



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	1
Generation operations which require a licence	1
Mandatory licence conditions	1
Additional technical licence conditions	1
Annual licence fees	2
Use of this form and applicant's responsibilities	3
Application fees	3
How to lodge an application	3
Consultation and Confidentiality	3
Further information	4
Licence Application Form	1
1 The Applicant	1
1.1 Identity of Applicant	1
1.2 Legal Identity of Applicant	1
1.3 Address and Contact Details of Applicant	1
1.4 Contact Person on behalf of Applicant	1
1.5 Contact Person for Licence Fees	1
1.6 Diagram of Corporate or other Structure	2
2 The Licence	7
2.1 Date from which Licence is sought	7
2.2 Nature and scope of operations for which Licence is sought	8
3 Suitability of applicant to hold a licence	9
3.1 Standard of honesty and integrity shown by Applicant	9
3.2 Standard of honesty and integrity shown by Officers and major shareholders of Applicant ...	9
3.3 Names and addresses of the Officers of Applicant	10
3.4 Names and addresses of major shareholders of Applicant	11
3.5 Details of the group members	11
3.6 Additional information	11
3.7 Financial resources available to the Applicant	12
3.8 Additional Details of Structure of Applicant	12
3.9 Human resources available to the Applicant	14
3.10 Technical resources available to the Applicant	14
3.11 Quality of Electricity Produced/Connection Agreement	16
3.12 Risk Management	16
3.13 Development Act Approval	16
3.14 Registration with AEMO	16
3.15 Licences held by the Applicant in other Australian jurisdictions	17
3.16 Previous unsuccessful licence applications in other Australian jurisdictions	17
3.17 Licences held by Associates of the Applicant	17
3.18 Compliance Plans	17

3.19	Additional Information	17
4	Factors specified in the Essential Services Commission Act 2002	19
5	Application fees	19
6	Declaration	20
	Attachment 1	21
	2017 model licence conditions for new generators	21
	Interpretation of this schedule.....	21
	Disturbance ride through capability	21
	System strength	21
	System restoration	21

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 Minister²); 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 all new electricity generators seeking to connect to the South Australian power system. Applicants for a generation licence should familiarise themselves with the

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).

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 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: Lincoln Gap Wind Farm Pty Ltd (ACN: 133 372 595)

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.

Lincoln Gap Wind Farm Pty Ltd (ABN: 52 133 372 595) ("LGWF") is a proprietary company limited by shares and is registered in Victoria

1.3 Address and Contact Details of Applicant

Business Address : Suite 5.03, 45 William Street, Melbourne
State : VIC Post Code : 3000
Postal Address (if different to Business Address): Same as above
State: Post Code :
Telephone : +614 58 392 689 / +614 48 767 278 Facsimile : +61 (3) 9088 1256
E-mail : Andrew.Houston@Nexif.com / LGWF-Operations@Nexif.com

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 : Andrew Houston and Ben Seymour
Title : Projects Director / Construction and Operations Engineer
Business Address : Suite 5.03, 45 William Street, Melbourne
State : VIC Post Code : 3000
Postal Address (if different to Business Address): Same as above
Telephone : +614 58 392 689 / +614 48 767 278 Facsimile : +61 (3) 9088 1256
E-mail : Andrew.Houston@Nexif.com / Ben.Seymour@Nexif.com

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 : **Toni Le**
Title : **Finance Manager**
Business Address : **Suite 5.03, 45 William Street, Melbourne**
State : **VIC** Post Code : **3000**
Postal Address (if different to Business Address): **Same as above**
Telephone : **+614 84 093 271** Facsimile : **+61 (3) 9088 1256**
E-mail : **Accounts.Aus@Nexif.com**

1.6 Diagram of Corporate or other Structure

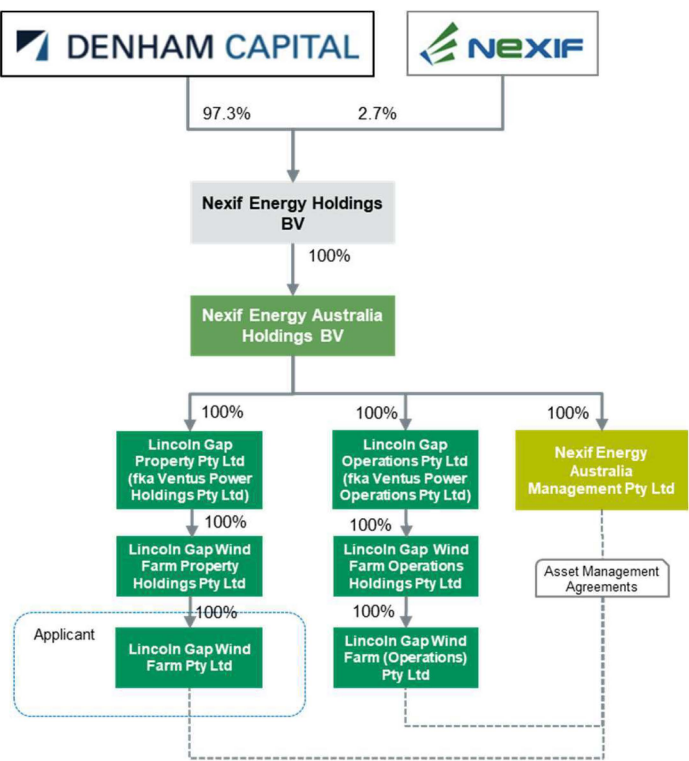
Please attach with this application form details of the corporate or other structure, including details of any related companies within the meaning of the Corporations Act 2001; and a diagram of the organisational chart, including composition of the board, management and other key personnel responsible for the key functions of the business.

Lincoln Gap Wind Farm Pty Ltd ("LGWF") is established as an indirect subsidiary of Nexif Energy Holdings BV ("Nexif Energy") to undertake the construction, operation and maintenance of Lincoln Gap Wind Farm ("the wind farm"). Nexif Energy is a joint venture company established by a subsidiary of Nexif Pte Ltd ("Nexif") and two funds managed by Denham Capital Management LP ("Denham Capital") to develop, finance, construct and opportunistically acquire conventional and renewable power generation assets across Southeast Asia and Australia.

Nexif is a Singapore incorporated independent power management company established by experienced professionals with a proven track record at global and regional power companies in the development, financing, acquisition, restructuring, construction and operation of conventional and renewable power projects. Denham Capital is a leading energy and resources-focused global private equity firm with more than US \$9 billion of invested and committed capital across eight fund vehicles with offices in London, Boston, Houston and Perth.

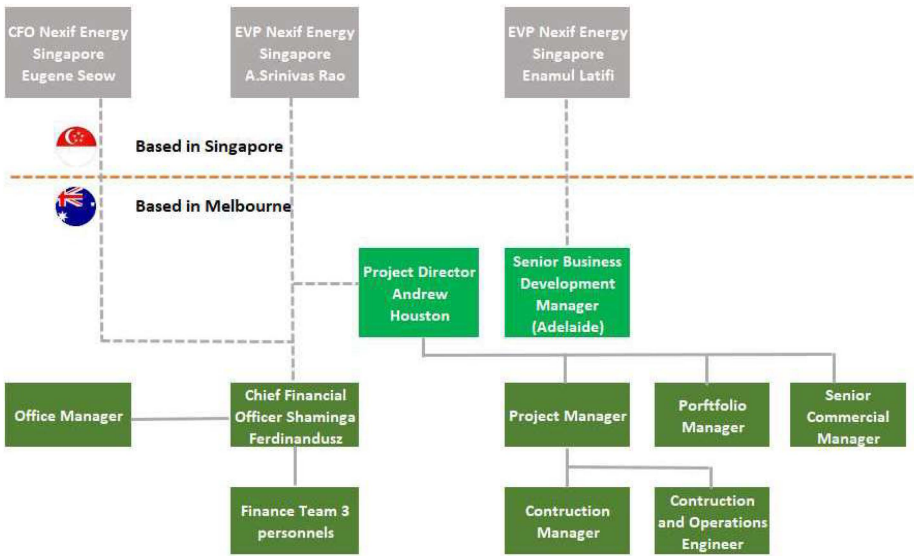
The current structure of LGWF is attached below (Figure 1). LGWF had achieved both stage 1 and 2 financial close and commencement of project construction has been started in November 2017. Nexif Energy will provide the funds from shareholder equity contributions to LGWF through Nexif Energy Australia Holdings BV, Lincoln Gap Property Pty Ltd and Lincoln Gap Wind Farm Property Holdings Pty Ltd.

Figure 1: Current Corporate Structure



The operations of LGWF will be managed by Nexif Energy Australia Management Pty Ltd (“NEAM”) via an Asset Management Agreement. The organisation chart is shown below.

Figure 2: Organisation Chart



Five board directors have been appointed for LGWF as follows:

- Mr. Srinivasa Rao Allena
- Mr. Eugene Yong Teng Seow
- Mr. Shah Md Enamul Karim Latifi
- Mr. Shaminga Ferdinandusz
- Mr. Andrew Houston

For further details of the above corporate structure, please refer to Annexure A - Attachment to section 1.6 Diagram of Corporate or other Structure.

Profiles of key people in Australia and overseas are detailed hereafter:

<p>Srinivasa Rao Allena</p>	<p><u>EVP – Projects & Operations, Nexif Energy</u> <u>Director – Lincoln Gap Wind Farm Pty Ltd</u> Based in Singapore</p> <p>Srinivasa has 32 years of experience in global power project development, financing, engineering, construction and operations. Of which, he has worked 15 years with AES, a global power company, in various positions including Managing Director Engineering and Construction (Asia & Middle East). Srinivasa worked in India, Sri Lanka, South East Asia, Australia and Middle East Markets in AES and was responsible for operational turnaround of OPGC and completion of East Amman Project construction on time and under budget. His last assignment with AES was Country Manager, India where he successfully led development and achieved Financial Closure of the 1320 MW coal based platform expansion project with 2 captive coal mines and took the project into construction.</p> <p>Other positions held include:</p> <ul style="list-style-type: none"> ▪ President of New Business at CESC Ltd India ▪ GM, Commercial at Reliance Power ▪ NTPC <p>Srinivasa has a Bachelor of Technology from College of Engineering, Anantapur, Jawaharlal Nehru Technological University, Hyderabad. He also attended the senior management program at Darden School, University of Virginia, USA.</p>
<p>Yong Teng Seow</p>	<p><u>Director – Lincoln Gap Wind Farm Pty Ltd</u> Based in Singapore</p> <p>Mr. Seow has more than 16 years of experience in financial accounting and auditing. From October 2010 to October 2012, Mr. Seow was the Chief Financial Officer of Wuqi Axle Co., Ltd, a PRC Group, which is the second largest manufacturer of axle housings for medium and heavy duty trucks in the PRC aftermarket and the construction machinery OEM market.</p> <p>From July 2009 to September 2010, Mr. Seow was the Head of Finance and Group Financial Controller for Dynamic Colours Limited, a company that is listed on Stock Exchange of Singapore and operates in resin compounding and polyethylene packaging. He was responsible for the overall control of the Group’s accounting, finance and corporate matters. From May 2004 to June 2009, he worked for Teambuild Construction Pte Ltd, a construction and property development company as a Group Financial Controller. From November 1999 to April 2004, he was an auditor in KPMG, Singapore and BDO International, Singapore.</p> <p>Mr. Seow holds a Bachelor degree in Accountancy from Nanyang Technological University, Singapore. He is a Member of the Institute of Certified Public Accountants of Singapore.</p>

<p>Shah Md Enamul Karim Latifi</p>	<p><u>Director – Lincoln Gap Wind Farm Pty Ltd</u> Based in Singapore</p> <p>Enamul led the development and financing of two wind power projects, each a 50 MW, in Pakistan for InfraCo Asia, a donor funded infrastructure development company previously managed by Nexif.</p> <p>Enamul earlier worked at the AES Corporation, a global power company head quartered in the USA, for 12 years. While at AES, Enamul led the development and financing of a 40 MW Wind Project in Gujarat, India and played key roles in the development of the 1,200 MW Mong Dong Power Plant in Vietnam, and the 360 MW Haripur & 450 MW Meghnaghat combined cycle power projects in Bangladesh.</p> <p>He was also instrumental in achieving project completion for the 163 MW combined cycle power project in Sri Lanka.</p> <p>Enamul holds a Master of Business Administration from St Cloud State University, MN, USA and from Institute of Business Administration, Bangladesh, and a Bachelor of Science in Naval Architecture & Marine Engineering from Bangladesh University of Engineering & Technology. He also attended a number of management programs at Darden School, University of Virginia, USA and at Harvard Business School</p>
<p>Shaminga Ferdinandusz</p>	<p><u>Chief Financial Officer – Lincoln Gap Wind Farm Pty Ltd</u> Based in Melbourne</p> <p>Shaminga has over 18 years of experience in Global Power Company AES Corporation in development, financing, construction, operation and acquisition and sale of power generation projects in many countries. He also worked and lived in Philippines and Sri Lanka.</p> <p>Held the position AES SBU Treasurer for AES Corporation, highest growth potential Region with asset value over US \$ 4.0 Billion along with project financing of US \$ 2 billion.</p> <ul style="list-style-type: none"> • Responsible for Treasury & Corporate Finance, Project Finance, Cash Management, Financial Risk Management for AES businesses in Philippines, Vietnam and India. • Successfully finance 315MW (US \$ 750 Mn) supercritical coal fired plant. • Instrumental in achieving project completion for US \$ 1.5Billion Project Finance Debt of 1,200 MW Mong Dong Power Plant in Vietnam. • None recourse finance Steam Turbine Retrofit with enhance capacity and efficiency (US \$ 25MN) • Played a key role in AES Cooperation power infrastructure assets sale in Philippines through a competitive process with a transaction value of over US \$ 2 billion. <p>While based in Sri Lanka, Shaminga</p> <ul style="list-style-type: none"> • a member of the development team, played key roles in developing and financing of 165 MW CCGT AES Kelanitissa, first IPP in country.

	<ul style="list-style-type: none"> • held various position including Market Business Leader, Chief Financial Officer and Project Director/CEO. • Lead competitive process, without an investment bank selling AES Sri Lanka business to a Japanese's Conglomerate. <p>Shaminga holds a CPA Australia and FCA Sri Lanka qualification. He also attended a number of Leadership Development Programs and Finance Leadership Development programs at Darden School, University of Virginia, USA and Energy Project Finance Modelling by MERALCO Power Academy Philippines.</p>
Andrew Houston	<p><u>Project Director – Lincoln Gap Wind Farm Pty Ltd</u> Based in Melbourne</p> <p>Andrew is a highly experienced, technically qualified Project Construction Manager with over 23 years of experience in Project and Construction & Operations Management of major capital projects across UK, Australia and Asia. His expertise covers multi-disciplinary engineering construction management of large scale complex power generation assets (wind, hydro, combined cycle and geothermal), water, mines and process plant projects both mainly on greenfield and brownfield.</p> <p>Prior to joining Nexif Energy, he was the Owner's Project Manager for the Sapphire Wind Farm (270MW) which is the largest wind farm project in NSW with 75 numbers of Vestas 3.6 MW Wind turbines. Prior to that he was Construction Manager for GE Power systems Australia for their Inpex Darwin Combined Cycle Power Plant at Darwin. He also worked on Clyde wind farm construction in UK.</p> <p>Andrew holds Master's degree qualifications in Civil & Mechanical Engineering. He also holds several professional memberships which include Chartered Engineering Technologist - Engineers Australia, Technical Member of the Institute of Occupational Safety and Health, UK.</p> <p>As Project Director he will be responsible for management and administration of the Project including the EPC contract, community and stakeholder management, overseeing the administration of Financing Agreements and management of the transition from construction to operations.</p>

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.

LGWF seeks to have the Licence updated as soon as possible and in any event no later than 1 October 2020.

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.

LGWF proposes to operate the wind farm which is located approximately 15km to the west of Port Augusta in the locality of Lincoln Gap, South Australia – refer to the site location maps attached as Annexure A and B.

The wind farm consists of 59 wind turbines with a total capacity of 212.4 MW. Of the already licensed and registered 59 WTGs this license variation is to change the stage 2 WTGs, 24 of the total of 59 to Vestas 3.6 V136 WTGs. Nexif is registering this change with AEMO under its current registration and will confirm consistent capability with the current Generator Performance Studies.

LGWF proposes to operate the battery which is located approximately 15km to the west of Port Augusta in the locality of Lincoln Gap, South Australia – refer to the site location maps attached as Appendix A and B.

The battery has a nameplate capacity of 10MW and storage of 10MWh.

The model is LG Chem Gen 3 Cell, Energy oriented application (JH3) and has a round trip efficiency of 85%.

The battery and the Wind farm will be connected to the 275kV Davenport-Cultana transmission network through the new Corraberra Hill 275kV substation which had been completed constructed by ElectraNet in October 2018.

The total nameplate capacity of the Wind Farm and Battery will be 222.4 MW connected at Corraberra Hill Substation.

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.

LGWF was registered under the Corporations Act 2001. It is the "Special Purpose Vehicle" dedicated to construction, operation and maintenance of the wind farm.

With Nexif Energy as the shareholder, LGWF has access to significant expertise and knowledge of the Nexif team for both construction and operation activities of electricity generation infrastructure. Please refer to section 1.6 for a corporate structure diagram.

Nexif and LGWF's management and personnel are at all times expected to act lawfully and with integrity and professionalism in all activities both internally and externally. LGWF at all times endures to conduct its business according to the highest ethical standards.

The business of Nexif Energy and all of its subsidiaries is governed by the group's code of ethics and professional conduct.

Nexif Energy, Nexif Energy Australia Holdings BV, LGWF and its related entities have not committed any offences against, or been prosecuted under any Territory, State or Commonwealth legislation in Australia.

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.

None of the company officers listed in section 3.3 have displayed any prior misconduct, or experienced refusal or suspension from licensing or professional membership.

None of Nexif Energy, Nexif Energy Australia Holdings, LGWF and their related companies have breached any statutory obligations, committed any criminal or civil offence or been successfully prosecuted under any applicable legislation in its operating jurisdiction.

None of LGWF's directors have been disqualified from managing corporations or incurred any civil penalties under the Corporations Act 2001.

None of the officers have an actual or potential conflict of interest that may impact their ability to carry out their role in the best interest of the applicant.

LGWF, through the proposed structure, has demonstrated competence and experience in managing a generation business.

Nexif and LGWF's management and personnel are at all times expected to act lawfully and with integrity and professionalism in all activities both internally and externally. The company at all times endures to conduct its business according to the highest ethical standards in accordance with the code of ethics and professional conduct.

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 : **Srinivasa Rao Allena**

Date of Birth : **1 January 1961**

Office Held : **Director**

Address :

State :

Post Code :

Full Name : **Shah Md Enamul Karim Latifi**

Date of Birth : **14 December 1971**

Office Held : **Director**

Address :

State :

Post Code :

Full Name : **Yong Teng Seow**

Date of Birth : **19 September 1975**

Office Held : **Finance Director**

Address :


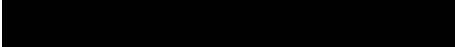
State :

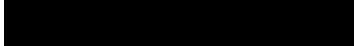
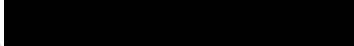

Post Code :

Full Name : **Shaminga Ferdinandusz**

Date of Birth : **21 Nov 1969**

Office Held : **Chief Financial Officer**

Address : 
State : 
Post Code : 

Full Name : **Andrew Houston**
Date of Birth : **19 Sep 1974**
Office Held : **Project Director**
Address : 
State : 
Post Code : 

3.4 Names and addresses of major shareholders of Applicant

Name : **Nexif Energy Holdings B.V.**
Date of Birth (if applicable) : N/A
Office Held (if applicable) : N/A
Address : **Prins Bernhardplein 200**
State : **Amsterdam, Netherlands**
Post Code : **1097 JB**

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).

Please refer to Annexure A - Attachment of Section 1.6 which contains a diagram of the entities which are a part of the group and are controlled by the ultimate parent company.

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

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.

LGWF was acquired by a subsidiary of Nexif Energy, Nexif Energy Australia Holdings BV, in December 2016. Please refer to Annexure C for the audited financial statement of LGWF for the period ending 31 December 2016 (CONFIDENTIAL - provided to the Commission in confidence - MUST NOT BE PUBLISHED)

In addition to the Lincoln Gap wind farm and battery project, Nexif Energy has ambitious plans to expand its portfolio in Australia where it is currently evaluating development and acquisition of more than 1000 MW of renewables and conventional thermal projects.

Nexif Energy is funded by two Funds managed by Denham Capital that together own more than 97% of Nexif Energy. Funds have been allocated for the battery project in the financing agreement and approval have been granted from the Project Lenders for the acquisition of 10MW battery from Fluence Energy LLC. Please refer to Annexure E, Amendment and Restatement Agreement Please refer to Annexure D for the audited financial statement of Denham Capital for the period ending 31 December 2016 (CONFIDENTIAL - provided to the Commission in confidence - MUST NOT BE PUBLISHED).

The equity will be funded by Nexif Energy to the applicant via the related companies set out in Figure 2 in section 1.6 above. The balance of the capital required to finance the wind farm's construction and working capital will be provided under secured financing facilities.

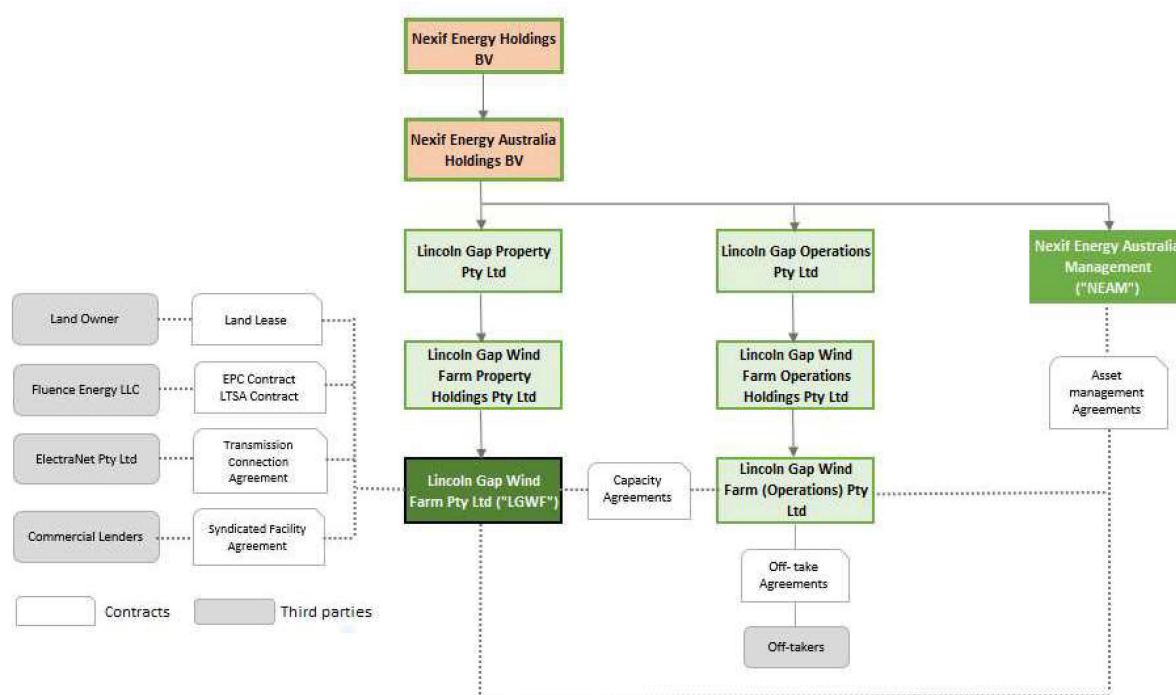
3.8 Additional Details of Structure of Applicant

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.

Details of the key contractual arrangements with LGWF is shown in the figure below.

Figure 4: Contractual Arrangements entered by LGWF



Key Entities:

- LGWF:** Construction, operation and maintenance of the wind farm and battery will be undertaken by this entity. LGWF will enter into all the key contracts (as shown in Figure 4) with different counterparties.
- Lincoln Gap Wind Farm (Operations) Pty Ltd:** This entity will be registered as the Market Participant with AEMO and undertake all the trading activities. It will enter into a Capacity Agreement with LGWF for purchasing the electricity generated by LGWF and on-selling the electricity to retailers and other counterparties.
- NEAM:** This entity will provide the services and personnel required to manage the business activities of both companies (LGWF and Lincoln Gap Wind Farm (Operations) Pty Ltd). There are two Asset Management Agreements with NEAM and the two companies to provide asset services regarding operational functions with respect to the wind farm facility.

Description of Key Contracts

- Syndicated Facility Agreement: ("SFA")** Debt finance facilities for the construction and working capital requirements of the of the battery. Please refer to Annexure E for evidence of the signed agreement (CONFIDENTIAL).
- Transmission Connection Agreement:** Agreement with ElectraNet Pty Ltd ("ElectraNet") for connection of the wind farm to the 275 kV Davenport-Cultana Transmission Network.

- c) **EPC Contract:** An Engineering Procurement and Construction (“EPC”) Agreement with Fluence Energy LLC (“Fluence”) for the construction of the battery on a turnkey basis. Please refer to Annexure F for evidence of the signed agreement (CONFIDENTIAL).
- d) **LTSA Contract:** Long Term Services Agreement (“LTSA”) with Fluence for the provision of all maintenance requirements of the Battery Energy Storage System (BESS). Please refer to Annexure G for evidence of the signed agreement (CONFIDENTIAL).
- e) **Land Lease:** Lease agreement for the wind farm land.
- f) **Long Term Service Agreement:** Provisions of services and personnel to manage the business activities of BESS.
- g) **Capacity Agreement:** Agreement for the sale of all electricity and green products produced by the LGWF to Lincoln Gap Wind Farm (Operations) Pty Ltd.

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.

The applicant will draw on the extensively experienced team provided pursuant to the Asset Management Agreement with its affiliate NEAM (see details provided earlier in section 1.6) in managing utility scale power and wind farm projects and will be directly monitoring the battery installation, generation, operations and maintenance related activities.

Under the terms of the 25-year Maintenance Services Agreement (MSA), Vestas and its subcontractors will be responsible for providing suitably qualified and experienced personnel and technical experts to operate and maintain the wind farm.

Under the terms of the MSA, Vestas is required to adhere to all laws and regulations applicable to operations of the wind farm which includes the licence conditions. LGWF will closely monitor compliance by Vestas with the license requirements.

Under the terms of the 10-year Long Term Services Agreement (LTSA), Fluence and its subcontractors will be responsible for providing suitably qualified and experienced personnel and technical experts to operate and maintain the battery.

Under the terms of the LTSA, Fluence is required to adhere to all laws and regulations applicable to operations of the wind farm which includes the licence conditions. LGWF will closely monitor compliance by Fluence with the license requirements.

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.

The installation and integration of the battery and stage 2 WTGs to the wind farm will be managed by a project management team led by Andrew Houston and backed-up by external consultants/contractors to oversee the construction and the integration of the battery to the wind farm and the ongoing operation and maintenance activities.

GHD Pty Ltd, one of the world's leading professional services companies in the energy sector, has been appointed to serve as Owner's Engineer.

The battery supplier (Fluence) is appointed as the turnkey construction contractor for the battery under the EPC Agreement. As the original equipment manufacturer, Fluence will also ensure that their equipment is operated and maintained in accordance with their own specifications via the 10-year Long Term Services Agreement.

The Fluence team brings over 10 years of experience designing, deploying, and operating complete energy storage solutions. The energy storage systems are built for the most demanding industrial applications and have stood the test of time. Fluence are backed by their parent companies, industry giants Siemens and AES, to deliver the scale and staying power the customers can rely on.

The Stage 2 Wind Turbines will be supplied, installed and integrated by Vestas who is world renowned for successful Wind Farm projects. Vestas have an installed wind capacity of 115+ GW across 81 countries they are a leader in the wind industry.

The Stage 2 WTG supplier (Vestas) is appointed as the turnkey construction contractor for the Stage 2 WF under another EPC Agreement. As the original equipment manufacturer for stage 2 and a Multibrand WTG service contractor, Vestas will also ensure that Wind Farm equipment is operated and maintained in accordance with the plants specifications via the 25-year Maintenance Services Agreement.

**Some of the press releases that Fluence and Vestas have achieved recently in the market are:
Fluence Lines Up 2,300 Megawatt-hours of Orders for Sixth-Generation Energy Storage Technology from Customers Including Enel, LS Power, sPower and Siemens, dated June 16, 2020
Fluence proposes 250 MW BESS case scenario to VNI West RIT-T, dated June 8, 2020
Vestas to supply 65 wind turbines to a wind project in Texas, US, dated June 20, 2020
Danish turbine manufacturer Vestas has won a full Engineering Procurement Construction (EPC) contract for the 48 MW Tra Vinh V1-3 intertidal wind farm in Vietnam, dated June 17, 2020**

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.

LGWF has entered into a Transmission Connection Agreement ("TCA") with ElectraNet dated 21 September 2017 for the Lincoln Gap Wind Farm construction, currently Nexif is negotiating with ElectraNet to incorporate the connection of the battery into the TCA. The change of the WTGs will not affect the TCA with ElectraNet.

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.

LGWF will undertake a comprehensive risk assessment study associated with the wind farm operations together with the battery integration to the wind farm and will develop a risk management framework (including the risk management policy) with systems and responsibilities.

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 granted in relation to the Lincoln Gap Wind Farm on 22 March 2017 (development numbers: 010/U032/15 R1 and 010/0011/06 V2 R1) – please refer to Annexure H (CONFIDENTIAL).

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.

Lincoln Gap Wind Farm (Operations) Pty Ltd have obtained the approval of AEMO registration as semi-scheduled market participant for the wind farm. Please see attachment Annexure J.

For Stage 2 of the Wind Farm AEMO, ElectraNet and Nexif are working through the verification of the GPS compliance of the updated WTGs against the current Registered Generator Performance Standard.

For the battery, Lincoln Gap Wind Farm (Operations) Pty Ltd will initiate the AEMO registration process to be a scheduled Market Customer and Market Generator for the battery. Discussion on

technical compliance and understanding of the registration will be underway once the Registration variation (cl5.3.9 process) with AEMO, ElectraNet and Nexif on a regular basis.

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.

The applicant does not hold any electricity licences in any Australian jurisdiction.

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.

The applicant has not previously applied unsuccessful for any electricity licences anywhere in Australia.

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.

N/A

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.

LGWF is in the process of establishing a compliance framework to manage its operations. LGWF understands the NER and ESCOSA compliance requirements for both the wind farm and the battery. Entura Hydro Tasmania, a consultant company was engaged to develop the Compliance Monitoring Program over the next few months. Please see attachment Annexure B Letter of Engagement for Compliance Monitoring Program.

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 applicant confirms that it understands and will comply with the requirements of the pending licence for LGWF Pty Ltd and any additional conditions imposed as a result of the licencing inquiry. Further information related to the Principles will be assessed by AEMO as part of our registration application.

.....
.....
.....
.....
.....

.....

.....

.....

.....

.....

.....

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 granting and variation of licence to LGWF battery and is consistent with the objectives listed above. As South Australia is experiencing a faster transition in its energy mix than the rest of the NEM, and has experienced a black system event in September 2016 and several FCAS market events. The battery will provide a new source of fast frequency response and can play a significant role in the provision of inertia and the management of the grid. It will benefit to the South Australian consumers, facilitating competition by offering additional sources of electricity supply to retailers and end users through reliable and affordable energy generation.

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

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, Charles Rattray, Director

of **Lincoln Gap Wind Farm Pty Ltd**

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 26 / 6 / 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: Melbourne, VIC this 26 day of June 2020

Before me: 

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

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.

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

- 2.1. 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.

System strength

3. (11) System strength

- 3.1. 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.

System restoration

4. (16) System restoration

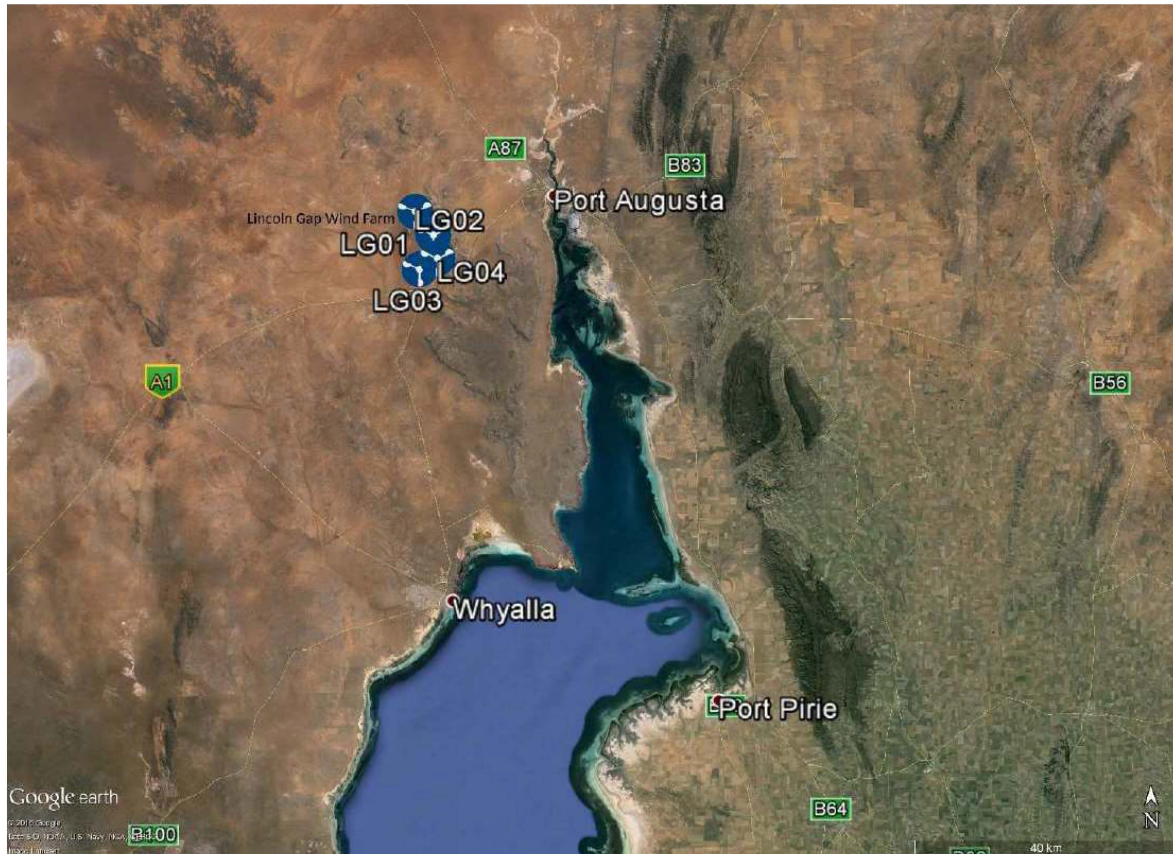
- 4.1. Where sufficient minimum fault level is available from online synchronous machines, the generating system must have the following capability in the event of a black system:
- (a) the generating system must be capable of operation with auxiliary loads only for X minutes⁶ while system load is being 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

⁶ The exact duration will be specified by the Commission at the time the licence is issued.

steady-state and dynamic reactive power when operating with auxiliary loads only for X minutes while system load is being restored.⁷

⁷ The exact duration will be specified by the Commission at the time the licence is issued.

APPENDIX A – SITE LOCATION MAP



OF SOUTH AUSTRALIA

APPENDIX B – LINCOLN GAP WIND FARM TURBINE LAYOUT



ANNEXURE A – Section 1.6 Diagram of Corporate or other Structure

ANNEXURE B – Letter of Engagement for Compliance Monitoring Program with Entura

ANNEXURE C – Audited financial statement of LGWF for the period ending 31 December 2016 and Lincoln Gap Property Pty Ltd for the period ending 31 December 2017 (CONFIDENTIAL)

ANNEXURE D – Audited financial statement of Denham Capital 2016 (CONFIDENTIAL)

ANNEXURE E – Cover and signing pages of Amended and Restatement Agreement with Senior SFA (CONFIDENTIAL)

ANNEXURE F – Cover and signing pages of Engineering Procurement and Construction Agreement (CONFIDENTIAL)

ANNEXURE G – Cover and signing pages of Long Term Services Agreement for BESS (CONFIDENTIAL) and Cover and signing pages of Maintenance Services Agreement for Wind Farm (CONFIDENTIAL)

ANNEXURE H – Cover and signing pages of Rental Agreement with Nutts Bros (CONFIDENTIAL)

ANNEXURE I – Cover and signing pages of Lease Agreement with Nutts Bros (CONFIDENTIAL)

ANNEXURE J – Attachment of LGWF AEMO Approval of Registration

ANNEXURE K – Attachment of Asset Management Agreement for Lincoln Gap Wind Farm Pty Ltd

ANNEXURE L – Attachment of Asset Management Agreement for Lincoln Gap Wind Farm (Operations) Pty Ltd

ANNEXURE M – Attachment of Transmission Connection Agreement for Lincoln Gap Wind Farm Pty Ltd

