



Electricity Supply Industry Act 1995

Statement of Reasons

Generation Licence Application

Blowing in the Wind Pty Ltd

ACN 125 204 757

4 July 2007

BACKGROUND

Pursuant to the *Electricity Supply Industry Act 1995* (ESI Act), the Regulator is responsible for administering the licensing system for electricity entities. The Regulator has the authority to consider and determine licence applications, and can refuse or issue licences for the generation, transmission, distribution and retailing of electricity.

In June 2007, the Regulator received an application from Blowing in the Wind Pty Ltd (BIW) for an electricity generation licence. BIW sought a licence to operate a wind turbine owned by it with a capacity of 225 kW.

REGULATOR'S ASSESSMENT

The Regulator undertook a 'due diligence' assessment of the licence application from BIW, having regard to its compliance with statutory licence application requirements.

The relevant provisions of the ESI Act provide that the Regulator may only issue a generation licence if satisfied that:

1. the applicant is a suitable person to hold such a licence (section 19(2)(a)); and
2. the generating plant will generate electricity of the appropriate quality for the relevant transmission or distribution network (section 19(2)(c)).

1. SUITABLE PERSON

The ESI Act outlines the matters that the Regulator may consider in deciding whether an applicant is a suitable person to hold a licence. These include:

(a) Standard of honesty and integrity of applicant

BIW states that there are no legal claims likely to be commenced against the company or its directors.

(b) Financial, technical and human resources available to the applicant

BIW confirms that it has sufficient financial resources available to it to conduct the generation activities authorised by the licence.

BIW indicates that it has available to it the resources of Shane Hill Electrical Pty Ltd and its contractors.

The information provided by BIW in support of its licence application satisfies the Regulator as to these matters and therefore that BIW is a suitable person to hold a generation licence.

2. GENERATING PLANT

The Regulator is of the view that the risks associated with generating electricity of the appropriate quality (being the impact on the quality of supply to local customers, network integrity and system security) are appropriately managed by BIW entering into a connection agreement with the relevant Network Service Provider, Aurora Energy Pty Ltd, and BIW being obliged to comply with the *Tasmanian Electricity Code* and the *National Electricity Rules* where applicable.

The Regulator is therefore satisfied that the generating plant will generate electricity of the appropriate quality for Aurora Energy's distribution network.

REGULATOR'S DECISION

The Regulator is satisfied that the issue of a licence to BIW is consistent with the objectives of the ESI Act and the objectives of the Regulator in exercising his powers and functions under the ESI Act.

The decision of the Regulator was to issue an electricity generation licence to BIW.

The Regulator issued the licence accepting that technical and other information supplied by BIW in support of its application for a licence is true and correct, BIW having made full and diligent inquiry in that regard. The Regulator has relied in good faith on the representations made by BIW in support of its application.

A generation licence was issued to BIW (ACN 125 204 757) on 4 July 2007 for a period of ten years.

A copy of the licence is available on the Regulator's website at www.energyregulator.tas.gov.au.

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Andrew John Reeves

REGULATOR

4 July 2007