



GENERATION LICENCE
PACIFIC HYDRO CLEMENTS
GAP PTY LTD
(ACN 109 911 097)

Issued by the
Essential Services Commission of South Australia
on 3 June 2005

ELECTRICITY

VARIATION HISTORY

<i>Amendment Number</i>	<i>Variation Date</i>

GENERATION LICENCE

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words appearing in italics like *this* are defined in part 1 of the schedule.
- 1.2 This licence must be interpreted in accordance with the rules set out in part 2 of the schedule.

2. GRANT OF LICENCE

- 2.1 The *Licensee* is licensed under Part 3 of the *Act*, and subject to the conditions set out in this licence, to generate electricity at the generating plant listed in the Annexure.

3. TERM

- 3.1 This licence commences on the date it is issued and continues until:
 - (a) it is surrendered by the *Licensee* under section 29 of the *Act*; or
 - (b) it is suspended or cancelled by the *Commission* under section 37 of the *Act*.

4. ACCESS

- 4.1 The *Licensee* must:
 - (a) in accordance with, and to the extent required by, the *Electricity Transmission Code*, grant to an *electricity entity* holding a *transmission licence* or a *distribution licence*, rights to use, or have access to, those parts of the *Licensee's* electricity generating plant that are interconnected or interface with the *electricity entity's* assets for the purpose of ensuring the proper integrated operation of the South Australian power system and the proper conduct of the operations authorised by that *electricity entity's transmission licence* or *distribution licence*; and
 - (b) in the absence of agreement as to the terms on which such rights are to be granted, comply with a determination of the *Commission* as to those terms.

5. DISPUTE RESOLUTION

- 5.1 A dispute relating to the granting of rights to use or have access to the inter-connecting assets of the *Licensee's* generating plant referred to in clause 4 shall be resolved in accordance with an *industry code* developed by the *Commission* for the resolution of disputes.

5.2 Clause 5.1 does not apply to the extent the dispute is subject to resolution in accordance with or under the ***National Electricity Code***.

6. COMPLIANCE WITH INDUSTRY CODES

6.1 The ***Licensee*** must:

- (a) comply with all applicable provisions of the ***Electricity Transmission Code***, the ***Electricity Distribution Code*** and the ***Electricity Metering Code***;
- (b) comply with all applicable provisions of any other ***industry code*** or ***rule*** made by the ***Commission*** from time to time; and
- (c) notify the ***Commission*** if it commits a material breach of the ***Electricity Transmission Code***, the ***Electricity Distribution Code*** or the ***Electricity Metering Code*** within 3 days after becoming aware of that breach.

7. SAFETY, RELIABILITY, MAINTENANCE AND TECHNICAL MANAGEMENT PLAN

7.1 The ***Licensee*** must:

- (a) within 12 months of the commencement of this licence, or within 3 months of the date (as advised by the ***licensee***) of final commissioning and plant acceptance, whichever is the later, prepare a safety, reliability, maintenance and technical management plan dealing with matters prescribed by regulation and submit the plan to the ***Commission*** for approval;
- (b) annually review, and if necessary update, the plan to ensure its efficient operation, and submit the updated plan to the ***Commission*** for approval;
- (c) comply with the plan prepared in accordance with paragraph (a) and as updated from time to time in accordance with paragraph (b);
- (d) not amend the plan without the approval of the ***Commission***; and
- (e) undertake annual audits of its compliance with its obligations under the plan and report the results to the ***Technical Regulator***, in a manner approved by the ***Technical Regulator***.

8. PLANNING COUNCIL AND SYSTEM CONTROLLER

8.1 The ***Licensee*** must, following a request from the ***Planning Council***, provide to the ***Planning Council*** such documents and information as the ***Planning Council*** may reasonably require for the performance of its functions under the ***Act***.

8.2 The **Licensee** must comply with any directions given to it by the **System Controller**.

9. NATIONAL ELECTRICITY MARKET

9.1 The **Licensee** must hold and comply with the conditions of any registration required under the **National Electricity Code** granted by **NEMMCO** (or the person responsible for the granting of such registrations under the **National Electricity Law** or the **National Electricity Code**) at all times that such registration is required for the operations authorised by this licence.

10. INFORMATION TO THE COMMISSION

10.1 The **Licensee** must, from time to time, provide to the **Commission**, in a manner and form determined by the **Commission**:

- (a) details of the **Licensee's** financial, technical and other capacity to continue the operations authorised by this licence; and
- (b) such other information as the **Commission** may require from time to time.

10.2 The **Licensee** must notify the **Commission** of any changes to its **officers**, and (if applicable) major shareholders, within 30 days of that change.

11. OPERATIONAL AND COMPLIANCE AUDITS

11.1 The **Licensee** must undertake periodic audits of the operations authorised by this licence and of its compliance with its obligations under this licence and any applicable **industry codes** in accordance with the requirements of Energy Industry Guideline No. 4 issued by the **Commission**.

11.2 The **Licensee** must also conduct any further audits at a frequency and in manner approved by the **Commission**.

11.3 The results of audits conducted under this clause must be reported to the **Commission** in a manner approved by the **Commission**.

11.4 The **Commission** may require the licensee to use an independent expert approved by the **Commission** to conduct audits under this clause.

12. CONFIDENTIALITY

The **Licensee** must, unless otherwise required by law, this licence, an **industry code**, or the **National Electricity Code**, comply with any **rules** made by the **Commission** from time to time relating to the use of information acquired by the **Licensee** in the course of operating the business authorised by this licence.

13. COMMUNITY SERVICE

- 13.1 The **Licensee** must comply with the requirements of any scheme approved and funded by the **Minister** for the provision by the State of customer concessions or the performance of community service obligations by the **electricity entities**.

14. COMPATIBILITY

- 14.1 The **Licensee** must not do anything to its electricity generating plant affecting the compatibility of its electricity generating plant with any **distribution network** or **transmission network** so as to prejudice public safety or the security of the power system of which the electricity generating plant forms a part.

15. INSURANCE

- 15.1 The **Licensee** must undertake and maintain during the term of this licence insurance against liability for causing bush fires.
- 15.2 The **Licensee** must annually provide to the **Commission** a certificate of the insurer or the insurance broker by whom the insurance was arranged (in a form acceptable to the **Commission**) to the effect that such insurance is adequate and appropriate, given the nature of the **Licensee's** activities conducted under this licence and the risks associated with those activities.

16. COMPLIANCE WITH LAWS

- 16.1 The **Licensee** must comply with all applicable laws including, but not limited to, any technical or safety requirements or standards contained in regulations made under the **Act**.

17. VARIATION

- 17.1 This licence may only be varied in accordance with section 27 of the **Act**.

18. TRANSFER

- 18.1 This licence may only be transferred in accordance with section 28 of the **Act**.

This licence was issued by the **Commission** on 3 June 2005.

THE COMMON SEAL OF)
THE ESSENTIAL SERVICES)
COMMISSION OF SOUTH)
AUSTRALIA was hereunto affixed)
by authority of the Chairperson)
and in the presence of:)

.....

Witness: Eric Lauro

Date:

SCHEDULE: DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In this licence:

“Act” means the *Electricity Act 1996* (SA);

“business day” means a day on which banks are open for general banking business in Adelaide, excluding a Saturday or Sunday;

“Commission” means the Essential Services Commission established under the *ESC Act*;

“distribution licence” means a licence to operate a **distribution network** granted under Part 3 of the *Act*;

“distribution network” has the meaning given to that term under the *Act*;

“Electricity Distribution Code” means the **industry code** of that name made by the *Commission* under section 28 of the *ESC Act* which regulates connections to a **distribution network** and the supply of electricity by distributors;

“electricity entity” means a person who has been granted a licence under Part 3 of the *Act* to carry on operations in the electricity supply industry;

“Electricity Metering Code” means the **industry code** of that name made by the *Commission* under section 28 of the *ESC Act* which regulates the installation, maintenance and testing of meters;

“Electricity Transmission Code” means the **industry code** of that name made by the *Commission* under section 28 of the *ESC Act*;

“ESC Act” means the *Essential Services Commission Act 2002* (SA);

“generator” means a holder of a licence to generate electricity granted under Part 3 of the *Act*;

“industry code” means any code made by the *Commission* under section 28 of the *ESC Act* from time to time;

“Licensee” means Pacific Hydro Clements Gap Pty Ltd (ACN 109 911 097);

“Minister” means the person who is responsible for the administration of the *Act*;

“National Electricity Code” means the Code, as defined in the *National Electricity Law*;

“National Electricity Law” means the *National Electricity Law* referred to in the *National Electricity (South Australia) Act 1996* (SA);

“NEMMCO” means the Pacific Hydro Clements Gap Pty Ltd (ACN 109 911 097) National Electricity Market Management Company Limited (ACN 072 010 327);

“Planning Council” means the Electricity Supply Industry Planning Council established under Part 2 of the **Act**;

“rule” means any rule issued by the **Commission** under section 28 of the **ESC Act**;

“System Controller” means the person licensed under Part 3 of the **Act** to exercise system control over a power system;

“Technical Regulator” means the person holding the office of Technical Regulator under Part 2 of the **Act**;

“transmission licence” means a licence to operate a **transmission network** granted under Part 3 of the **Act**; and

“transmission network” has the meaning given to that term under the **Act**.

2. INTERPRETATION

In this licence, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this licence;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to any statute, regulation, proclamation, order in council, ordinance or by-law includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- (f) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- (g) an event which is required under this licence to occur on or by a stipulated day which is not a **business day** may occur on or by the next **business day**.

ANNEXURE

1. **Clements Gap wind farm**
- Maximum installed capacity 57.8MW