



*Electricity Supply Industry Act 1995*

## **Statement of Reasons**

**Generation Licence Application**

**Woolnorth Studland Bay Wind Farm Pty Ltd**

**ACN 111 996 377**

**13 January 2006**

## BACKGROUND

Pursuant to the *Electricity Supply Industry Act 1995* (the 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 9 August 2005, the Regulator received an application for an electricity generation licence from Woolnorth Studland Bay Wind Farm Pty Ltd (Studland Bay) to operate a proposed wind-powered electricity generation facility at Studland Bay, in north-west Tasmania.

Studland Bay is a wholly owned subsidiary of Woolnorth Studland Bay Investment Holdings Pty Ltd, which is a wholly owned subsidiary of Roaring 40's Renewable Energy Pty Ltd (Roaring 40's). Roaring 40's is jointly owned by Hydro Tasmania and CLP Power Asia. CLP Power Asia is a wholly owned subsidiary of CLP Holdings Limited.

The Studland Bay Wind Farm development forms part of the existing Woolnorth Bluff Point Wind Farm site and is located approximately 7 km south of that site. The Studland Bay Wind Farm development will consist of twenty-five 3 MW wind turbine generators, with a maximum generating capacity of 75 MW.

## CONSULTATION

The Regulator invited public comment in respect of the 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 27 August 2005 and concluded 16 September 2005. No submissions were received.

## REGULATOR'S DECISION

The decision of the Regulator is to issue a generation licence to Studland Bay.

A generation licence was issued to Woolnorth Studland Bay Wind Farm Pty Ltd (ACN 111 996 337) on 13 January 2006.

A copy of the licence has been placed in the Public Register and is available on the Regulator's website at [www.energyregulator.tas.gov.au](http://www.energyregulator.tas.gov.au).

## REASONS FOR DECISION

### Statutory obligations

The relevant provisions of the *Electricity Supply Industry Act 1995* (the Act) provide that the Regulator may only issue a licence to an applicant if satisfied that:

1. the applicant is a suitable person to hold the licence. In deciding this the Regulator may consider:
  - the applicant's previous commercial and other dealings and the standard of honesty and integrity shown in those dealings;
  - the financial, technical and human resources available to the applicant; and
  - the officers and, if applicable, major shareholders of the applicant and their previous commercial and other dealings and the standard of honesty and integrity shown in those dealings (including breaches of statutory and other legal obligations); and
2. the generating plant (or proposed generating plant) will generate electricity of the appropriate quality for the relevant transmission or distribution network.

In exercising powers under the Act, the Regulator's objectives are to:

- promote efficiency and competition in the electricity supply industry;
- establish and maintain a safe and efficient system of electricity generation, transmission, distribution and supply;
- establish and enforce proper standards of safety, security, reliability and quality in the electricity supply industry; and
- protect the interests of consumers of electricity.

### The Regulator's assessment

The Regulator undertook a 'due diligence' assessment of the application from Studland Bay, having regard to its compliance with statutory licence application requirements and the *Information for Licence Applicants: Electricity Industry Guideline No.1 (Version 4)*. The Regulator sought additional information from Studland Bay to clarify the licence application and this was also considered in the Regulator's assessment of the application.

Studland Bay made representations in support of its application for a licence and the Regulator has, in good faith, relied upon these representations in the issue of the licence. Such representations include:

- Studland Bay will contract with AREVA/Hazell partnership for the design and construction of Studland Bay Wind Farm.
- Studland Bay is supported by the technical and human resources of Roaring 40's, Hydro Tasmania and CLP Power Asia.

- Studland Bay is supported by the technical resources of Transend Networks Pty Ltd (Transend Networks) and will enter into a connection agreement with Transend Networks.
- Studland Bay is supported by the technical resources of Vestas Australian Wind Technology Pty Ltd and will enter into an operations and maintenance contract with that company.
- Studland Bay is supported by the financial resources of Roaring 40's.
- If Studland Bay requires the services of staff of Roaring 40's, Hydro Tasmania and/or CLP Power Asia, such services will be provided pursuant to formal contractual arrangements.

The Regulator issues the licence accepting that technical and other information supplied by Studland Bay in support of its application for a licence is true and correct, Studland Bay having made full and diligent inquiry in that regard.

The Regulator is satisfied as to the technical, human and financial resources available to Studland Bay. Studland Bay has no record of previous commercial or other dealings.

The Regulator determined that Studland Bay is suitable to hold an electricity generation licence.

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:

- Studland Bay entering into a connection agreement with the relevant Network Service Provider, Transend Networks; and
- Studland Bay being obliged to comply with the *Tasmanian Electricity Code* and *National Electricity Rules*.

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

The Regulator determined that the issue of a licence to Studland Bay is consistent with the objectives of the Act and the objectives of the Regulator in exercising his powers and functions under the Act.

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Andrew John Reeves

**REGULATOR**

13 January 2006