



# Application form for the issue of an Electricity Generation Licence

by the Essential Services Commission of SA  
under the Electricity Act 1996

August 2017

**Enquiries concerning this application form should be addressed to:**

Essential Services Commission  
GPO Box 2605  
Adelaide SA 5001

Telephone: (08) 8463 4444  
Freecall: 1800 633 592 (SA and mobiles only)  
E-mail: [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)  
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## Licence requirements and conditions

It is essential that licence applicants read the Essential Services Commission's (**Commission**) 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](http://www.escosa.sa.gov.au) under electricity/licensing.

### Generation operations which require a licence

Section 15(2)(a) of the *Electricity Act 1996* (**Act**)<sup>1</sup> 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 Minister<sup>2</sup>); 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.

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.

### Mandatory 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.

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<sup>1</sup> Available at <https://www.legislation.sa.gov.au/LZ/C/A/ELECTRICITY%20ACT%201996.aspx>

<sup>2</sup> To date, the Minister for Energy and Resources has not designated any bodies for the purposes of Regulations 6(1).

## Additional technical licence conditions

Additional technical licence conditions apply to all new electricity generators seeking to connect to the South Australian power system. Applicants for a generation licence should familiarise themselves with the Commission's Inquiry into the licensing arrangements for generators in South Australia final report, available on the Commissions website.<sup>3</sup>

Model licence conditions reflecting the Inquiry findings and conclusions have been developed and are available in Appendix 1. The model conditions will be applicable to all new applications, having regard to advice from the Australian Energy Market Operator (AEMO) on the specific circumstances of individual applications received.

Depending on the specific characteristics of a given generation project, the model conditions may be varied to the degree necessary to ensure that South Australian consumers' long-term interests with respect to the price, quality and reliability of electricity services are protected.

## Annual licence fees

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.

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<sup>3</sup> Refer: <http://www.escosa.sa.gov.au/projects-and-publications/projects/inquiries/inquiry-into-licensing-arrangements-under-the-electricity-act-1996-for-inverter-connected-generators/inquiry-into-licensing-arrangements-under-the-electricity-act-1996-for-inverter-connected-generators>

## How to apply for a generation licence

This form is to be completed by persons making application to 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.

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.

### 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.

### Application fees

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

### 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](mailto:licensing@escosa.sa.gov.au)

## 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.

## 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.



# 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: South Australian Water Corporation (SA Water)

### 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.

The South Australian Water Corporation (ABN 69 336 525 019), a South Australian statutory corporation established by the South Australian Water Corporation Act 1994 (SA)

### 1.3 Address and Contact Details of Applicant

Business Address: 250 Victoria Square, Adelaide

State: South Australia, 5000

Postal Address (if different to Business Address):

GPO Box 1751

State: South Australia, 5001

Telephone: +61 08 8204 1000 Facsimile: NA

E-mail: see section 1.4

### 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: Claire Pullan

Title: Manager Compliance

Business Address: Level 4, 250 Victoria Square, Adelaide

State: South Australia, 5000

Postal Address (if different to Business Address):

GPO Box 1751

State: South Australia, 5001

Telephone: +61 08 7424 1489 Facsimile: NA

E-mail: Claire.pullan@sawater.com.au

## 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: Matthew Maeder

Title: Energy Markets Lead Compliance

Business Address: Level 5, 250 Victoria Square, Adelaide

State: South Australia, 5000

Postal Address (if different to Business Address):

GPO Box 1751

State: South Australia, 5001

Telephone: +61 08 8204 2459 Facsimile: NA

E-mail: matthew.maeder@sawater.com.au

## 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.

SA Water is a statutory body corporate whose function and powers are set out in the South Australian Water Corporation Act 1994, and is a public corporation which is subject to the Public Corporations Act 1993. The 2016-17 annual report (page 43) details SA Water's Governance (Board) members and the company's organisational chart on page 46.

## 2 The Licence

**Applicants must answer all questions in this section.**

### 2.1 Date from which Licence is sought

Applicants should usually allow the Commission a minimum of 12 weeks to consider an application, as a public consultation period of at least four weeks forms part of the Commission's consideration of licence applications. 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.

The estimated date for which the licence is sought is 1<sup>st</sup> November 2018, to align with the commissioning date for the Solar PV Installation at Hope Valley Water Treatment Plant.

### 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.

Hope Valley Water Treatment Plant is situated at 1100 Grand Junction Road, Hope Valley, 5090 South Australia, and supplies treated water to a large population of the North Eastern suburbs of Adelaide.

A licence is sought for the nameplate installation of 1.5MW (1.242MW generation) of solar pv system comprising:

- 4,600 x 330W solar pv

The connection point of the solar generation unit is via South Australia Power Network's main 11kV bulk supply feeder on the Delray Avenue.

The solar generation system will be supplying power onsite and will have the ability to export excess power to the distribution network.

## 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.

SA Water's board, management and employees are at all times expected to act lawfully and within integrity and professionalism in all activities both internally and externally. SA Water has its own code of conduct and internal governance procedures to which all employees are expected to adhere.

SA Water has been the subject of the following prosecutions:

1. 2 June 2011, Mildura Magistrates Court – SA Water pleaded guilty to a charge of operating a tandem vehicle which was overloaded. The court imposed a fine of \$2,000 without recording a conviction.
2. 3 December 2009, Environmental Court, South Australia – SA Water pleaded guilty and was convicted of one offence of polluting the environment causing material harm, fined \$30,000 and ordered to pay a victim of crime levy of \$130
3. 7 May 2004, Environmental Court, South Australia, SA Water pleaded guilty and was convicted of causing an environmental nuisance contrary to section 82 and 127(1)(a) criminal injuries compensation levy of \$35, and the prosecution's technical cost of \$4,054.
4. 2004 – Prosecution for breach of the Occupational Health Safety and Welfare Act 1986.
5. 2018 – Crystal Brook Depot breach of Electricity Act (1996). Action remedied.

### 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.

SA Water believes the following information to be relevant to the commission when considering its suitability to hold a generation licence:

- None of the officers listed have displayed any prior misconduct, or experienced refusal or suspension from licensing or professional membership.
- None of its directors have been disqualified from managing corporations under the Corporations Act 2001.
- None of its officers have an actual or potential conflict of interest likely to affect their ability to carry out their role.
- Its officers have adequate experience and demonstrated competence in managing a generation licence.

As previously highlighted, SA Water has an established code of conduct and other policies and procedures applicable to all directors, managers and employees. In addition, SA Water has a comprehensive corporate governance and risk management framework which is summarised in the company's latest annual report.

**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: Mr Andrew Fletcher AO .....  
Office Held: Chair of the Board  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Mr Ian Stirling.....  
Office Held: Non-Executive Director  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Ms Sue Filby.....  
Office Held: Non-Executive Director  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Mr John Bastian AM.....  
Office Held: Non-Executive Director  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Ms Janet Finlay.....  
Office Held: Non-Executive Director  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Ms Fiona Hele.....

Office Held: Non-Executive Director  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Mr Roch Cheroux.....  
Office Held: Chief Executive / Board Director  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Mr Mark Gobbie.....  
Office Held: General Manager Asset Operations and Delivery  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Mr James Hollamby.....  
Office Held: General Manager Business Services  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Ms Anna Jackson.....  
Office Held: General Manager Communications and Engagement  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Ms Kerry Rowlands.....  
Office Held: General Manager Customer Delivery  
Address: C/- SA Water.....  
250 Victoria Square, Adelaide.....  
State: South Australia ..... Post Code: 5000 .....

Full Name: Ms Annette Westley.....

Office Held: General Manager Governance and Regulation / Corporation Secretary

Address: C/- SA Water.....

250 Victoria Square, Adelaide.....

State: South Australia ..... Post Code: 5000 .....

Full Name: Mr James McGuire.....

Office Held: General Manager Strategy Performance and Innovation

Address: C/- SA Water.....

250 Victoria Square, Adelaide.....

State: South Australia ..... Post Code: 5000 .....

(attach additional pages if necessary)



**3.4 Names and addresses of major shareholders of Applicant**

State the full names and addresses of the major shareholders of the applicant  
*SA Water is a statutory Corporation (with no actual shareholders) established pursuant to the South Australian Water Corporation Act 1994 As a public Corporation it is an instrumentality of the Crown and is subject to control and direction by its Minister*

Name: NA  
Date of Birth (if applicable):..... Office Held (if applicable):.....  
Address: .....  
.....  
State: ..... Post Code: .....

**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).

NA

**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  
(attach additional pages if necessary)

**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.

Attached is the 2016/17, 2015/16 and 2014/15 annual reports, as well as the current SAW Strategy 2040 Directions paper.

### 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.

NA

### 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.

SA Water has extensive asset management capabilities, supported by comprehensive policies and procedures to ensure generation licence compliance, and has three pre-existing licences awarded by ESCOSA:

- Terminal storage reservoir Hope Valley mini hydroelectric plant (1.9MW)

- Seacliff mini hydroelectric plant (1.35MW)
- Bolivar Power Station (9.9MW)

SA Water currently pending licence approval for the Crystal Brook Depot solar installation (100kW)

The following profiles of key SA Water executive, asset management and energy management team support the regulatory obligations imposed by these licenses. .

#### Roch Cheroux

Roch is leading the transformation of South Australia's largest water utility to embed technology, culture and systems changes to deliver improved experience for the corporation's 1.6 million customers.

He is a key influencer in the water industry, with experience shaping and leading public and private corporations across the Asia-Pacific region and Europe. Roch is currently a director of the Water Services Association of Australia, and member of the Australian Government's Australian Water Partnership Advisory Committee.

A dual French and Australian citizen, Roch holds formal qualifications in Engineering and Business Management. Prior to joining SA Water, he was Chief Executive Officer of SUEZ for the South East Asia region and SUEZ-Degrémont Australia and New Zealand, Managing Director of United Utilities Asia and Pacific (TRILITY), and Chief Executive and Chairman of Tallinn Water in Estonia.

#### Anne Westley – General Manager Governance and Regulation

Anne was appointed General Manager Governance and Regulation in December 2016 to lead independent governance across our business including legal advice, compliance management, insurance, internal audit, risk management, secretariat support to the Board and executive, as well as the interface with all of our regulators.

Committed to ensuring we are accountable to our customers, stakeholders and the South Australian community, Anne makes sure our corporate governance is sound and that we understand our regulatory responsibilities.

Anne holds formal qualifications in Economics and Business and draws on more than 30 years' experience in public policy, legislative reform and government administration having held senior public sector positions across agriculture, transport and central government.

#### Gary Penn – Senior Manager Assurance and Risk

Gary Penn has 10+ years' experience at SA Water leading the Business Assurance and Risk teams. Gary's level of expertise is in the area of financial risk management, governance, risk assessment and project portfolio management. Prior to SA Water, he has held senior management consulting/advisory positions at Ernst and Young and J.P Morgan Investor Services. Gary is a qualified Chartered Accountant and holds a Bachelor of Commerce (B.Com), Business Honours (Hons B&A) and Masters of Business Administration (MBA) from the University of Natal and University of Stellenbosch.

#### Andrew Jackson – Manager Energy Strategy and Water Trading

Andrew joined SA Water in March 1989, during which 10+ years has been spent in the area of Energy Management. Andrew was instrumental in pioneering and leading the Energy team in electricity and gas procurement, commercial contracts engagement and energy efficiency activities for SA Water. His team is further responsible for energy trading, energy invoicing and settlements as well as ensuring SA Water's energy management strategy has a clear line of sight to the corporation's Energy Policies. Andrew is currently the administrator of the unincorporated joint venture with Lofty Ranges Power Pty Ltd for the Terminal Storage Reservoir Hope Valley mini-hydro generation plant. Andrew is a Certified Practising Accountant and holds a Bachelor of Business degree.

#### Ashley Nicholls – Manager Energy Portfolio

Ashley is a qualified Mechanical Engineer with an early career in power station maintenance, design and business process management. Having previously worked at the Electricity Trust of South Australia (ETSA) and South Australia Power Networks (SAPN), Ashley's expertise in the electricity market spans 24 + years. During this time, Ashley has rotated through a number of roles which include the areas of energy trading, operations and systems implementation. Since joining SA Water in 2012, Ashley has been pivotal in the energy management of SA Water's asset portfolio which include major pumping, water treatment and waste water treatment plants. His team is responsible for the front end portfolio, energy analysis and risk management of assets as well as the implementation of energy efficiency projects for SA Water. In addition to his engineering degree, Ashley holds a Diploma in Applied Finance and Masters of Business and Administration (MBA).

### 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.

Hope Valley Water Treatment plant is SA Water owned and managed by the alliance partner, Allwater. This plant is headed by Phil Wooten (Water Treatment Manager) with the electrical and instrumentation team structure as listed in figure 1 below.

This team will be responsible for the maintenance of the whole of system generation on site. The Plant's responsibility in relation to the generation system will include:

- Schedule and preventative maintenance
- Identification and analysis
- Rectification of faults
- Operational reporting to SA Water

- Provision of information to allow SA Water to satisfy their licence obligations

The Southern Waste Water Treatment Plants operate during business hours between the time of (7:30am and 3:30pm), where key personnel are on site. There is an on-call system where, outside these hours, critical alarms are sent to key personnel via SCADA phone.

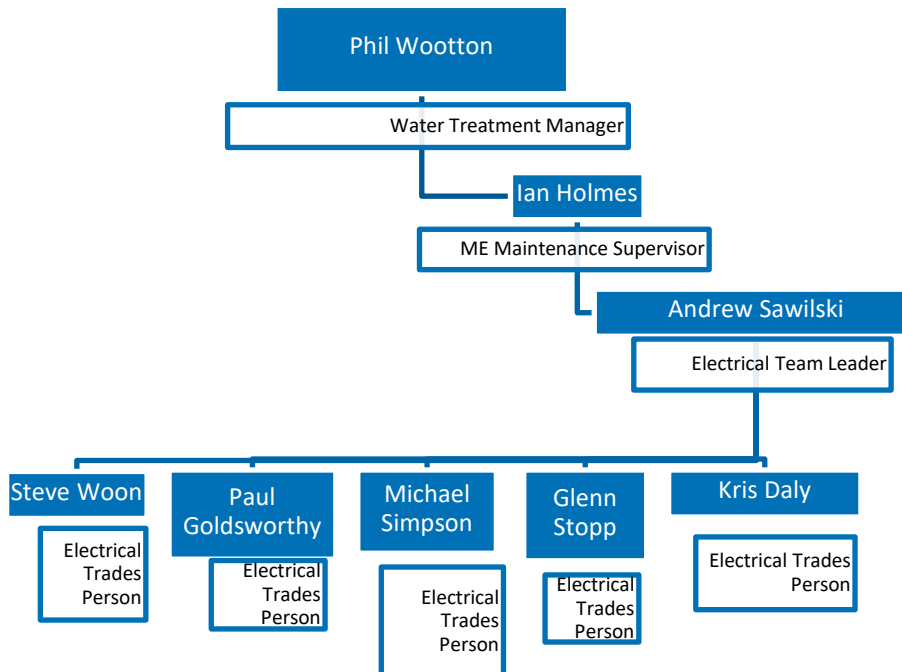
Technical support for the solar pv is available from the installers of the system, as well we from SA Water's senior electrical team.

Technical support is provided for the systems:

System	Company	Contact	E-mail	Phone
Solar PV	Enerven (installers)	Zach Tariq	zach.tariq@enerven.com.au	+61 434 064 353
Senior Electrical Engineer	SA Water	Jonathan Nicholls	Jonathan@nicholls@sawater.com	+61 429 589 910

In addition, SA Water has experience with the operation and maintenance of embedded solar and battery generation systems having pre-existing installations at the Adelaide Desalination Plant, Yatala Reverse Osmosis plant and Yunyarinyi (Kenmore Park) facility in the APY region.

Figure 1 - HopeValley Water Treatment Plant Electrical Team Structure



### 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 SA Power Networks Engineering Report for the SA Water Hope Valley Water Treatment Plant is attached. With the quality of electricity supply described in Section 5.2.

### **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.

Within SA Water, there is a range of experience in the Australian wholesale electricity market. In particular in the management of wholesale generation into the National Electricity Market, volumetric risks associated with fixed price retail contracts and wholesale hedging required to manage retail exposures. SA Water has established a suite of trading settlements and risk management tools to support its operations in the electricity market.

SA Water also has extensive asset management capabilities, supported by comprehensive policies and procedures which will be employed in maintaining the generating facility in compliance with its generation licence.

Operational risks will be managed by the Allwater staff at Hope Valley Water Treatment Plant and will involve completing a HAZOP to ensure the generation system is safe to operate and completing a standard handover checklist to ensure all the necessary documentation is provided (manuals, drawings, and maintenance plans and defects list).

Relevant documents to support this process include:

- CPMM-302 Project Operational Handover Checklist
- HMS-003 Electrical Safety Hazard Management Standard

SA Water's corporate governance and risk management framework is summarised in the company's latest annual report. A copy of SA Water's Energy Management Policy is further attached.

### **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.

Development approval was awarded on the 10<sup>th</sup> of January, 2018 (DA 070/V001/18) as attached.

### **3.14 Registration with AEMO**

As the total installed capacity is under 5MW, the generation unit is classified as a standing exemption from AEMO's registration rules.

### **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.

No generation licences are held 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.

No electricity or gas licence applications have been made previously in any Australian jurisdiction.

### **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.

SA Water, in an unincorporated joint venture with Lofty Ranges Power Pty Ltd, has held a generation licence in South Australia since 24 June 2003 for the Terminal Storage Reservoir Hope Valley mini-hydro plant and currently operates as an electricity generator in the National Electricity Market.

### **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.

The installation of the solar generation at Hope Valley Water Treatment Plant will adhere to the SA Water compliance framework in place, with the policy and procedure documents attached.

- Compliance Management Framework Policy
- Compliance Reporting Procedure and
- Asset Management Policy

### **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.

NA

## 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.

**The solar pv generation at Hope Valley WTP aims to provide further flexibility to demand manage on-site load consumption, and minimise cost exposure against high electricity spot prices from the grid. The installed system is aligned with providing SA Water's customer's with reliable, affordable water supply without compromising on water quality standards.**

## 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 Attachments

- 2016/17 Annual Report
- 2015/16 Annual Report
- 2014/15 Annual Report
- 2018 SAW Strategy Paper
- SAW Strategy 2040 Directions Paper
- CPMM – 302 Project Operational Handover Checklist
- HMS – 003 Electrical Safety Hazard Management Standards
- Energy Management Policy
- Compliance Management Framework Policy
- Compliance Reporting Procedure
- Asset Management Policy
- Enerven's – SAI Global Certifications
- Enerven's – Environmental and Quality Management Systems Certifications
- SA Power Networks SA Water Hope Valley Water Treatment Plant Generation System Connection Engineering Report (3<sup>rd</sup> April, 2018)
- Development Approval – Hope Valley Water Treatment Plant (10<sup>th</sup> January, 2018)

### **Documents Pending**

SA Power Networks Ongoing Supply Connection Agreement (2018)

## 7 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)<sup>4</sup>, 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.<sup>5</sup>

### **Statutory Declaration**

I .....

of.....

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 .....

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: .....this ..... day of .....20....

Before me:.....

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<sup>4</sup> or equivalent legislation in other Australian jurisdictions.

<sup>5</sup> 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.

## Attachment 1

# 2017 model licence conditions for new generators

### Interpretation of this schedule

#### 1. Interpretation

1.1. Terms used in this schedule and also in the National Electricity Rules (NER) have the same meaning in this schedule as they have in those rules (unless otherwise specified or unless the context otherwise requires).

1.2. For the purposes of this schedule, the term:

**Commission** - means the Essential Services Commission, established under the Essential Services Commission Act 2002.

**continuous uninterrupted operation** means that, for voltage disturbances within the continuous operating range (that is, connection point voltage fluctuating within 90 percent and 110 percent of normal voltage), active power must be maintained (unless there has been a change in the intermittent power source) and reactive power must be managed to meet voltage control requirements.

### Disturbance ride through capability

#### 2. Disturbance ride through capability – general requirements

2.1. The non-synchronous generating system must meet the following requirements:

- (a) The low voltage ride-through activation threshold (LVRT), as measured at the low voltage (LV) terminals of the generating units and dynamic reactive support plant (as applicable), must not be less than 85 percent of nominal voltage.
- (b) The generating system must maintain continuous uninterrupted operation for voltage disturbances as specified in clauses 3, 7 and 8.
- (c) Where LVRT and high voltage ride-through (HVRT) requirements in the NER are specified in respect of the generating system's connection point, the withstand capability of individual generating units is to be determined at the LV side of the generating unit's transformer. All individual generating units must remain connected

for connection point voltages within the LVRT/HVRT withstand requirements, irrespective of the generating system's transformer tap position.

### 3. Disturbance ride-through (reactive current injection)

- 3.1. The generating system must supply additional capacitive reactive current (reactive current injection) of up to 4 percent of the maximum continuous current of the generating system (in the absence of a disturbance) for each 1 percent reduction of connection point voltage below 90 percent of normal voltage, as shown in Table 1. This requirement applies at the LV terminals of the generating units and dynamic reactive support plant (as applicable) for power system disturbances resulting in a voltage reduction of up to 100 percent of normal voltage at the connection point.
- 3.2. The generating system must supply additional inductive reactive current (reactive current absorption) of up to 6 percent of the maximum continuous current of the generating system (in the absence of a disturbance) for each 1 percent increase in connection point voltage above 110 percent of the normal voltage, as shown in Table 1. This requirement applies at the LV terminals of the generating units and dynamic reactive support plant (as applicable).
- 3.3. The reactive current injection must be maintained until the connection point voltage returns to within the range of 90 percent to 110 percent of normal voltage.

Table 1: Reactive current injection requirements

Reactive current response	Current injection gain (%)	Current absorption gain (%)	Minimum amount of contribution as percentage of rated current	Speed of contribution	
				Rise time (millisecond)	Settling time (millisecond)
Synchronous	4	6	250	30	N/A
Non-synchronous	4	6	100	30	60

- 3.4. The amount of reactive current injection required may be calculated using phase-to-phase, phase-to-ground, or sequence components of voltage. For the last method, the ratio of negative-sequence to positive-sequence current injection must be X.<sup>6</sup>
- 3.5. The generating system must comply with the following response characteristics for reactive current injection:
  - (a) A rise time no greater than 30 milliseconds and a settling time no greater than 60 milliseconds applies to reactive current injection requirements.<sup>7</sup>
  - (b) The reactive current injection requirements described above apply for all pre-disturbance reactive power control modes (voltage control, power factor control and reactive power control).<sup>8</sup>
  - (c) The reactive current response must be adequately damped as defined in the NER.

<sup>6</sup> The exact ratio of negative-sequence to positive-sequence current injection will be specified by the Commission at the time the licence is issued.

<sup>7</sup> The settling time requirement does not apply to synchronous generators.

<sup>8</sup> This requirement does not apply to synchronous generators.

- (d) Upon occurrence of a fault, reactive power consumption must not exceed 5 percent of maximum continuous rated current of the generating system and must be limited to the rise time duration set out in Table 1.
- (e) The post-fault reactive power contribution of the generating system must be sufficient to ensure that the connection point voltage is within the following ranges for continuous uninterrupted operation:
  - (i) voltages over 110 percent for the durations permitted under NER clause S5.1a.4;
  - (ii) 90 percent to 110 percent of normal voltage continuously;
  - (iii) 80 percent to 90 percent of normal voltage for a period of at least 10 seconds; and
  - (iv) 70 percent to 80 percent of normal voltage for a period of at least 2 seconds.

#### 4. Disturbance ride through (active power injection requirements)

- 4.1. The generating system must be capable of restoring active power to at least 95 percent of the level existing just prior to a fault within X milliseconds after disconnection of the faulted element.<sup>9</sup>
- 4.2. Upon occurrence of a fault, a generating system's transient active power consumption must not exceed one power frequency cycle and must not exceed 5 percent of the maximum continuous rated current of the generating system.

#### 5. Multiple low voltage disturbance ride-through

- 5.1. The generating system, including, but not limited to, each of its generating units and dynamic reactive power support plant, must be capable of withstanding both of the following within a five minute interval:
  - (a) Any combination of voltage disturbances causing the voltage at the respective low voltage (LV) terminals of the equipment to drop below 85 percent of the nominal voltage for a total duration of 1,500 milliseconds regardless of disturbance type, duration, and residual voltage at the generating unit's terminals. The total number of voltage disturbances for which successful ride-through is required is limited to 15. Each fault can be a solid fault resulting in 100 percent voltage drop at the connection point with duration not exceeding the longest time expected to be taken for the breaker fail protection system to clear the fault, as set out in Table S5.1a.2 of the NER.
  - (b) A single worst-case long-duration shallow voltage disturbance, causing the voltage at the connection point to drop to 70- 80 percent of the normal voltage for a total duration of 2,000 milliseconds.
- 5.2. Subject to compliance with the requirements in clause 5.1, the generating system, including, but not limited to, each of its generating units and dynamic reactive power support plant, is not required to withstand any additional voltage variation exceeding  $\pm 10$  percent of nominal

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<sup>9</sup> The exact active power recovery time will be specified by the Commission at the time the licence is issued and will be between 100 and 500 milliseconds.

voltage experienced at the respective LV terminals within 30 minutes from the commencement of the first variation.<sup>10</sup>

## 6. Disturbance ride-through (high voltage disturbance ride-through)

- 6.1. The generating system must have a level of over-voltage withstand capability consistent with the levels shown in Table 2.<sup>11</sup>
- 6.2. The generating system must maintain continuous uninterrupted operation for temporary over voltage durations as specified in Table 2.

Table 2: Required over voltage withstand capability

Temporary overvoltage (% of normal voltage)	110–115	>115–120	>120–125	>125–130	>130–140
Duration(s)	1,200	20	2	0.2	0.02

## 7. Disturbance ride-through (partial load rejection)

- 7.1. The non-synchronous generating system must be capable of continuous uninterrupted operation during and following a power system load reduction of 30 percent from its pre-disturbance level or equivalent impact from separation of part of the power system in less than 10 seconds, provided that the loading level remains above minimum load.

## 8. Disturbance ride-through (frequency disturbance ride-through)

- 8.1. The generating system must be capable of continuous uninterrupted operation for any combination of the following rates of change of frequency:
  - (a)  $\pm 4$  Hz/s for 250 milliseconds
  - (b)  $\pm 3$  Hz/s for 1 second, until such time as power system frequency breaches the extreme frequency excursion tolerance limits.<sup>12</sup>

## 9. Disturbance ride-through (voltage phase angle shift)

- 9.1. The generating system must not include any vector shift or similar relay/protective function acting upon voltage phase angle which might operate for phase angle changes less than 20 degrees.

## Voltage control capability

### 10. Voltage control capability

<sup>10</sup> For synchronous generators, consideration will be given to the physical limitations of the plant. This may require a variation to this condition, to be determined by Commission at the time of issuing of the licence.

<sup>11</sup> Unless otherwise specified by the Commission at the time the licence is issued.

<sup>12</sup> For synchronous generators, consideration will be given to the physical limitations of the plant. This may require a variation to this condition, to be determined by the Commission at the time of issuing of the licence.

- 10.1. The generating system must be capable of being controlled by a fast-acting, continuously variable, voltage control system which must be able to receive a local and remote voltage set point.
- 10.2. The generating system must be capable of operating at either a set reactive power level or a set power factor, which must be able to be set locally or remotely at any time.
- 10.3. The voltage, power factor and reactive power control mode of the generating system must be capable of:
  - (a) being overridden by the disturbance ride through requirements specified in clauses **Error! Reference source not found.** to 9 (inclusive) during power system voltage disturbances, and
  - (b) automatically reverting to power factor or reactive power mode when the disturbance has ceased.

## System strength

### 11. System strength

- 11.1. Individual components of plant within a generating system, which includes but is not limited to generating units and dynamic reactive power plant, must be capable of operating down to the following levels at the high voltage terminals in relation to each component:
  - (a) minimum short circuit ratio of 1.5, and
  - (b) minimum positive sequence X/R ratio of 2.

## Active power control capability

### 12. Active power control capability

- 12.1. The generating system must be capable of automatically providing a proportional increase or decrease in active power output, in response to falling and rising power system frequency respectively.
- 12.2. To comply with clause 12.1:
  - (a) An active power response to changing power system frequency must be provided with no delay, beyond that required for stable operation, or inherent in the plant controls, once frequency leaves the deadband.
  - (b) The steady state droop setting of the active power response must be adjustable in the range 2 percent to 10 percent.
  - (c) The frequency deadband for the active power response must be adjustable in the range from 0 to +/- 1.0 Hz.

- 12.3. The generating system must be capable of sustaining a response to abnormal frequency conditions for at least 10 minutes, subject only to energy resource availability for intermittent generating systems.
- 12.4. The generating system must be capable of applying different deadband and droop settings in response to rising and falling frequency and for different levels of frequency change.

### **13. Active power control capability (AGC capability)**

- 13.1. The generating system must have active power control capabilities that allow it to participate in existing national electricity market arrangements requiring automatic generation control (AGC).
- 13.2. At a minimum, the AGC must have the capability to:
  - (a) receive and respond to a remotely determined active power control setpoint, updated at a rate of every four seconds, transmitted to the generating system, and
  - (b) provide the following information to AEMO, upon a request from AEMO under NER clauses S5.2.6.1 or 3.8.2:
    - (i) actual active power output;
    - (ii) maximum raise limit;
    - (iii) minimum lower limit;
    - (iv) maximum raise ramp rate; and
    - (v) maximum lower ramp rate.

### **14. Active power control capability (rate of change of active power)**

- 14.1. The generating system must be capable of limiting the rate of change of active power, both upwards and downwards. A generating system is not required to comply with a limit on the rate of reduction of active power where the reduction in active power is caused by energy resource availability for intermittent generating systems.
- 14.2. The generating system must be capable of implementing different active power rate limits for operation in the normal operating frequency band and for contingency events.
- 14.3. The generating system must be capable of setting a ramp rate limit with accuracy of within 10 percent.

### **15. Active power control capability**

- 15.1. The generating system must have the capability to provide real-time information about its active power control settings to AEMO, including mode of operation, deadband and droop parameters and any other active power control setting that may change during real-time operation.

## **System restoration**

### **16. System restoration**



- 16.1. Where sufficient minimum fault level is available from online synchronous machines, the generating system must have the following capability in the event of a black system:
- (a) the generating system must be capable of operation with auxiliary loads only for X minutes<sup>13</sup> while system load is being restored, and
  - (b) the generating system, including, but not limited to, each of its generating units and dynamic reactive power support plant (as applicable) must have the capability to provide steady-state and dynamic reactive power when operating with auxiliary loads only for X minutes while system load is being restored.<sup>14</sup>

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<sup>13</sup> The exact duration will be specified by the Commission at the time the licence is issued.

<sup>14</sup> The exact duration will be specified by the Commission at the time the licence is issued.



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