



ESSENTIAL SERVICES COMMISSION

OSBORNE POWER STATION ELECTRICITY GENERATION LICENCE

VARIATION OF EXEMPTION ISSUED 26 JUNE 2001

SECTION 80 OF THE ELECTRICITY ACT 1996 (SA)

1 RECITAL:

- 1.1 On 8 September 2000, the **Commission** agreed to the transfer of the generation licence for the Osborne Power Station to Flinders Osborne Trading Pty Limited (ACN 094 183 749) and NRG Flinders Operating Services Pty Limited (ACN 094 130 837) to be held as a Joint Licence under section 17A of the Act. That Joint Licence authorised the Licensees to generate electricity at Osborne Power Station.
- 1.2 A **Power Purchase Agreement** was then (and continues to be) in place in respect of the generation of electricity at, and the purchase of electricity generated by, the Osborne Power Station.
- 1.3 The **Commission** considered it appropriate that the duties and obligations imposed by the Joint Licence should take into account as far as possible the assignment of interests by the **Power Purchase Agreement** and agreed to vary the Joint Licence accordingly.
- 1.4 Therefore, pursuant to sub-section 80.(1) of the Act, the **Commission** granted an exemption in favour of Flinders Osborne Trading Pty Limited (ACN 094 183 749) and NRG Flinders Operating Services Pty Limited (ACN 094 130 837) from certain obligations imposed by the provisions of the **Act** (as described in the table set out in the exemption dated 26 June 2001) in respect of the operations authorised by the Joint Licence. The Minister for Energy approved the granting of that exemption.
- 1.5 On 24 June 2009, the **Commission** agreed to the transfer of the generation licence for the Osborne Power Station from Flinders Osborne Trading Pty Limited (ACN 094 183 749) and Flinders Operating Services Pty Limited (ACN 094 130 837) to Origin Energy Electricity Ltd (ACN 071 052 287) ("the **licensee**").
- 1.6 In order to ensure the continued operations of the Osborne Power Station on the same terms and conditions as previously applied, the **Commission** has determined that it is necessary to amend the terms of the exemption issued on 26 June 2001.

1.7 Therefore, pursuant to section 80(3) of the Electricity Act 1996, the **Commission** amends the exemption issued on 26 June 2001 such that it continues operation in the following form.

2 EXEMPTION:

2.1 The **Commission** hereby grants in favour of the **Licensee** an Exemption from the obligations imposed by the provisions of the **Act** described in the table below in respect of the operations undertaken by the **Licensee** in respect of the Osborne Power Station under the authority of its generation licence.

Table 1: Exempted Obligations

Section	Description
21. (1)(b)	Compliance with specified technical or safety requirements or standards
21. (1)(h)	Compliance with requirements of community service obligations
22. (1)(b)	Compatibility of Osborne Power Station with any transmission or distribution network.
22. (1)(c)	Safety and Technical Management Plan
22. (1)(e)	Provide access to Osborne Power Station to transmission and distribution entities, and related dispute resolution requirements
22. (1)(f)	Bushfire insurance

3 TERM:

3.1 This Exemption continues until:

3.1.1 the generation licence is surrendered by the **Licensee** under section 29 of the Act;
or

3.1.2 the generation licence is cancelled by the **Commission** under section 37 of the Act;
or

3.1.3 the **Licensee** ceases to be bound by the **Power Purchase Agreement**.

4 CONDITIONS IMPOSED PURSUANT TO SECTION 80(1):

4.1 The **Licensee** is required to inform the **Commission** as soon as possible of any intention to terminate, or of any cessation of operation of, the **Power Purchase Agreement**, or of any intention to novate, assign, or amend any of the **interests** under the **Power Purchase Agreement**, such as might impact on the form of the generation licence or of this Exemption.

5 DEFINITIONS:

"**the Act**" means the *Electricity Act 1996 (SA)*;

"**Commission**" means the body corporate established by section 4 of the *Essential Services Commission Act 2002 (SA)*;

"**interests**" includes, as appropriate: rights, interests, powers and privileges; and duties, obligations and liabilities;

"**the Licensee**" means Origin Energy Electricity Ltd (ACN 071 052 287);

"**Power Purchase Agreement**" means the Power Purchase Agreement entered into between ETSA Corporation and Osborne Cogeneration Pty Limited dated 4 June 1996 (as amended or otherwise affected by subsequent agreement from time to time).

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




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Witness

24/06/2009
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Date