



6 November 2018

Attn: Julie Dixon
Essential Services Commission of SA (**ESCOSA**)
GPO Box 2605
Adelaide SA 5001

Dear Ms Dixon,

ESCOSA is currently considering an application by IBA Wilpena Solar Pty Ltd atf IBA Wilpena Solar Trust (the **Applicant**) for a generation licence in relation to the diesel and solar generation facility (the **Facility**) located in the Ikara-Flinders Ranges National Park. In conjunction with the generation licence application, the Applicant now applies to the Commission for an exemption under s80(1) of the *Electricity Act 1996* from the requirement to hold retail and distribution licences in relation to the Facility.

The Applicant is a wholly owned subsidiary of Indigenous Business Australia (**IBA**). On confirmation of the grant of a generation licence and the transfer of the interest in the land on which the Facility sits, the Applicant will acquire the Facility from its current owner, AGL South Australia Pty Ltd. The Facility has a small name plate capacity of 0.54 MW and is not connected to the national electric grid. IBA also co owns and operates the Wilpena Pound Resort (the **Resort**) in a joint venture with the local traditional owners, Adnyamathanha Traditional Lands Association Inc, via Ikara Wilpena Enterprises Pty Ltd. The Resort is the major customer for, and wholly dependent on, the electricity generated by the Facility. The Facility's only other customers are Department of Environment & Water and Telstra, who jointly are receiving 5% of the electricity generated from the Facility.

On acquisition of the Facility, the Applicant, with the financial support of IBA, will be seeking to upgrade the Facility with new solar PV generation and battery storage infrastructure. The purpose of the upgrade is to ensure a more reliable supply of electricity and reduce the operating costs for the Facility's customers by minimising the use of diesel fuel. The Applicant will retain the existing network structure and does not plan to expand or change the distribution network or customer base for the Facility. This upgrade is scheduled to commence in early 2019, following the acquisition of the Facility and a variation to the generation licence will be requested accordingly.

The Applicant considers that it would be appropriate for ESCOSA to grant the exemption in this case, on the basis that the regulatory burden of the additional licensing is likely to outweigh any public benefit, given the small generation capacity of the Facility and the very limited customer base, with no sales to a broader class of consumers.

The Applicant's acquisition of the Facility is contingent on the Applicant being granted the generation licence and exemption from the retail and distribution license, so we await a favourable and expeditious conclusion from the Commission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Anthony Tan', with a stylized flourish at the end.

Anthony Tan

Director, IBA Wilpena Solar Pty Ltd atf IBA Wilpena Solar Trust
Manager, Indigenous Business Australia

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