



## EXEMPTION

### PURSUANT TO SECTION 80(1) OF THE ELECTRICITY ACT 1996

1. Pursuant to 80(1) of the Electricity Act 1996, the Essential Services Commission, with the approval of the Minister for Energy and Mining, grants participants enrolled in the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program exemption from the requirement to hold an electricity generation licence, as required by Part 3 of the Electricity Act 1996.
2. Subject to the power of the Commission in section 80(3) of the Electricity Act 1996 to revoke (or vary) the exemption at any time, the term of the exemption will be from 1 December 2019 until the date on which the Australian Energy Market Operator notifies the Essential Services Commission that the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program has concluded, or 30 June 2021 (whichever is the earlier).
3. The grant of this exemption from the requirement to hold a licence, pursuant to section 80(1) of the Electricity Act 1996, is subject to the following conditions:
  - a. An enrolled participant of the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program must only carry on operations that may amount to the generation of electricity in South Australia for the purposes and duration of that program.
  - b. An enrolled participant of the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program must notify the Essential Services Commission immediately in writing if:
    - i. it intends, or is requested by the Australian Energy Market Operator, to exit the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program
    - ii. there are changes to the scope or scale of its operations undertaken for the purposes of the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program
    - iii. it is responsible for causing any adverse impact, loss or damage to a consumer involved with its virtual power plant or any part of a distribution network as part of its participation in the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program, or

- iv. it breaches any applicable laws (including the conditions of the exemption) as part of its participation in the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program.
  - c. An enrolled participant of the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program must provide to the Essential Services Commission any information requested by it from time to time.
  - d. An enrolled participant of the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program must maintain adequate and appropriate insurance given the nature of the operations carried out under the exemption and the risks entailed in those operations, and must provide the Essential Services Commission with a certificate of the insurer or insurance broker by whom the insurance was arranged, certifying that the enrolled participant's insurance is adequate and appropriate, if requested.
  - e. Prior to the term of the exemption expiring, an enrolled participant of the Australian Energy Market Operator's Virtual Power Plant Demonstrations must notify the Essential Services Commission in writing if it intends to continue its operations in South Australia, in order to determine whether an electricity generation licence may be required for those operations (noting that a minimum of three months' notice of this intention is required).
4. If any conditions of the exemption are breached by an enrolled participant of the Australian Energy Market Operator's Virtual Power Plant Demonstrations Program, the Essential Services Commission may determine to revoke the exemption in relation to that participant.

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Butt Pheare  
 Commissioner

13 November 2019  
 Date

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