



*Electricity Supply Industry Act 1995*

## **Statement of Reasons**

**Generation Licence Application**

**Musselroe Wind Farm Pty Ltd**

ACN 113 161 247

**2 August 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.

On 29 June 2007, the Regulator received an application from Musselroe Wind Farm Pty Ltd (Musselroe) for an electricity generation licence. Musselroe sought a licence to operate a number of wind turbines at the proposed Musselroe Wind Farm on the Cape Portland Property in north-east Tasmania. Musselroe is a wholly owned subsidiary of Musselroe Holdings Pty Ltd, which in turn is a wholly owned subsidiary of Roaring 40s Renewable Energy Pty Ltd (Roaring 40s). Roaring 40's is a 50:50 joint venture between CLP Asia Renewable Projects Limited (CLP) and Hydro Tasmania. The Roaring 40s Group of Companies includes Woolnorth Bluff Point Wind Farm Pty Ltd and Woolnorth Studland Bay Wind Farm Pty Ltd.

## CONSULTATION

The Regulator conducted public consultation in respect of the licence application by way of notice in the *Mercury*, *Advocate* and *Examiner* newspapers and on the Regulator's website at [www.energyregulator.tas.gov.au](http://www.energyregulator.tas.gov.au).

Consultation commenced 7 July 2007 and concluded 27 July 2007. No submissions were received.

## REGULATOR'S ASSESSMENT

The Regulator undertook a 'due diligence' assessment of the licence application from Musselroe, 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

Musselroe states that it is not involved in any legal proceedings, civil or criminal, commenced or likely to be commenced relating to its business activities, directors, shareholders or officers.

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

Musselroe states that it will be supported by the financial, technical and human resources of its ultimate holding company, Roaring 40s, which has extensive experience and expertise in all aspects of wind farm development and operation.

Musselroe states that Roaring 40s internal capabilities are supplemented under a Consulting Service Agreement with Hydro Tasmania Consulting and via staff secondments from CLP, and by specialist third party suppliers where necessary.

Musselroe states that it expected that the supplier of the wind turbines will be appointed to operate and maintain the turbines.

The information provided by Musselroe in support of its licence application satisfies the Regulator as to these matters and therefore that Musselroe 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 Musselroe entering into a connection agreement with the relevant Network Service Provider, Transend Networks Pty Ltd, and Musselroe being obliged to comply with the *Tasmanian Electricity Code* and the *National Electricity Rules*.

The Regulator is therefore satisfied that the generating plant will generate electricity of the appropriate quality for Transend Network’s transmission network.

**REGULATOR’S DECISION**

The Regulator is satisfied that the issue of a licence to Musselroe 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.

In exercise of the power conferred by section 19(1) of the ESI Act, the Regulator determined to issue a generation licence to Musselroe. The licence issued 2 August 2007 for a period of ten years.

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

A copy of the licence is available on the Regulator’s website at [www.energyregulator.tas.gov.au](http://www.energyregulator.tas.gov.au).

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Andrew John Reeves

**REGULATOR**

2 August 2007