



**ELECTRICITY SUPPLY INDUSTRY
GENERATION LICENCE**

issued to

ENERGY EQUIPMENT PTY. LIMITED
ACN 003 569 211

Tasmanian Electricity Generation Licence

1 Definitions and Interpretation

- 1.1 In this licence, words and phrases appearing in italics have the meaning ascribed to them in Part 1 of Schedule 1.
- 1.2 This licence must be interpreted in accordance with the rules set out in Part 2 of Schedule 1.
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2 Grant of Licence

The *Regulator*, in exercise of the powers conferred by section 19 of the *Act*, authorises the *Licensee* to undertake *generation* of electricity at the *generating plant*, subject to the conditions of this licence.

3 Compliance with Laws and Other Requirements

- 3.1 The *Licensee* must comply with the *Act*, the *Regulations* and the *Code*.
- 3.2 For the avoidance of doubt, the *statutory licence conditions* are deemed to form part of this licence and the *Licensee* must comply with the *statutory licence conditions*.
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4 Other Licence Conditions

- 4.1 This licence is subject to the conditions set out in Schedule 2 and the *Licensee* must comply with the conditions set out in Schedule 2.
- 4.2 This licence is also subject to the following conditions:
- (a) The *generating plant* shall conform with the description provided in Schedule 3.
 - (b) Schedule 3 shall be confirmed by the *Licensee* as an appropriate description of the *generating plant* prior to the commencement of the *generating plant's* operations.
- 4.3 The *Licensee* must comply with the conditions contained in paragraphs (a) and (b) of clause 4.2.
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5 Term of Licence

Subject to this licence and the *Act*, this licence takes effect on and from 24 April 2001 and expires on 30 June 2003.

Schedule 1 - Definitions and Interpretation

1 Definitions

In this licence:

(a) words which are defined in the *Act* have the same meaning where used in this licence; and

(b) the following words or phrases have the following meanings:

“*Act*” means the *Electricity Supply Industry Act 1995* (Tas);

“*Aurora Energy*” means Aurora Energy Pty Ltd ACN 082 464 622;

“*business day*” means a day on which banks are open for general banking business in Hobart, excluding a Saturday or Sunday;

“*Code*” means the Tasmanian Electricity Code issued in accordance with section 49A of the *Act*;

“*communication*” means a written notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to or in connection with this licence;

“*compliance plan*” means a written plan developed by the *Licensee* outlining the procedures, practices and strategies for managing and auditing the *Licensee’s* compliance with the *Act*, the *Regulations*, the *Code* and this licence which must include (amongst other things) details of standards, indicators and targets for measuring the *Licensee’s* compliance performance and which must be in accordance with the Australian Standard 3806 Compliance Program;

“*connection agreement*” has the same meaning as in the *Code*;

“*generating plant*” means the proposed generating plant to be located at Gate 10 Bridport Highway, Bell Bay in Tasmania and operated by the *Licensee* consistent with the description contained in Schedule 3;

“*guidelines*” means a written statement of regulatory intent or policy issued by the *Regulator* for the information and guidance of electricity supply industry participants;

“*Licensee*” means Energy Equipment Pty. Limited ACN 003 569 211;

“*Network Service Provider*” has the same meaning as in the *Code*;

“*Regulations*” means any regulations made pursuant to the *Act*;

“*reporter*” means an appropriately qualified person engaged by the *Licensee* with the approval of the *Regulator* to report to the *Regulator* on compliance with and adequacy of the *compliance plan* in accordance with terms of reference approved by the *Regulator*;

“*standards and procedures*” means performance standards or codes of conduct which are issued by the *Licensee* under clause 4.1 of Schedule 2 or by the *Regulator* under clause 4.3 of Schedule 2;

“*statutory licence conditions*” means the licence conditions referred to in the *Act* and applicable to this licence;

“*writing*” includes any mode of representing or reproducing words, figures, drawings and symbols in a visible form.

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 condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- (f) a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- (g) 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;
- (h) 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;
- (i) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (j) when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;
- (k) a period of time:
 - (1) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
 - (2) which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- (l) 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 2 - Other Licence Conditions

1 Provision of Information

- 1.1 The *Licensee* must provide to the *Regulator*, in the manner and form decided by the *Regulator*, such information as the *Regulator* may from time to time require and which is, in the opinion of the *Regulator*, relevant to the *Regulator's* functions under the *Act*.
- 1.2 If the *Licensee* becomes aware of any breach of the *Act*, the *Regulations*, the *Code* or this licence by the *Licensee*, the *Licensee* must notify the *Regulator* as soon as practicable of the breach and provide such information as the *Regulator* requires in relation to the breach.

2 Prudential Reporting

- 2.1 The *Licensee* must report the occurrence of any of the following circumstances to the *Regulator* as soon as possible:
 - (a) the *Licensee* is put under external administration as defined in the Corporations Law; or
 - (b) the *Licensee* experiences a significant change in its circumstances which may affect the *Licensee's* ability to meet its obligations under the *Act*, the *Regulations*, the *Code* or this licence.
- 2.2 Once the *generating plant* has commenced operations, the *Licensee* must submit to the *Regulator* not later than 30 October of each year audited financial statements relating to the *Licensee's* operations in the electricity supply industry in Tasmania.

3 Compliance Plan and Reports

- 3.1 The *Licensee* must develop and submit to the *Regulator* a *compliance plan* initially on or before a date nominated by the *Regulator* and on such subsequent dates as notified by the *Regulator*.
- 3.2 The *compliance plan* is to be made in accordance with and take account of any *guidelines*.
- 3.3 The *Licensee* must undertake community consultation on aspects of the *compliance plan* which may affect the public.
- 3.4 The *Licensee* must consider any comments made by the *Regulator* on the *compliance plan* and, if required by the *Regulator*, amend provisions of the *compliance plan* related to reporting to the *Regulator* including processes for capturing and analysing data that is to be reported.
- 3.5 After the *generating plant* commences operations, the *Licensee* must provide a report to the *Regulator* which includes:

- (a) details of the *Licensee's* actual performance against the standards, indicators and targets included in the *compliance plan*;
- (b) if the *Licensee's* actual performance is below the targets included in the *compliance plan*, the reasons for the failure to meet the targets and strategies for achieving the targets in the future;
- (c) projections of the *Licensee's* future performance against the standards, indicators and targets included in the *compliance plan*;
- (d) a description of the strategies adopted or to be adopted by the *Licensee* to achieve or exceed the performance targets included in the *compliance plan*; and
- (e) details of the *Licensee's* adherence to such applicable standards as may be specified by the Regulator from time to time.

The report is to be provided to the *Regulator* annually by no later than a date to be advised by the *Regulator* or at such other times as may be advised by the Regulator.

- 3.6 For the avoidance of doubt, the requirement under clause 3.5 of this Schedule 2 to prepare a report containing the information listed in paragraphs (a) to (e) of that clause does not limit the *Regulator's* powers under clause 1.1 of this Schedule 2, the *Act* or the *Regulations* to require the *Licensee* to produce information.
- 3.7 Reports prepared in accordance with clause 3.5 of this Schedule 2 are to be submitted to the *Regulator*, accompanied by a report prepared by a *reporter*.

4 Standards and Procedures

- 4.1 At the written request of the *Regulator*, the *Licensee* must participate to the extent specified by the *Regulator* in the development, issue and review of any *standards and procedures* specified by the *Regulator* which are, in the opinion of the *Regulator*, relevant to the *Regulator's* functions under the *Act*.
- 4.2 The *Licensee* must in accordance with directions of the *Regulator*, report to the *Regulator* on its performance against applicable *standards and procedures*.
- 4.3 If the *Regulator* considers that the *Licensee* has failed to comply with clause 4.1 of this Schedule 2, the *Regulator* may issue *standards and procedures* applicable to the *Licensee* and with which the *Licensee* must comply.

5 Management and Operating Contracts

- 5.1 The *Licensee* must advise the *Regulator* of the entering into by the *Licensee* of any contract for the management or operation of the *Licensee's generating plant* by a third party.
- 5.2 The *Licensee* must submit to the *Regulator* details of the qualifications and experience of a third party referred to in clause 5.1 and the third party's contact details and identity not less than 14 days prior to the commencement of the contract.

6 Capacity of Licensee's Generating Plant

- 6.1 This Licence is granted on the condition that the *Licensee's generating plant* will have the capacity to contribute approximately 18 MWe to the Tasmanian power system, or such other capacity notified to the *System Controller*, the *Network Service Provider* with whom the *Licensee* has a *connection agreement* and the *Regulator*.
- 6.2 The *Licensee* must provide the notification referred to in clause 6.1 no later than 60 days prior to a change to the *generating plant's* capacity to contribute to the Tasmanian power system being implemented.

Schedule 3 - Description of the Generating Plant

Plant capacity: 20 MWe

Amount of electricity to be exported: 18 MWe

Rating of Alternator: 11.3 kVA

Connection: to an Aurora Energy substation