



ELECTRICITY SUPPLY INDUSTRY ACT 1995

ELECTRICITY SUPPLY INDUSTRY

Bass Strait Islands

GENERATION LICENCE

issued to

HYDRO-ELECTRIC CORPORATION

(ARBN 072 377 158)

Date of Issue

28 August 2013

Bass Strait Islands Electricity Generation Licence

1 Grant of Licence

The **Regulator**, in exercise of the powers conferred by section 19A(2) of the **Act**, authorises the **Licensee** to undertake the **generation** of electricity at the **generating plant** in the **Bass Strait Islands**.

2 Definitions and Interpretation

- 2.1 In this licence, words and phrases appearing italicised in bold type:
- 2.1.1 which are defined in the **Act**, have the same meaning when used in this licence; and
 - 2.1.2 which are not defined in the **Act**, have the meaning ascribed to them in Part 1 of Schedule 1.
- 2.2 This licence must be interpreted in accordance with Part 2 of Schedule 1.
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3 Compliance with Laws and Other Requirements

- 3.1 The **Licensee** must comply with the **Act**, the **Code** and **guidelines**.
- 3.2 For the avoidance of doubt, in respect of the authorisations given herein, the **Licensee** is exempt from the provisions of the **National Electricity Rules** and the **National Electricity Law** unless specifically provided herein.
- 3.3 The **Licensee** must use best endeavours to ensure that each contractor engaged by it complies with the terms and conditions of this licence, to the extent that such terms and conditions are relevant to that contractor.

4 Term of Licence

This licence takes effect on and from **28 August 2013** until it is revoked by the **Regulator** in accordance with section 19A(5) of the **Act**.

5 Payment of Fees and Charges

The **Licensee** must pay to the **Regulator** fees and charges in accordance with clause 2.4.2 of the **Code**.

6 Communications

- 6.1 A **communication** must be in **writing**.
- 6.2 A **communication** is to be regarded as having been given by the sender and received by the addressee:
- 6.2.1 when delivered in person to the addressee;
 - 6.2.2 where sent by post, on the 4th **business day** after the date of posting, if the **communication** is posted within Australia;
 - 6.2.3 where sent by post, on the 7th **business day** after the date of posting, if the **communication** is posted outside Australia; or
 - 6.2.4 when, according to the sender's transmission report, received by facsimile transmission by the addressee.

7 Provision of Information

- 7.1 The **Licensee** must provide to the **Regulator**, in the manner and form advised 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** and the **Code**.
- 7.2 If the **Licensee** becomes aware of any material breach of, or non-compliance with, the **Act**, the **Code**, the **guidelines**, or this licence, the **Licensee** must notify the **Regulator** of the breach or non-compliance

as soon as practicable and provide such information as the **Regulator** requires in relation to the breach or non-compliance.

8 Advice to the Regulator

The **Licensee** must report to the **Regulator** as soon as possible the occurrence of any of the following circumstances:

- 8.1 the **Licensee** is put under external administration as defined in the *Corporations Act 2001* (Cwth); or
 - 8.2 if the **Licensee's** circumstances change such that the Licensee's ability to meet its obligations under the **Act**, the **Code**, the **guidelines** or this licence may be materially affected.
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9 Management Plans and Compliance Plan

- 9.1 The **Licensee** must develop and submit to the **Regulator**, in accordance with the **Code**, **management plans**.
 - 9.2 The **Licensee** must develop and submit to the **Regulator**, in accordance with the **Code**, a **compliance plan**.
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10 Emergency Management

- 10.1 The **Licensee** must develop and maintain an emergency management plan in accordance with any **guideline** issued by the **Jurisdictional System Security Co-ordinator**.
 - 10.2 Any such emergency management plan must be implemented by no later than the date specified by the **Jurisdictional System Security Co-ordinator**, or when no such date is specified, within a reasonable period of time.
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11 Management and Operating Contracts

- 11.1 The **Licensee** must advise the **Regulator** of the entering into, by the **Licensee**, of any contract under the terms of which another person

assumes, or will assume, operational responsibility for carrying out any substantive part of the operations authorised by this licence.

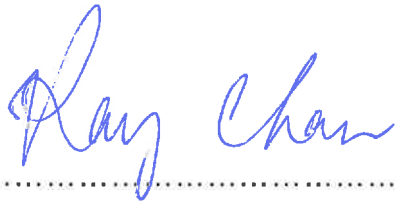
11.2 The **Licensee** must submit to the **Regulator** not less than 14 days prior to the commencement of any contract referred to in clause 11.1:

11.2.1 the identity and contact details of the other person;

11.2.2 details of the nature of the operations that the other person will assume responsibility for carrying out; and

11.2.3 details of the relevant qualifications and experience of the other person to undertake the specified operations.

Signed



Raymond Chan

DELEGATE OF THE REGULATOR

28 August 2013

Schedule 1 – Part 1

Definitions

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

“Bass Strait Islands” means Flinders Island and King Island;

“business day” means any day except a Saturday, Sunday, statutory holiday as defined in the *Statutory Holidays Act 2000* or public holiday;

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

“compliance plan” has the same meaning as in the **Code**;

“generating plant” means the generating plant located in the **Bass Strait Islands** and described in Schedule 3 as amended from time to time;

“guideline” means a written statement of regulatory intent or policy for the information and guidance of **licensees**, issued by the **Regulator**, or by any other relevant person determined and advised to **licensees** by the **Regulator**;

“Jurisdictional System Security Co-ordinator” has the same meaning as in the **National Electricity Law**;

“Licensee” means Hydro-Electric Corporation (ARBN 072 377 158);

“licensee” means the holder of a licence under the **Act**;

“management plan” has the same meaning as in the **Code** and for the purpose of this licence, the relevant schedule is Schedule 2 of this licence;

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

Schedule 1 - Part 2

Interpretation

In this licence, unless the context otherwise requires:

- 2.1 headings are for convenience only and do not affect the interpretation of this licence;
- 2.2 words importing the singular include the plural and vice versa;
- 2.3 words importing a gender include any gender;
- 2.4 an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- 2.5 a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- 2.6 a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- 2.7 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;
- 2.8 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;
- 2.9 a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;

- 2.10 when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence or in the **Act**, have a corresponding meaning;
- 2.11 a period of time:
- 2.11.1 which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
- 2.11.2 which commences on a given day or the day of an act or event is to be calculated inclusive of that day;
- 2.12 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**;
- 2.13 in the event of any inconsistency between the conditions of this licence and the **Act**, the **Act** will prevail to the extent of such inconsistency; and
- 2.14. in the event of any inconsistency between the conditions of this licence and the schedules, the conditions of this licence prevail to the extent of such inconsistency.

Schedule 2 – Management Plans

The aspects of the *Licensee's* operations that shall be the subject of *management plans* are:

1. emergency management as provided for in clause 10; and
2. asset management of the *Licensee's generating plant*, including reliability and performance of the *Licensee's generating plant*.

Schedule 3 - Description of Generating Plant

System Description

King Island

Generation on King Island is currently provided by one 1.2MW and three 1.6MW diesel generation sets located at the Power Station just outside of Curry.

Huxley Hill wind farm has three 250kW Nordex wind turbines and two 850kW Vestas wind turbines, giving a total capacity of 8.45MW.

King Island Generation Capacity

Number of Generators	Size	Total Generation Capacity
Diesel x 4	1 x 1.2MW 3 x 1.6MW	6.0MW
Wind x 5	3 x .250MW 2 x .850MW	2.45MW
Totals		8.45 MW

Flinders Island

Generation on Flinders Island is provided by a single power station located at Whitemark with four diesel generator sets. Total generation capacity on the island is 2.77MW.

Flinders Island Generation Capacity

Number of Generators	Size	Total Generation Capacity
Diesel x 4	1 x 1.2MW 1 x 0.55MW 1 x 0.3 MW 1 x 0.72MW	2.77MW
Totals		2.77MW

