

7 April 2020

Mr A Wilson  
Chief Executive Officer  
Essential Services Commission of South Australia  
GPO Box 2605  
Adelaide SA 5001

Dear Mr Wilson

### **Amendment to existing SA Power Networks' Generation Licence to enable operation of up to 200 MW of temporary generation**

This letter is further to my previous correspondence which sought a variation of SA Power Networks' existing Generation Licence, enabling it to provide temporary generation services on behalf of the South Australian Government. That application sought to enable SA Power Networks to continue to provide temporary generation services at Edinburgh/Elizabeth – referred to as temporary generation north (TGN) – until 30 June 2021.

The South Australian Government has since advised us that travel restrictions associated with the current Covid-19 pandemic are impacting the 1 May 2020 scheduled transfer to Infigen of operations at the other, temporary generation south (TGS), site at Lonsdale. The South Australian Government has therefore requested SA Power Networks secure regulatory approvals to continue to provide temporary generation services from TGS for a further six months, pending transfer of the TGS operations to Infigen. Please refer to their 2 April letter, attached. The current Generation Licence for this plant expires on 1 June 2020.

Therefore, in addition, to our 11 March 2020 Generation Licence amendment application, we are now requesting a licence extension to continue to operate the four GE TM2500 aero derivative turbines (each 30.7 MW) at Lonsdale (TGS) until 1 December 2020. We have also applied to the Australian Energy Regulator to extend the current ring-fencing waiver for TGS until 1 December 2020.

As noted in my 11 March letter, the turbines at Edinburgh and Lonsdale will only be operated by SA Power Networks to prevent load shedding in South Australia if there is a shortfall in available National Electricity Market generation and only at the direction of either the Australian Energy Market Operator (AEMO) or the South Australian Government, or for monthly testing. The generator performance standards of the turbines will not be altered during their continued operation.

SA Power Networks has engaged APR Energy who are specialists in the operation of the plant at TGN and TGS. SA Power Networks will continue to engage APR Energy or other suitable technical specialists to ensure the safe and reliable operation of TGN and TGS, for the continuance of our generation licence for TGN and TGS. SA Power Networks works closely with APR Energy to ensure the facilities are sufficiently manned and staff are appropriately qualified.

APR Energy is a global organisation that specialises in supply and operation of the TM2500 gas turbine generators. Please refer [www.aprenergy.com](http://www.aprenergy.com) for further information on APR Energy.

SA Power Networks is not proposing to change any of the operational arrangements or the contracted operators (APR Energy) for either TGS or TGN. In addition, we have appropriately qualified staff and contractors for all aspects of the generation business.

SA Power Networks is a good corporate citizen and is unaware of any instance where SA Power Networks has been:

- found guilty of an offence; or
- successfully prosecuted under any Territory, State or Commonwealth legislation or the Competition and Consumer Act 2010; or
- subject to any material past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry.

SA Power Networks has appropriate governance policies, procedures and practices to ensure compliance with its legal obligations. In addition, where a breach has been identified actions are taken to remedy a breach where material or systemic, as reported annually to the Commission in accordance with our Distribution and Generation Licence obligations.

SA Power Networks is unaware of any instances where its officers or major shareholders of SA Power Networks have been found guilty of an offence, been successfully prosecuted or been subject to any administrative or legal actions in relation to an authorisation or licence in any industry.

SA Power Networks has recently been recertified for its safety certifications to AS/NZS 4801 and the international Standard OHSAS 18001.

Should you require any further information regarding this amendment to the SA Power Networks' Generation Licence please contact Grant Cox by email: [grant.cox@sapowernetworks.com.au](mailto:grant.cox@sapowernetworks.com.au) or phone (08) 8404 5012.

Yours sincerely



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