project development, CDM projects China (Beijing, China)

June 2008 – May 2012 – Senior Carbon Analyst and portfolio manager (Rome, Italy)

Jan 2007 – May 2008 – CCHP Asset Manager, GDF Suez Italy (Rome, Italy)

3.4 Names and addresses of major shareholders of Applicant

State the full names and addresses of the major shareholders of the applicant

Bungala Two Operations Holding Pty Ltd

- Registered address: Level 16, 225 George Street, Sydney NSW, Australia 2000
- Shareholding: 1,000 fully paid ordinary shares

3.5 Details of the group members

This is information about entities controlled by the applicant, or by the ultimate parent entity of the applicant (if applicable).

Each group member listed in the corporate structure diagram in Annexure A (with the exception of DIF Infra 4 Finance BV, Enel S.p.A. and DIF Infrastructure IV Cooperatief U.A. – the Applicant's indirect shareholders), is registered in Australia.

The DIF Parent fund entity is DIF Infrastructure IV Cooperatief U.A., which is also the parent of DIF Infra 4 Finance BV. The investors in DIF Infrastructure IV Cooperatief U.A. are global institutional investors, mostly European Pension Funds.

DIF and ENEL are also providing bank letters of credit to back the equity commitments to the senior lenders in the project.

3.6 Additional information

Please answer the following questions.

- ▲ Is the applicant a resident of, or does it have permanent establishment in, Australia? Where the answer to this question is no, please provide further detail.

Yes

- ▲ Is the applicant under external administration (as defined in the Corporations Act 2001) or under a similar form of administration under any laws applicable to it in any jurisdiction? Where the answer to this question is yes, please provide further detail.

No

- ▲ Is the applicant immune from suit in respect of the obligations under the Electricity Act 1996? Where the answer to this question is yes, please provide further detail.

No

- ▲ Is the applicant capable of being sued in its own name in a court of Australia? Where the answer to this question is no, please provide further detail.

Yes

3.7 Financial resources available to the Applicant

Provide information about the financial resources available to the applicant. If the applicant is a company, please also enclose:

- ▲ copies of all audited profit and loss statements and balance sheets for the last three financial years (including all notes), and
- ▲ director's declaration that the financial statements comply with accounting standards, give a true and fair view, have been made in accordance with the Corporations Act and that there are reasonable grounds to believe the company/entity will be able to pay its debts as and when they fall due; and
- ▲ the director's report and the audit opinion.

If the applicant is a subsidiary company, please also provide:

- ▲ copies of all audited profit and loss statements and balance sheets of the applicant's parent company for up to the last three financial years.

The applicant should also submit copies of:

- ▲ its business plans including at least strategic direction and objectives, identified opportunities in the market place and forecast results; and
- ▲ evidence of capital and liquidity support in place, including any bank or cross guarantees, to support the business and evidence of negotiations with the network service provider concerning credit support arrangements.

Having a balance date of 31/12, Bungala Two Operations Pty Ltd will produce financial statements as at that date each year starting from 2017.

Being recently incorporated companies, no financial statements are available to date for DIF Solar Pty Ltd and for Enel Green Power Bungala Pty Ltd.

Enel Green Power Spa (hereinafter EGP), is a wholly-owned subsidiary of Enel, which is an entity listed on the Milan stock exchange with more than 1.1m shareholders. The Ministry for the Economy and Finance of Italy currently holds 23.585% interest in Enel. No other shareholders hold more than

2% of the total share capital in Enel. EGP is the mother company of Enel Green Power Group Companies.

EGP has been listed to the Italian Stock Exchange until the 31st of March 2016. Based on that, the company, until 2015, had the obligation to prepare the Stand Alone Financial Statements and the Consolidated Financial Statements (translated in English and Spanish language for investors use). Starting from 2016, under Italian Law, the only obligation of EGP is to prepare the Stand Alone Financial Statements (in Italian language). However, EGP is consolidated in the accounts of Enel SpA, which financial statements are available.

EGP currently holds important ambitions in Australia, where it aims to develop several solar and wind projects, in several states.

The following Financial Statements are included in Annexure D (CONFIDENTIAL):

1. Stand Alone and Consolidated Financial Statements of EGP Spa until the year 2015.
2. Audited Stand Alone Financial Statements of EGP SpA for the year 2016 (in Italian).
3. Stand Alone and Consolidated Financial Statements of Enel Spa until the year 2016.
4. A copy of the Bank Guarantee to ElectraNet and the Letter of Credit issued by EGP to the banks for Equity support
5. 2015 Financial Statement of DIF Infrastructure IV Coöperatief U.A. (the fund was created in 2015, therefore the 2015 financial statement is the only currently available one).

As far as the business plan is concerned, the joint venture's total investment in Bungala Solar is around 315 million US dollars, including project construction. Construction works at Bungala Two (137.7 MWdc equivalent to around 110 MWac) are expected to begin in the second half of 2017. The overall 220 MWac project are expected to be fully operational by the third quarter of 2018. The project is fully contracted with a long-term power purchase agreement with Origin Energy. The complete Bungala Solar project is designed to generate around 570 GWh a year, equivalent to the consumption needs of approximately 82,000 Australian households, avoiding the emission of about 520,000 tonnes of CO₂.

NOTE: ALL ATTACHED DOCUMENTS ARE CONFIDENTIAL AND MUST NOT BE PUBLISHED WITHOUT THE APPLICANT'S WRITTEN CONSENT.

3.8 Additional Details of Structure of Applicant

If the applicant is part of a group of related companies, and/or party to a partnership, joint venture or alliance agreement with another company, please provide:

- ▲ contractual arrangements (e.g. alliance contracts, associate contracts, establishment contracts) that define relationships within the group – including shared resources, guarantees, revenue flows, obligations and or responsibilities.

See Annexure D (CONFIDENTIAL):

- "Equity Subscription Agreement", showing that DIF and Enel Green Power agreed to contribute (to the amount reported in the agreement) in equity funding for Bungala Two.
- NAB letter confirming debt financing.

NOTE: ALL ATTACHED DOCUMENTS ARE CONFIDENTIAL AND MUST NOT BE PUBLISHED WITHOUT THE APPLICANT'S WRITTEN CONSENT.

3.9 Human resources available to the Applicant

Provide information about the human resources available to the applicant. This includes:

- ▲ the experience and qualifications of those employees outlined in the organisational chart (see point 1.6); and
- ▲ if the applicant will employ contractor/s to assist with the licensed operations, the name of that contractor/s, details about the experience of the contractor/s in such operations and details of the processes in place to ensure the contractor/s complies with the regulatory obligations imposed by the licence.

The Applicant through its parent entities can draw on a very experienced employee base. With experience in generation design, construction and operation, the Applicant nevertheless needs to draw on other Contractors resources for specific aspects of the Generation set-up and management.

Green Light Contractors Pty Ltd (GLC) has been engaged as EPC contractor, and it will also provide the Operation and Maintenance of the Solar Farm for at least the first 5 years of operation.

The Applicant, through its O&M Organization will oversee and supervise O&M contractor activities through the following organization:

- 1 O&M Manager (Plant Supervisor) supported, at field level, by 3 Plant Assistant and, at central level by 1 Staff Assistant.
- The main activities managed by this organization are listed in the table below:

Responsibility	Main task	Details
Technical Monitoring of the O&M Contractor	Operational efficiency and remote monitoring process	<ul style="list-style-type: none"> • Review the calculation of availability guarantees • Review monthly reports provided by the O&M Contractor • Monitoring of the plant performance against forecast via [independent] SCADA software system
	Monitoring and supervision of O&M Contractor	<ul style="list-style-type: none"> • Monitor full compliance of O&M Contractor • Supervise O&M Contractor's preventive maintenance works, corrective maintenance works. • Semi-annual site visits to the Site, • Conference calls with the O&M Contractor
	Shareholder relationship management	<ul style="list-style-type: none"> • Interface between SPV and O&M Contractor
Operational Management	HO support	<ul style="list-style-type: none"> • Monitor EPC Contractors • Monitor and report to SPV on defects in existence during the Defects Liability Period (as defined in the EPC Contract).
	Monitor full compliance of the O&M Contractor	<ul style="list-style-type: none"> • Check of: O&M manuals, Design documentation, Technical schedules, HO report
	Reporting	<ul style="list-style-type: none"> • Energy produced, EA, PR, Technical issues, Site security issues, HSE issues
	Back office activities	<ul style="list-style-type: none"> • Manage PPA counterparty by checking production measurement or

		issued invoices <ul style="list-style-type: none"> • Review and ensure supporting data of 'Regional Reference Pricing' • Ensure production calculation procedures are understood by all involved parties,
General Management	Project Management and supervision	<ul style="list-style-type: none"> • Project cost review • Supervision and monitoring of quality • Management systems to support the project • Support in technical contractor negotiations
	Contract manager	

GLC is currently performing the O&M of Moree Solar Farm (56MW AC) in NSW and Barcaldine Solar Farm (20MW) in QLD. It's parent entity, Elecnor S.A. is performing O&M tasks in a large amount of renewable electricity generation facilities across the world including: photovoltaic plants with tracking structure, concentrated thermosolar plants, wind farms, hydro and pumped hydro storage systems.

GLC O&M manager, based in Brisbane, will be directly monitoring Bungala Solar Farm generation with staff located on-site to do all preventive and corrective maintenance.

GLC engineering manager, also based in Brisbane, will monitor - assisted by a grid consultant - the generator registration process and the commissioning.

GLC will follow the Generator Compliance Monitoring program to ensure the compliance with the required performance of the plant.

The Applicant is working with GHD (Level 8, 180 Lonsdale Street Melbourne Vic 3000 Australia - www.ghd.com) to assist us along the registration process.

The PV Plant supplier (Green Light Contractor - GLC) is the primary contractor for the solar farm Engineering, Procurement and Construction (EPC) contract.

Evidence of contracts is contained in Annexure C (CONFIDENTIAL).

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3.10 Technical resources available to the Applicant

Applicants for a generation licence are asked to provide details about the availability of technical resources to be used in carrying out the operations for which a licence is sought. The information should include details about the technically qualified staff available to the applicant and (if relevant) details of experience gained in similar operations.

Where applicants are relying on a third party to provide staff and resources to meet the technical requirements of the generation licence, please provide:

- ▲ a list of all functions and activities being proposed to outsource;
- ▲ details of any formal agreement/s to provide services, including confirmation that the third party possess relevant technical competencies to conduct the proposed activities;
- ▲ a summary of the third party's technical capacity to meet relevant obligations, including relevant accreditations; and

- ▲ a summary of the third party's experience and knowledge in the relevant area.

GLC is the primary EPC contractor of the Applicant, and will be responsible for the Engineering, Procurement and Construction (EPC) contract. GLC is an experienced contractor who has designed, constructed, commissioned and operated solar farms across the National Electricity Market – namely Moree Solar Farm (56 MW) and Barcaldine Solar Farm (20 MW).

GLC has also been engaged under an initial 5 year (2 plus 3) contract for the Operations and Maintenance (O&M) for the solar farm. GLC has both international experience and local Australian experience in operating similar plants. They are required to operate and maintain the solar farm in accordance with the Transmission Connection Agreement and the Operating Protocol with ElectraNet.

GLC's control centre and O&M management team for Bungala Solar Farm is based in Brisbane. The O&M Manager will have responsibility of:

- remotely monitoring the good operation and maintenance of the solar farm on a day to day basis and accordingly supervising the proper implementation of O&M Agreement by the locally based O&M team.
- managing relationship with the Principal, supervise the operations, schedule the maintenance plan and accordingly preparing monthly reports in order to achieve the Performance Key Indicators, plant issues and corrective actions.
- being the primary contact of the Electrical Service Provider and AEMO for operation of the solar farm (Switching instructions, compliance or any relevant queries).
- being the primary contact of various stakeholders to ensure continuing compliance of the solar farm with agreements in place (Environmental, Cultural Heritage, etc...)

3.11 Quality of Electricity Produced/Connection Agreement

The Commission may not issue a generation licence unless it is satisfied that the generating plant (or proposed generating plant) will generate electricity of the appropriate quality for the relevant transmission or distribution network. The Commission will be satisfied that the electricity is of an appropriate quality if the applicant has entered into a connection agreement which meets the Commission's technical requirements with the licensed operator of the relevant transmission or distribution network. Applicants are therefore required to submit a copy of such a connection agreement.

The Applicant has entered into a Transmission Connection Agreement (TCA) with ElectraNet on 28/06/2017. The solar farm is able to comply with the Quality of Electricity Produced that meets ElectraNet's requirements. Evidence of the TCA is contained in Annexure C (CONFIDENTIAL).

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3.12 Risk Management

Provide confirmation and reasonable evidence that the applicant's management has identified the risks associated with electricity operations and has established, utilises and relies upon risk management systems and processes which are adequate, accurate and current to address those risks. A copy of the applicant's risk management strategy should be submitted.

The Applicant through its parent entities utilizes corporate risk management processes as an integral part of the normal operation of the PV plant and, more in general, of its businesses. Company shareholders' (Enel Green Power - EGP - and Dutch Infrastructure Fund - DIF) framework on corporate governance and risk management can be found in the companies' annual reports.

The company structure is based on association between shareholders (EGP and DIF) cumulating valuable international experience in the renewable energy sector, in all aspects of the management of the PV Plant, from the Construction phase to Operation & Maintenance and Asset Management of the facility.

As detailed in point 3.9 and 3.10, it also pictures the local organization, selected contractors and consultants called upon to ensure that Bungala Two Operations Pty Ltd enjoy sufficient market knowledge to manage all possible risks related to Financing, Constructing, Operating and Maintaining a Solar PV Plant of this nature. In particular for operation in the Australian National Electricity Market and the South Australian region the Applicant have senior people with experience in the operation and on going management of the solar farm. They are able to draw on international experience to complement the local knowledge where required.

Bungala Project has also been subject to a comprehensive Risk Assessment, that was performed focusing – among others - on Projects' Engineering and Construction, permitting, environmental, financing and Operation & Maintenance domains, having corresponding departments (E&C, Procurement etc.) directly involved, since the beginning, in their relevant domains.

Risk Assessment comprises indication of possible criticalities, their estimated impact and their best mitigations, also including risk level reduction estimate. The risk framework mainly consists of the following dimensions:

1. Commercial and Profitability
2. Engineering and Construction
3. Business continuity
4. Regulatory and Legal
5. Financing and Tax
6. Environmental and local shareholders
7. Health and Safety

In addition, the company and its shareholders have established risk management policies and procedures, aimed to assess, mitigate and control risks. These policies and procedures determine risk metrics, risk limits (when applicable) and reporting to companies Top Management, to be submitted to the relevant Risk Control committee.

3.13 Development Act Approval

Please advise if the applicant has or is applying for approval under the Development Act 1993 (SA). If so, provide details, including the date on which approval was or will be granted.

The Applicant has received Development Approval No. 010/V031/ 16 on 05/12/2016.

3.14 Registration with AEMO

Please advise if the applicant will apply to register with AEMO. If so, provide details. Applicants for a wind generation licence should note that registration as a semi-scheduled market participant is required for all new generators and all expansions to existing wind generation plant.

In accordance with the requirements of the National Electricity Rules, the Applicant will be applying for registration with AEMO as a semi-scheduled market generator, through Origin as Intermediary. The registration will likely be submitted by Origin during Q4 2017.

3.15 Licences held by the Applicant in other Australian jurisdictions.

If the applicant holds, or has previously held, electricity and/or gas licences in other Australian jurisdictions please provide details. If a licence previously held has been suspended or cancelled, please provide details.

The Applicant holds no electricity and/or gas licenses in other Australian jurisdictions.

3.16 Previous unsuccessful licence applications in other Australian jurisdictions

Please state whether the applicant has applied for an electricity or gas licence in another Australian jurisdiction and not been issued with a licence, and provide details if relevant.

The Applicant has never applied for electricity and/or gas licenses in other Australian jurisdictions.

3.17 Licences held by Associates of the Applicant

If an associate of the applicant (within the meaning of the Corporations Act) holds an electricity or gas licence in South Australia or in other Australian jurisdictions, please provide details.

No associate of the Applicant holds an electricity or gas license in South Australia or in other Australian jurisdictions.

Bungala One Operations Pty Ltd as trustee for The Bungala One Operations Trust has applied to Escosa for a generation license in July 2017.

3.18 Compliance Plans

Applicants are required to submit a copy of their Compliance Plan which demonstrates how the compliance systems the applicant has (or will have) in place will ensure compliance with all of the applicable regulatory obligations imposed by the relevant licence.

Bungala Two Operations Pty Ltd will undertake monitoring of its operations and provide Annual Compliance Reports to ESCOSA to ensure compliance with all of the regulatory obligations imposed by the generation licence for Bungala Two solar plant. The Compliance Plan, describing the policies currently existing in Enel Green Power and DIF and a compliance scheme to be completed after issue of the license, is in Annexure E (CONFIDENTIAL). The policies in their integral format can be delivered to Escosa upon request.

NOTE: ALL ATTACHED DOCUMENTS ARE CONFIDENTIAL AND MUST NOT BE PUBLISHED WITHOUT THE APPLICANT'S WRITTEN CONSENT.

3.19 Additional Information

The Commission encourages applicants to provide any additional information they consider would be of assistance in supporting the application. Please provide below.

N/A

4 FACTORS SPECIFIED IN THE ESSENTIAL SERVICES COMMISSION ACT 2002

In considering a licence application, the Commission must have as its primary objective protection of the long term interests of consumers with respect to the price, quality and reliability of electricity supply, and must also have regard to the need to:

- (a) promote competitive and fair market conduct;
- (b) prevent misuse of monopoly or market power;
- (c) facilitate entry into relevant markets;
- (d) promote economic efficiency;
- (e) ensure consumers benefit from competition and efficiency;
- (f) facilitate maintenance of the financial viability of regulated industries and the incentive for long term investment;
- (g) promote consistency in regulation with other jurisdictions.

If the applicant believes that information about their application would assist the Commission in its consideration of these factors, the applicant should provide such information below.

N/A

5 APPLICATION FEES

Applicants for a licence must pay to the Commission an application fee fixed by the Minister for Energy from time to time. This fee is presently set at \$1,000 per licence. Please enclose this fee with the application. An application cannot be considered until this fee has been received and cannot be refunded.

6 DECLARATION

All information in this application for the issue of a licence to authorise electricity generation operations in the electricity supply industry in South Australia must be verified by a Statutory Declaration of the applicant, in accordance with the provisions of the *Oaths Act 1936* (SA)³, stating that the information contained in the application is true and correct to the best of the applicant's knowledge, information and belief.

Where the applicant is a body corporate, evidence of the relevant authority of the declarant to sign on behalf of the body corporate must also be provided to the Commission.⁴

Statutory Declaration

I DIEGO CANNADA BARTOLI
of L24, Three International Tower, 300 Barangaroo Avenue, SYDNEY NSW 2000

do solemnly and sincerely declare that the information contained in this Application for the issue of a licence to authorise electricity generation operations in the electricity supply industry in South Australia is true and correct to the best of my knowledge information and belief.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1936*.

Date 10 August 2017

Signature [Signature]

(Where the applicant is a body corporate, the declaration must be made by a person authorised by body corporate to sign on its behalf)

Declared at: Sydney this 10th day of August 2017

Before me: LANA TIAN [Signature]

(Signature of Justice of the Peace or other person authorised under the *Oaths Act 1936*)

I HARSH M RAN BAL
of L24, 1 Fawer Place, SYDNEY NSW 2000

do solemnly and sincerely declare that the information contained in this Application for the issue of a licence to authorise electricity generation operations in the electricity supply industry in South Australia is true and correct to the best of my knowledge information and belief.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1936*.

Date 10 August 2017

³ or equivalent legislation in other Australian jurisdictions.

⁴ The Commission will accept a copy of a Board minute (or circulating resolution) giving approval for the declarant to sign on behalf of the applicant as evidence of the relevant authority.



Signature [Signature]

(Where the applicant is a body corporate, the declaration must be made by a person authorised by body corporate to sign on its behalf)

Declared at: Sydney this 10th day of August 2017

Before me: LANA TIAN [Signature]

(Signature of Justice of the Peace or other person authorised under the Oaths Act 1936)

Application Form for the Issue of an Electricity Generation Licence by the
Essential Services Commission of SA under the Electricity Act 1996

