ELECTRICITY GENERATION LICENCE

South Australian Water Corporation (ABN 69 336 525 019)

Issued by the Essential Services Commission of South Australia on 4 November 2013
The Essential Services Commission of South Australia is the independent economic regulator of the electricity, gas, ports, rail and water industries in South Australia. The Commission’s primary objective is the protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services. For more information, please visit [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au).
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 using the electricity generating plant as specified in Annexure 1.

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 interconnecting assets of the licensee’s electricity generating plant referred to in clause 4 shall be resolved in accordance with any applicable 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 Rules.

6 COMPLIANCE WITH 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 clause 7.1(a) and as updated from time to time in accordance with clause 7.1(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 NATIONAL ELECTRICITY MARKET

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

9 SYSTEM CONTROLLER AND AEMO

9.1 The licensee must, following a request from the AEMO, provide to the AEMO such documents and information as the AEMO may reasonably require for the performance of its functions under the Act.

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

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
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 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.

11.5 The Commission may require the costs of using an independent expert approved by the Commission to conduct audits under this clause to be met by the Licensee.

12 CONFIDENTIALITY

12.1 The licensee must, unless otherwise required by law, this licence, an industry code, or the National Electricity Rules, 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 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 4 November 2013.

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

Date

04/11/2013
SCHEDULE 1 – DEFINITIONS

In this licence:

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

*AEMO* means the Australian Energy Market Operator Limited (ABN 94 072 010 327);

*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 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 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 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 South Australian Water Corporation (ABN 69 336 525 019);

*National Electricity Rules* has the meaning given to that term in the *National Electricity Law*;

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

*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.
SCHEDULE 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 a person includes that person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;

(f) 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;

(g) 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;

(h) 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.
SCHEDULE 3 – LICENCED OPERATIONS

1. Mini-hydro generator located at Seacliff, South Australia with a name plate capacity of 1.35MW.