# 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
Web: www.escosa.sa.gov.au

# Table of contents

# 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 under electricity/licensing.

## Generation operations which require a licence

Section 15(2)(a) of the *Electricity Act 1996* (**Act**)[1] 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[2]); 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.

## Additional technical licence conditions

Additional technical licence conditions apply to apply to all new electricity generators seeking to connect to the South Australian power system. Applicants for a generation licence should familiarise

[1] Available at https://www.legislation.sa.gov.au/LZ/C/A/ELECTRICITY%20ACT%201996.aspx
[2] To date, the Minister for Energy and Resources has not designated any bodies for the purposes of Regulations 6(1).

themselves with the Commission's Inquiry into the licensing arrangements for generators in South Australia final report, available on the Commissions website.[3]

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.

[3] 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

## 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 encourage 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:** Coonalpyn Energy Project Pty Ltd ACN 638 107 392 as trustee for the Coonalpyn Energy Trust .....

### 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.

Coonalpyn Energy Project Pty Ltd ACN 638 107 392 as trustee for the Coonalpyn Energy Trust .....

The trustee is a private limited company and is registered in Victoria. .....

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### 1.3 Address and Contact Details of Applicant

Business Address: Ground Floor/109 Burwood Rd, Hawthorn .....

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State: VIC..... Post Code: 3122 .....

Postal Address (if different to Business Address):

As above .....

State: ..... Post Code: .....

Telephone: 0437 741 671 ..... Facsimile: .....

E-mail: Sarah.Cork@FlowPower.com.au .....

### 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: Sarah Cork.....

Title: Senior Analyst Investments....

Business Address: Ground, 109 Burwood Road, Hawthorn, VIC. 3122 .....

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State: VIC..... Post Code: 3122 .....

Postal Address (if different to Business Address):

.....

State: ..... Post Code: .....

Telephone: 0437 741 671 ..... Facsimile: .....

E-mail: Sarah.Cork@FlowPower.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: Darren Betts.....

Title: CFO .....

Business Address: Ground, 109 Burwood Road, Hawthorn, .....

.....

State: VIC..... Post Code: 3122 .....

Postal Address (if different to Business Address):

AS ABOVE .....

State: ..... Post Code: .....

Telephone: 0409 052 397..... Facsimile: .....

E-mail: Darren.betts@flowpower.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.

Please find attached under **Appendix 1.1 the Confidential Corporate Structure Chart**

**Kin Power Board:**

**Matthew van der Linden - Managing Director**

Matthew is the Managing Director of transformative energy retailer Flow Power, and energy management practice Utilacor. Matthew's vision is to transform the way the Australian industry interacts with energy and to create better energy retail options.

Using knowledge and experience of the UK's deregulated energy market, Matthew became heavily involved in the deregulation process in Australia through 1994. This led to Matthew starting Utilacor and the creation of the powerful and unique energy management tool kWatch, which continues to provide quantifiable benefits to customers today.

More recently Matthew started Flow Power, formerly known as PG Energy. The Licensed Electricity Retailer specialises in addressing the needs of large customers across the National Electricity Market, in South Australia, Victoria, Tasmania, New South Wales and Queensland. This innovative business works with customers across industries as diverse as cold storage, quarries and agriculture to leverage the wholesale electricity market.

**David Evans - Director of Engineering and Projects**

David is an industry leader in energy management solutions. David has previously operated his own environmental consulting business and was General Manager of the Drives Engineering and Service division of ABB Australia.

Having trade qualifications in electrical engineering and more than 20 years' experience in industrial automation, energy efficiency, power systems and business management, David has constantly helped businesses become more sustainable, improving their reliability and efficiency while reducing their costs. David holds a Diploma of Engineering as well as a Graduate Certificate in Sustainability.

**Stan Kolenc - Managing Director at OPTrust**

Stan is the Managing Director, Head of APAC at OPTrust with responsibility for all investment activity in the APAC region, as well as the transportation sector globally.

Stan is a member of the OPTrust Private Markets Investment Committee which oversees all of OPTrust activities in infrastructure and private equity globally. Stan is responsible for private equity and infrastructure investments in Asia. Stan sits on various boards across a range of sectors including transportation, tourism, telecommunications, power generation, utilities, industrials and financial services.

Prior to OPTrust, Stan worked at Macquarie Bank in London, Madrid and Toronto focusing on infrastructure M&A and asset management across utility and transportation sectors.

**Ian Moss - Portfolio Manager at OPTrust**

Ian Moss joined OPTrust in 2013 and is responsible for private equity and infrastructure investments in Australia and the APAC region.

Sitting on various boards, Ian focuses on sectors such as transportation, power generation and renewable energy. Prior to OPTrust, Ian worked at Deutsche Bank, specialising in private equity, infrastructure and real estate M&A.

**Richard Trimarchi - Associate Portfolio Manager at OPTrust**

Since 2016, Richard has been a member of the Private Market Group, an opportunistic investment platform within OPTrust's $20 billion broader fund focused on direct private equity and infrastructure investments. Richard has worked on a number of buyout, growth capital, platform and credit opportunities, investing across various industries and in different parts of the capital structure.

During his time with OPTrust, Richard has gained exposure to the full investment lifecycle, including deal origination, transaction execution and portfolio management. Prior to becoming an Associate Portfolio Manager with OPTrust, Richard worked as an Investment Banking Analyst working across consumer, healthcare, industrials, services, infrastructure and energy sectors.

Richard has a Bachelor of Economics, Bachelor of Commerce (Finance) from The University of Queensland.

**Flow Power Senior Management Team:**

**Jonathan Mitchell - General Counsel and Company Secretary**

Jonathan joined Flow Power in 2019 as General Counsel and Company Secretary. Jonathan is an experienced energy and resources lawyer with expertise across the major projects,

joint ventures, acquisitions and divestments, utilities regulation, commercial contracts, corporate restructuring and electricity and gas supply contracts and carbon advisory.

Prior to joining Flow Power, Jonathan was a Senior Associate at King & Wood Mallesons, specialising in energy, resources and projects. Jonathan holds a Bachelor of Commerce and Bachelor of Laws from the University of Melbourne.

**Darren Betts - Chief Financial Officer (CFO)**

As Chief Financial Officer, Darren brings deep insights on how to build a strong and effective finance function. Leading the finance department, he ensures that it is structured well for the continued expansion of Flow Power as a business.

He has a strong background of working in a number of large industries - including but not limited to distribution, construction, IT and logistics.

**Jamie McDyre - General Manager Sales and Marketing**

Jamie joined Flow Power in 2019 as General Manager to help continue the business' growth trajectory.

He has more than 17 years of experience on an executive level in multinational engineering companies such as Siemens and Westinghouse. Jamie has led growing business units across Asia Pacific and has been involved in some of Australia's largest infrastructure projects, including leading one of the consortiums competing for the Queensland Cross River Rail ETCS project. Jamie holds a Bachelor of Chemical Engineering and an MBA with a focus on technology.

Jamie brings a unique combination of technical knowledge, strategic thinking and leadership to the evolving energy sector. His background in transformative projects is already translating into a significant impact for the Australian market with Molycop, City of Sydney and City of Newcastle all joining the Corporate PPA market under his purview.

**Nathaniel Galindo - General Manager Engineering**

As the General Manager of Engineering, Nathaniel has extensive experience of managing engineering and project teams. At Flow Power he manages the team to drive new customer projects and also overlooks the delivery of engineering consultancy.

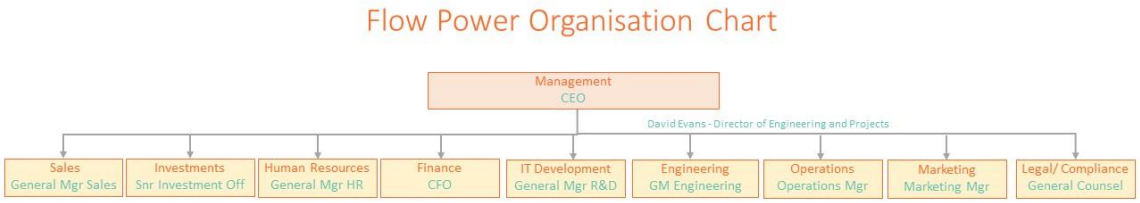
Prior to Flow Power he was working with JLL as Program and Operations Manager Asia Pacific, where he redesigned the service model for large national clients and to integrate the engineering and project teams across all states in Australia.

He has also completed his Bachelors in Electrical Engineering from Victoria University and a Masters in Engineering Sustainable Energy from RMIT University.

**Stephen Au - Senior Investments Officer**

Stephen heads up Flow Power's Investments team and is responsible for driving the renewable energy program. Stephen oversees the management and acquisition of corporate mergers, partnerships and joint ventures, as well as the delivery of offtake agreements with large-scale renewable developments across the National Energy Market.

Stephen has a background in project finance and advisory in the energy sector. Prior to joining Flow Power, Stephen led NORD/LB's origination in Australia.




# 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.

15 March 2020 .....

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## 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.

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The applicant is proposing to construct the following solar farm at Coonalpyn.

Connection will be connected via a SCADA-enabled load switch into the SAPN network.

Address: Lot 100, 23 Tauragat Well Rd, Coonalpyn, SA 5265

DC Capacity:5.9MW.....

AC Capacity:4.95MW.....

PV Modules: Ground-mount PV Jinko Modules; Nextracker Single Axis Tracker, Tier 1 Jinkomodules .....

Inverter: SMA centralised inverters.....

Distribution: The Coonalpyn project will be a 4.95MVA PV Generation System connecting into pole 261 on 33kV distribution line (SD402).

# 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 of 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.

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We can confirm the applicant has not:

- been found guilty of any criminal offence,
- 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
- been the subject of disciplinary action,
- been the subject of any past of present administrative or legal actions in relation to an authorisation, authority, or licence in any industry,

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## 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.

The applicant's Officers and major shareholders have not:

- been found guilty of any criminal offence,
- 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
- been the subject of disciplinary action,
- been the subject of any past of present administrative or legal actions in relation to an authorisation, authority, or licence in any industry,

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## 3.3 Names and addresses of the Officers of Applicant

| CURRENT DIRECTOR AND OFFICER DETAILS | | |
|---|---|---|
| **NAME** | **TITLE** | **LENGTH OF SERVICE** |
| Matthew Van Der Linden | Director | 10 Years |
| David Evans | Director | 1 year |
| Ian Moss | Director | 1 year |
| Stanislav Michael Kolenc | Director | 1 year |
| Jonathan Edwin Mitchell | Company Secretary | 6 Months |
| | | |

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: STANISLAV MICHAEL KOLENC .....

Date of Birth: REDACTED ..... Office Held: Director

Address: REDACTED .....

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State: NSW ..... Post Code: 2024 .....

Full Name: JONATHAN EDWIN MITCHELL .....

Date of Birth: REDACTED ..... Office Held: Secretary.....

Address: REDACTED .....

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State: VIC..... Post Code: 3070 .....

Full Name: IAN MOSS .....

Date of Birth: REDACTED ..... Office Held: Director .....

Address: REDACTED .....

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State: NSW ..... Post Code: 2031 .....

Name: Matthew van der Linden .....

Date of Birth (if applicable):.....REDACTED Office Held (if applicable): Director

Address: REDACTED .....

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State: VIC..... Post Code: 3796

Name: David Evans.....

Date of Birth (if applicable): REDACTED Office Held (if applicable): Director

Address: REDACTED .....

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State: VIC..... Post Code: 3461 .....

(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

Name: OPTRUST PRIVATE EQUITY DIRECT ASIA I INC

Date of Birth (if applicable):.....Office Held (if applicable):.....

Address: 1 Adelaide Street East, Suite 1200, Toronto, Ontario M5c 3a7, Canada.....

State: ..... Post Code:

Name: EDR INVESTMENT GROUP PTY LTD.....

Date of Birth (if applicable):..... Office Held (if applicable): .....

Address: REDACTED .....

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State: VIC..... Post Code: 3461 .....

Name: WILHELMUS JOZEF VAN DER LINDEN .....

Date of Birth (if applicable):..... Office Held (if applicable): .....

Address: REDACTED .....

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State: VIC..... Post Code: 3134 .....

Name: OPTRUST PRIVATE EQUITY DIRECT ASIA I INC.....

Date of Birth (if applicable):..... Office Held (if applicable): .....

Address: 1 Adelaide Street East, Suite 1200, Toronto, Ontario M5c 3a7, Canada.....

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State: ..... Post Code: .....

Name: VDL FAMILY INVESTMENTS PTY LTD.....

Date of Birth (if applicable):..... Office Held (if applicable): .....

Address: REDACTED .....

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State: VIC..... Post Code: 3796 .....

## 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).

The ultimate holding company is OPSEU Pension Plan Trust Fund. .....

## 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 .....

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- 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. .....

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- 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. .....

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- 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. .....

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(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.

Flow Power will contract 100% of the offtake from the solar farm. The generation will be used to support Flow Powers greater retail customer base and provide PPAs to their corporate customers.....

Audited accounts are attached under **confidential** Appendix 1.2.....

A letter of support from Kin Power Group Pty Ltd is attached under **confidential Appendix 1.3** .....

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## 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.

Coonalpyn Energy Trust is indirectly wholly owned by Kin Power Group Pty Ltd.

Supporting the project are offtake contracts for both Electricity and LGCs through Flow Power the retailer. Revenues from these contracts will flow back to the project to cover operational costs and a return to the initial investment. In addition to Construction, Operations and Maintenance will be managed by Todae Solar. .....

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## 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.

Management of generation assets will span human resources primarily from the Investments, Engineering, Legal and Finance departments within Kin Power Group.

Kin Power Group has a team of experienced professionals with experience in generator design, construction and operation. To extent required (e.g. Operations and Maintenance or Asset Management), Kin Power will structures all contracts such to that the any obligations of the licence are made aware to all subcontractors. .....

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## 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.

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Kin Power Group Pty Ltd will setup a project management team which is backed up by external consultants and contractors lo oversee the construction of the solar farm and the ongoing operation and maintenance activities. Complementing the Flow Power team to ensure our obligations are met will be,

Tetris Energy - Development Service, and who has experience in developing solar projects of similar scale in South Australia (see Mannum Solar Farm).

FNB Consulting - Planning and environment

SMA -Inverters

Nextracker -Trackers

Jinko – PV Modules.

Todae Solar – EPC.

Flow Power has selected Todae Solar as the company that will manage the EPC and Operations & Maintenance of the plant. Todae Solar have installed over 90MW of commercial solar nationally. Having installed systems for well-known brands such as Charles Sturt University, Aldi, Primo foods, Westland and Costco.

SMA is a leading global specialist for photovoltaic system technology and the leading inverter supplier in Australia. SMA have 20 offices globally with over 3,000 employees. In 2017 sales were about 900 million euros.

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JinkoSolar (NYSE: JKS) is one of the largest and most innovative solar module manufacturers in the world. JinkoSolar distributes it solar products and sells its solutions and services to a diversified international utility, commercial, and residential customer base in China, the United States, Japan, Germany, the United Kingdom, Chile, South Africa, India, Mexico, Brazil, the

United Arab Emirates, Italy, Spain, France, Belgium, and other countries and regions. JinkoSolar has built a vertically integrated solar product value chain, with an integrated annual capacity of 14.5 GW for silicon wafers, 9.2 GW for solar cells, and 15 GW for solar modules, as of September 30, 2019.....

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The above are all experience 3rd parties that complements Kin Power Groups internal engineering expertise to develop, construct and operate generation assets. .....

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## 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.

Please find attached a copy of the Negotiated Offer to Connect and Engineering Report for Coonalpyn. .....

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## 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.

Kin Power Group Pty Ltd has selected contractors and consultants that are extremely experienced to identify and properly manage project risks. It has also worked closely with Tetris Energy throughout the development phase, this has included a review of the project risks and risk management systems. Through the EPC contract with Todae Solar, it has also carefully scoped out specific responsibilities during construction phase including project risk and quality standards required to deliver the project.

Kin Power Group Pty Ltd utilises corporate risk management processes as an integral part of the normal operation of its business.

Finally, Flow Power maintains a risk and issue register that will be actively managed on each of its projects. .....

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## 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.

Tetris Energy Pty Ltd obtained Development Plan Consent for the project.

Coonalpyn Solar Farm (Development Application Number. 571-075-19)

The conditions in the Development Plan Consent be fulfilled prior to construction. Design certification will be obtained which will allow Building Rules Consent will be granted from the Councils one month before construction is to begin. Following this approval, Flow Power will have full Development Approval and will be able to proceed lo construction.

Decision Notification Forms and conditions have been attached. .....

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## 3.14 Registration with AEMO

Please advise if the applicant will apply to register with AEMO. If so, provide details. Applicants for a wind generation licence should note that registration as a semi-scheduled market participant is required for all new generators and all expansions to existing wind generation plant.

The Applicant is not required to register with AEMO as the facilities are below 5 MW. .....

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## 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.

Flow Power (retailer) licences:

- Electricity Retail licence held for SA, VIC, NSW, QLD, ACT and Tasmania.
- Australian Financial Services Licence (AFSL) and Small Generator Aggregators Licence. .....

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## 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.

None. .....

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## 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.

None.....

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## 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.

Kin Power will provide Annual Compliance Reports to ESCOSA and a Safety, Reliability, Maintenance and Technical Management Plan to the OTR to ensure compliance with all the regulatory obligations imposed by the generation licence.

Kin Power will work with the operations and maintenance teams to correctly allocate responsibilities for the compliance obligations. This will be enforced under the Operations and Maintenance contract.

## 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.

The projects have been developed by Tetris Energy Pty Ltd who have extensive experience in developing projects in South Australia.

The output of the solar farms will be used to supply Flow Power's growing customer base through an offtake arrangement in South Australia.

For more information on Flow Power please visit www.flowpower.com.au.....

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# 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.

- New solar farms will add to the competitiveness in the SA generation market .....
- This is the first project for Flow Power in the SA market and improves the regional diversity of generators. .....
- The location of Coonalpyn is in proximity of major loads which reduces network losses and promotes efficiency. .....
- Consumers will be the direct beneficiary of new low-cost renewable energy. Having a new entrant generator and retailer will encourage competition in the SA market, which creates further value and options for customers. .....
- These projects will compliment a suite of engineering and customer centric solutions that put customers at the centre, including demand management, onsite generation solutions and offsite generation solutions (e.g. wind and batteries). .....

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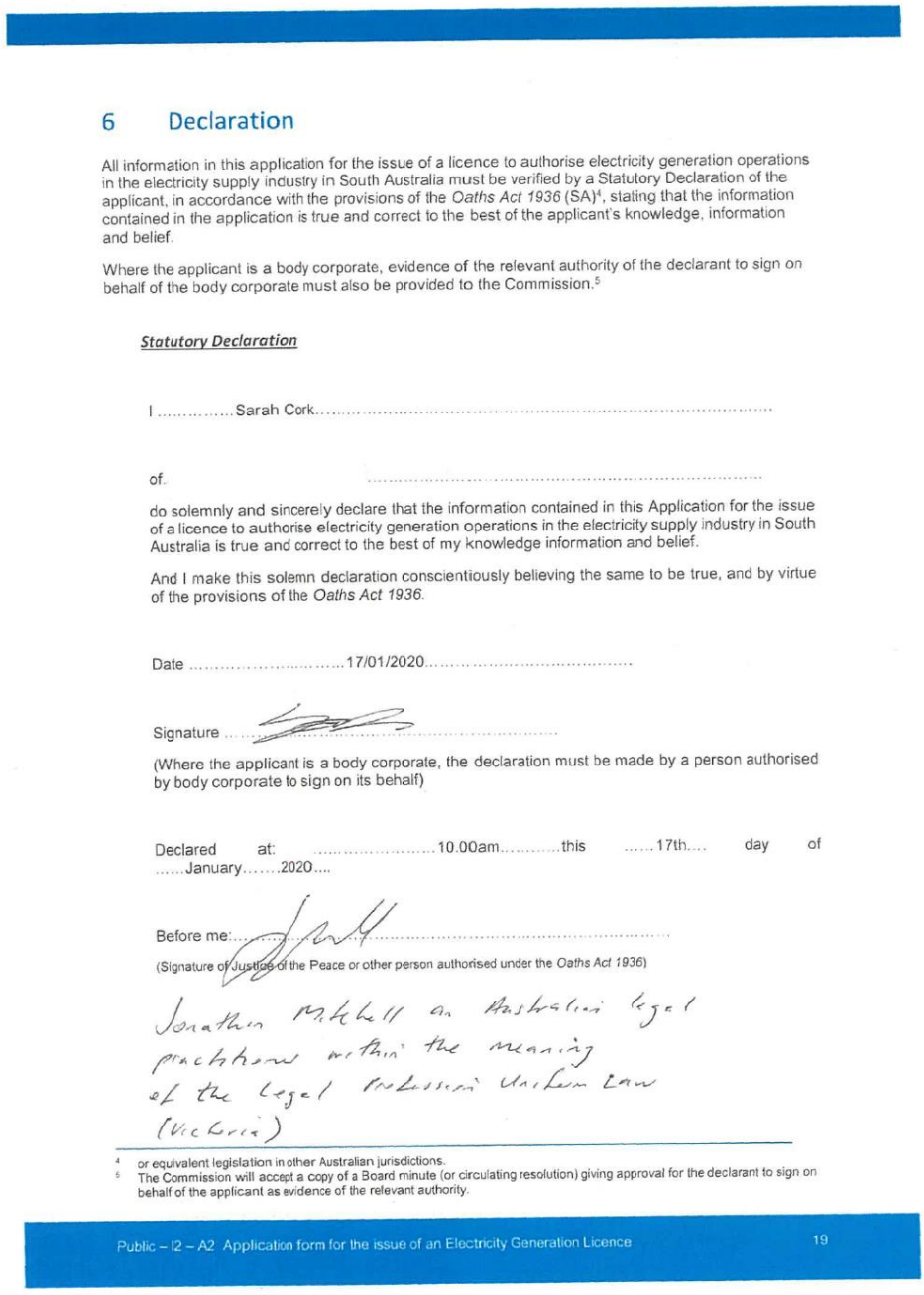
# 5 Application fees

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 Declaration



## 6 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)[4], 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.[5]

***Statutory Declaration***

I .....Sarah Cork.....

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 .....17/01/2020.....

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: .....10.00am.....this .....17th.... day of .....January.....2020....

Before me:.....

(Signature of Justice of the Peace or other person authorised under the *Oaths Act 1936*)

Jonathan Mitchell an Australian legal practitioner within the meaning of the Legal Profession Uniform Law (Victoria)

4 or equivalent legislation in other Australian jurisdictions.
5 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.

Public – I2 – A2 Application form for the issue of an Electricity Generation Licence 19

# 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. [4]

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.[5]

(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).[6]

(c) The reactive current response must be adequately damped as defined in the NER.

(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] The exact ratio of negative-sequence to positive-sequence current injection will be specified by the Commission at the time the licence is issued.
[5] The settling time requirement does not apply to synchronous generators.
[6] This requirement does not apply to synchronous generators.

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.[7]

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 ±10 percent of nominal voltage experienced at the respective LV terminals within 30 minutes from the commencement of the first variation.[8]

**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.[9]

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

[7] 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.

[8] 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.

[9] Unless otherwise specified by the Commission at the time the licence is issued.

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) ±4 Hz/s for 250 milliseconds

(b) ±3 Hz/s for 1 second, until such time as power system frequency breaches the extreme frequency excursion tolerance limits. [10]

**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**

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 d isturbances, 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**

[10] 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.

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[11] 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.[12]

[11] The exact duration will be specified by the Commission at the time the licence is issued.
[12] The exact duration will be specified by the Commission at the time the licence is issued.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