



Electricity Generation Licence

Energy Generation Pty Ltd

ABN 82 009 017 458

Issued by the Essential Services Commission on 15 July 2016
Last varied by the Essential Services Commission on 26 September 2018

Variation history

Amendment number	Variation date	Reason
ESCOSA 01	26 September 2018	Update the condition relating to the safety, reliability, maintenance and technical management plan. Include a condition relating to the switching manual. Include the battery storage system (1.5 MW) in Annexure 1.

General

1 Definitions and interpretation

- 1.1 Words appearing in bold like **this** are defined in Part 1 of the Schedule.
- 1.2 This licence must be interpreted in accordance with the rules set out in Part 2 of the Schedule.

2 Grant of a licence

- 2.1 The **licensee** is licensed under Part 3 of the **Act**, and subject to the conditions set out in this licence, to generate electricity using the electricity generating plant as specified in Annexure 1.

3 Term

- 3.1 This licence commences on the date it is issued and continues until it is:
 - (a) surrendered by the **licensee** under section 29 of the **Act**; or
 - (b) suspended or cancelled by the **Commission** under section 37 of the **Act**.

4 Fees

- 4.1 The **licensee** must pay the applicable licence fees in accordance with section 20 of the **Act**.

5 Compliance with applicable laws and codes

- 5.1 The **licensee** must comply with all applicable laws, including, but not limited to, any technical or safety requirements or standards contained in regulations made under the **Act**.
- 5.2 The **licensee** must comply with any **codes** or **rules** made by the **Commission** from time to time, that the **Commission** has advised the licensee in writing as being applicable to the licensee.

6 National Electricity Market

- 6.1 The **licensee** must hold and comply with the conditions of any registration required under the **National Electricity Rules** granted by the **AEMO** (or the person responsible for the granting of such registrations under the **National Electricity Law** or the **National Electricity Rules**) at all times that such registration is required for the operations authorised by this licence.

7 System controller and the AEMO

- 7.1 The **licensee** must, following a request from the **AEMO**, provide to the **AEMO**, such documents or information as it may reasonably require to perform its functions and exercise its powers under the **Act**.
- 7.2 The **licensee** must comply with any directions given to it by a **System Controller**.

8 Information to the Commission

- 8.1 The licensee must, from time to time, in a manner and form determined by the Commission, provide to the Commission:
- (a) details of the licensee's financial, technical and other capacity to continue the operations authorised by this licence; and
 - (b) such other information as the Commission may require.
- 8.2 The licensee must notify the Commission if it commits a **material breach** of an applicable law or **code** within 3 days of becoming aware of that breach.

9 Annual return

- 9.1 The licensee must submit an Annual Return to the Commission, pursuant to section 20(2)(a) of the Act, by 31 August each year in respect of the operations authorised by this licence during the preceding financial year.
- 9.2 Each Annual Return must contain at least the following information:
- (a) the names of the officers of the licensee;
 - (b) the names of the major shareholders of the licensee;
 - (c) in respect of generation operations:
 - (i) a description of the generating plant, including installed capacity (MW);
 - (ii) the total electricity produced (MWh) by the generating plant;
 - (iii) plant availability; and
 - (iv) the number of outages (planned and unplanned) for the generating plant.
 - (d) in respect of the licensee's compliance with its regulatory obligations under this licence, a statement describing:
 - (i) any instances of non-compliance with those regulatory obligations; and
 - (ii) measures taken by the licensee to rectify reported non-compliance.

10 Operational and compliance audits

- 10.1 The licensee must undertake periodic audits of the operations authorised by this licence and of its compliance with its obligations under this licence and any applicable **industry codes** in accordance with the requirements of any applicable guideline issued by the Commission for this purpose.
- 10.2 The licensee must also conduct any further audits at a frequency and in a manner approved by the Commission.
- 10.3 The results of audits conducted under this clause must be reported to the Commission in a manner approved by the Commission.

- 10.4 The Commission may require the licensee to use an independent expert approved by the Commission to conduct audits under this clause.
- 10.5 The Commission may require the costs of using an independent expert approved by the Commission to conduct audits under this clause to be met by the licensee.

11 Safety, reliability, maintenance and technical management plan

- 11.1 The licensee must:
- (a) prepare, maintain and periodically revise a safety, reliability, maintenance and technical management plan dealing with matters prescribed by regulation;
 - (b) obtain the approval of the Technical Regulator:
 - (i) to the plan (prior to commencement of the operation of the electricity generating plant to which the plan relates); and
 - (ii) to any revision of the plan;
 - (c) comply with the plan as approved in accordance with clause 8.1(b);
 - (d) undertake audits of its compliance with the plan from time to time and report the results of those audits to the Technical Regulator, in the form required by the Technical Regulator.

12 Interruption of supply

- 12.1 The licensee must, in undertaking the generation operations authorised by this licence, use its best endeavours to minimise the frequency and duration of supply interruptions.
- 12.2 The licensee must provide not less than the following period of notice to a customer likely to be affected by a planned supply interruption of more than 15 minutes:
- (a) in respect of an interruption planned by the licensee: 3 days prior to the interruption;
 - (b) in respect of an interruption notified to the licensee by another electricity entity at least 4 days prior to the interruption: 3 days prior to the interruption; or
 - (c) in respect of an interruption notified to the licensee by another electricity entity less than 4 days but more than 24 hours prior to the interruption: within 24 hours of receiving that notice from the other electricity entity.
- 12.3 Notice given by the licensee under this clause must include the time, expected duration of, and reason for the supply interruption.
- 12.4 The licensee must provide a 24 hour telephone service to customers notifying the commencement time and expected duration of and, if available, reason for a current supply interruption of more than 15 minutes.
- 12.5 The licensee must provide written notice of the commencement time and duration of, and if available, the reason for a supply interruption within 20 business days of receiving a request for such written notification.

13 Compatibility

- 13.1 The licensee must not do anything to its electricity generating plant affecting the compatibility of its electricity generating plant with any **distribution network** or **transmission network** so as to prejudice public safety or the security of the power system of which the electricity generating plant forms a part.

14 Access

- 14.1 The licensee must:
- (a) in accordance with, and to the extent required by an **industry code**, grant to an **electricity entity** holding a **transmission licence** or a **distribution licence**, rights to use or have access to those parts of the licensee's electricity generating plant that are interconnected or interface with the **electricity entity's** assets for the purpose of ensuring the proper integrated operation of the South Australian power system and the proper conduct of the operations authorised by that **electricity entity's transmission licence** or **distribution licence**; and
 - (b) in the absence of agreement as to the terms on which such rights are to be granted, comply with a determination of the **Commission** as to those terms.

15 Dispute resolution

- 15.1 A dispute relating to the granting of rights to use or have access to the interconnecting assets of the licensee's electricity generating plant referred to in clause 5 shall be resolved in accordance with any applicable **industry code** developed by the **Commission** for the resolution of disputes.
- 15.2 Clause 15.1 does not apply to the extent the dispute is subject to resolution in accordance with or under the **National Electricity Rules**.

16 Insurance

- 16.1 The licensee must undertake, and maintain during the term of this licence, insurance against liability for causing bushfires.
- 16.2 The licensee must provide to the **Commission** a certificate of the insurer or the insurance broker by whom the insurance was arranged (in a form acceptable to the **Commission**) to the effect that such insurance is adequate and appropriate, given the nature of the licensee's activities conducted under this licence and the risks associated with those activities.

17 Confidentiality

- 17.1 The licensee must, unless otherwise required or permitted by law, this licence, or an **industry code**:
- (a) comply with any **rules** determined by the **Commission** from time to time relating to the use of information acquired by the licensee in the course of operating the business authorised by this licence; and
 - (b) ensure that information concerning **customers** is not disclosed without the explicit informed consent of those **customers**.

18 Community service

- 18.1 The licensee must comply with the requirements of any scheme approved and funded by the Minister for Mineral Resources and Energy the provision by the State of customer concessions or the performance of community service obligations by the licensee.

19 Taking over operations

- 19.1 Where the licensee becomes the subject of a proclamation under section 38 of the Act, it must participate in the development and implementation of arrangements under section 38 for another person to take over the operations authorised by this licence (including, but not limited to, arrangements to ensure the remuneration of that person)

20 Variation

- 20.1 This licence may only be varied in accordance with section 27 of the Act.

21 Transfer

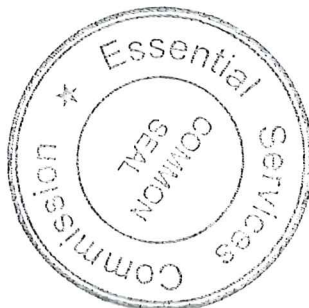
- 21.1 This licence may only be transferred in accordance with section 28 of the Act.

22 Switching manual

- 22.1 The licensee must:
- (a) prepare and maintain an internal switching manual in accordance with the regulations; and
 - (b) comply with any other requirements relating to switching prescribed in the regulations.

This licence was issued by the Commission on 15 July 2016 and last varied on 26 September 2018.

The COMMON SEAL of the)
ESSENTIAL SERVICES)
COMMISSION of South)
Australia was hereunto)
affixed by authority of the)
ESSENTIAL SERVICES)
COMMISSION and in the)
presence of:)



Paul Power

Commissioner

26 September 2018

Date

Schedule: Definitions and interpretation

Part 1 – Definitions

In this licence:

Act means the Electricity Act 1996 (SA) and includes any statutory instrument made under that Act;

AEMO means the Australian Energy Market Operator Limited (ABN 94 072 010 327);

best endeavours means to act in good faith and use all reasonable efforts, skill and resources;

business day means a day on which banks are open for general banking business in Adelaide, other than a Saturday, or a Sunday;

Commission means the Essential Services Commission established under the Essential Services Commission Act 2002 (SA);

customer means a **customer** as defined in the **Act**;

distribution licence means a licence to operate a **distribution network** granted under Part 3 of the **Act**;

distribution network has the meaning given to that term under the **Act**;

electricity entity means a person who has been granted a licence under Part 3 of the **Act** to carry on operations in the electricity supply industry;

industry code means any code made by the **Commission** under section 28 of the **ESC Act** from time to time;

licensee means Energy Generation Pty Ltd ABN 15 095 517 490;

material breach means a breach of a regulatory obligation in respect of which:

- (a) the **Commission** has written to the **licensee** and informed the **licensee** that the **Commission** considers a breach of the particular regulatory obligation to be material;
- (b) the **licensee** itself considers the breach to be material, having had regard to all relevant matters, including at least the following:
 - (i) the impact of the breach on **customers**;
 - (ii) whether the breach has a financial impact on **customers**;
 - (iii) the number of **customers** affected;
 - (iv) the potential and actual impact on safety and risk to the public,

National Electricity Law means the National Electricity Law referred to in the National Electricity (South Australia) Act 1996;

National Electricity Rules has the meaning given to that term in the **National Electricity Law**;

rule means any rule made by the **Commission** under section 28 of the Essential Services Commission Act 2002 (SA);

supply interruption means an interruption in electricity supply affecting any **customer** and includes a supply interruption occurring as a result of:

- (a) an act or omission of another person; or
- (b) an outage,

but does not include:

- (c) in respect of a **customer**, an interruption in electricity supply in accordance with an interruptible supply contract with that **customer**; or
- (d) an interruption of supply rectified by an automatic fault clearing operation;

System controller means the person licensed under Part 3 of the **Act** to exercise system control over a power system;

Technical Regulator means the person holding the office of Technical Regulator under Part 2 of the **Act**;

transmission licence means a licence to operate a **transmission network** granted under Part 3 of the **Act**; and

transmission network has the meaning given to that term under the **Act**.

Part 2 - Interpretation

In this licence, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this licence;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to any statute, regulation, proclamation, order in council, ordinance or bylaw includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- (f) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (g) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document; and
- (h) an event which is required under this licence to occur on or by a stipulated day which is not a **business day** may occur on or by the next **business day**; and

ANNEXURE 1

The generating plant consisting of:

1. eight Deutz TBD620 diesel generators, each rated 0.5 MW
2. two 2 MW Senvion MM92 wind turbines
3. a 1 MW First Solar solar array, and
4. a 1.5 MW battery storage system

with a total nameplate capacity of 10.5 MW, located at Coober Pedy.



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