

*Electricity Supply Act 1995*



## **Statement of Reasons**

### **Generation Licence Application**

#### **Granville Harbour Operations Pty Ltd**

ACN 622 490 742

**26 August 2019**

## **BACKGROUND**

Pursuant to the *Electricity Supply Industry Act 1995* (ESI Act), the Tasmanian Economic Regulator (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 26 July 2019, the Regulator received an application from Granville Harbour Operations Pty Ltd (GHO) for an electricity generation licence. GHO sought a licence to operate a number of wind turbines at Granville Harbour, on Tasmania's west coast.

## **REGULATOR'S ASSESSMENT**

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

GHO states that it has not been involved in any legal proceedings, and it is not likely any legal proceedings will commence.

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

The Applicant has provided evidence to the Regulator that it has the funding required to complete the project.

The application indicates GHO has no direct employees, with the operations overseen by a Board of Directors who have experience and expertise in the policy, legal, asset management, and finance aspects of the energy and renewables sector. Palisade Integrated Management Services (PIMS) is providing infrastructure management services to GHO. PIMS also manages other Australian wind and solar farms, and gas and diesel infrastructure. In addition, GHO has arrangements in place with a number of specialist service providers to provide financial, logistical, asset management, operational and maintenance expertise in relation to the Granville Harbour Wind Farm project.

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

## 2. GENERATING PLANT

GHO has entered into a Generator Connection Agreement with the relevant Network Service Provider, TasNetworks Pty Ltd (TasNetworks). The electricity generation licence also obliges GHO 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 TasNetwork's transmission network.

## **REGULATOR'S DECISION**

The Regulator is satisfied that the issue of a licence to GHO 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 GHO. The licence is effective from 1 October 2019 for a period of 10 years.

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

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

A handwritten signature in black ink, appearing to read 'Ray Chan', is written over a horizontal dotted line. The signature is fluid and cursive.

Raymond Chan

**DELEGATE OF THE REGULATOR**

26 August 2019