

ELECTRICITY SUPPLY INDUSTRY ACT 1995

**ELECTRICITY SUPPLY INDUSTRY GENERATION
LICENCE**

issued to

**ROARING 40'S WIND PTY LTD
ACN 095 369 396**

on

31 May 2002

Amended:

1. 8 December 2003
2. 22 November 2004

Tasmanian Electricity Generation Licence

1 Definitions and Interpretation

- 1.1 In this licence, words and phrases appearing italicised in bold type:
- 1.1.1 which are defined in the *Electricity Supply Industry Act 1995*, have the same meaning when used in this licence; and
 - 1.1.2 which are not defined in the *Electricity Supply Industry Act 1995*, 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.

2 Grant of Licence

- 2.1 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.
- 2.2 The ***Licensee*** warrants that technical and other information supplied in support of its application for this licence, and otherwise as required by this licence, is true and correct to the best of the knowledge of the ***Licensee***, the ***Licensee*** having made full and diligent inquiry.

3 Licensee's Undertakings

- 3.1 In support of its application for this licence, the ***Licensee*** made the following representations and the ***Regulator*** accepts these as undertakings that ***Hydro Tasmania*** will fulfil its obligations as represented and that the ***Licensee*** will provide such documentation and supporting information as is required by this licence:
- 3.1.1 that the ***Licensee*** will be the beneficiary of a parent loan arrangement from ***Hydro Tasmania*** which will ensure that the

- Licensee** will have sufficient financial resources to meet its reasonably foreseeable expenses;
- 3.1.2 that technical expertise will be provided to the **Licensee** through an operations and maintenance contract with Vestas - Australian Wind Technology Pty Ltd (ACN 089 653 878);
- 3.1.3 that the **Licensee** will have a **connection agreement** with a **Network Service Provider** in accordance with the **Code**.
- 3.2 This licence is conditional upon the following matters:
- 3.2.1 That on or before 31 August 2002, the **Licensee** provides evidence, satisfactory to the **Regulator**, of the terms of the contract referred to in clause 3.1.2 above. Such evidence need not include disclosure of financial terms;
- 3.2.2 That the **Licensee**, within a reasonable time of connection, provide to the **Regulator** a copy of the **connection agreement** referred to in clause 3.1.3 above. The **connection agreement** as submitted need not include disclosure of financial or commercial terms.
- 3.3 In support of its application for amendment of this licence to include **Stage 2**, the **Licensee** made the following representations and the **Regulator** accepts these as undertakings that **Hydro Tasmania** will fulfil its obligations as represented and that the **Licensee** will provide such documentation and supporting information as is required by this licence:
- 3.3.1 that the **Licensee** will continue to be the beneficiary of the parent loan arrangement referred to in clause 3.1.1;
- 3.3.2 that technical expertise in relation to **Stage 2** will be provided to the **Licensee** through an operations and maintenance contract with Vestas - Australian Wind Technology Pty Ltd (ACN 089 653 878);
- 3.3.3 that, in respect of the combined outputs of **Stage 1** and **Stage 2**, the **Licensee** will have a **connection agreement** with a **Network Service Provider** in accordance with the **Code**.
- 3.4 This licence is conditional upon the following matters:

- 3.4.1 That on or before 31 January 2004, the **Licensee** provides evidence, satisfactory to the **Regulator**, of the terms of the contract referred to in clause 3.3.2 above. Such evidence need not include disclosure of financial or commercial terms;
- 3.4.2 That the **Licensee**, within a reasonable time of connection, provide to the **Regulator** a copy of the **connection agreement** referred to in clause 3.3.3 above. The **connection agreement** as submitted need not include disclosure of financial or commercial terms.

4 Compliance with Laws and Other Requirements

- 4.1 The **Licensee** must comply with the **Act**, the **regulations** and the **Code**.
- 4.2 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**.
- 4.3 The **Licensee** must 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.
- 4.4 The **Licensee** must develop and submit **management plans** as required under clause 3 of schedule 2.

5 Other Licence Conditions

- 5.1 This licence is also subject to the conditions set out in schedule 2.
- 5.2 This licence is subject to the condition that the **generating plant** conforms with the description provided in schedule 3.

6 Term of Licence

- 6.1 Subject to this licence and the **Act**, this licence takes effect on and from 27 May 2002 for a period of ten (10) years.

7 Renewal of Licence

- 7.1 This licence is renewable subject to the **Licensee** meeting the following conditions at the time of renewal:
- 7.1.1 the **Licensee** is not under external administration as defined in the *Corporations Act 2001* (Commonwealth);
 - 7.1.2 the **Licensee** has not surrendered the licence in accordance with the **Act**;
 - 7.1.3 the licence has not been cancelled by the **Regulator** in accordance with the **Act**; and
 - 7.1.4 the **Regulator** has not taken over the operations of the **Licensee** in accordance with the **Act**.
- 7.2 In considering any application for renewal, the **Regulator** will have regard to:
- 7.2.1 the **Licensee's** previous commercial and other dealings and the standard of honesty and integrity shown in those dealings; and
 - 7.2.2 the financial, technical and human resources available to the **Licensee**; and
 - 7.2.3 the officers and, if applicable, major shareholders of the **Licensee** 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
 - 7.2.4 other matters prescribed by regulation for the purposes of section 19(3) of the **Act**.

- 7.3 An application for renewal must be made in accordance with section 21 of the **Act**.

8 Amendment of Licence

- 8.1 The terms and conditions of this licence may only be amended in accordance with section 28 of the **Act**.

9 Transfer of Licence

- 9.1 This licence may only be transferred in accordance with section 29 of the **Act**.

10 Payment of Fees and Charges

- 10.1 The **Licensee** must pay to the **Regulator** an initial licence fee for the period from the date of issue of the licence to 30 June 2002.
- 10.2 The fee referred to in clause 10.1 is payable 14 days after the date of issue of the licence or by such other date as advised by the **Regulator**.
- 10.3 The **Licensee** must pay to the **Regulator** an annual licence fee determined by the **Regulator** and notified to the **Licensee** in **writing**.
- 10.4 The annual licence fee is payable in advance on 30 June in each year or as otherwise advised by the **Regulator**.

11 Communications

- 11.1 A **communication** must be in **writing**.
- 11.2 A **communication** is to be regarded as having been given by the sender and received by the addressee :
- 11.2.1 when delivered in person to the addressee;

- 11.2.2 where sent by post, on the 3rd **business day** after the date of posting, if the **communication** is posted within Australia;
- 11.2.3 where sent by post, on the 7th **business day** after the date of posting, if the **communication** is posted outside Australia;
- 11.2.4 when, according to the sender's transmission report, received by facsimile transmission by the addressee; or
- 11.2.5 where sent by electronic mail, when the **communication** is recorded as having been first received at the electronic mail destination.

12 Emergency Management¹

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

SIGNED by **Andrew John Reeves,**)
)
REGULATOR)
)
 on 31 May, 2002)

Signed A J Reeves

¹ Inserted 22 November 2004 (Notice of Amendment No. 2)

Schedule 1 - Definitions and Interpretation

1 Definitions²

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

“**AS 3806**” means *AS 3806 Compliance Programs* published by the Standards Association of Australia, as in force from time to time (including any code or standard having effect under that standard).

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

“**Code**” means the Tasmanian Electricity Code issued in accordance with section 49A of the **Act** and includes any provisions of the **National Electricity Code** applying in Tasmania from time to time;

“**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**” means a written plan developed by the **Licensee** outlining the procedures, practices and strategies for managing, auditing and reporting on 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 assessing the **Licensee’s** compliance performance and which must be in accordance with **AS 3806**;

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

“**generating plant**” means the generating plant located at Woolnorth in Tasmania and described in schedule 3 together with any facilities connecting the **generating plant** to the **Network Service Provider’s** network;

“**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**;

² Amended 22 November 2004 (Notice of Amendment No. 2)

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

“Hydro Tasmania” means the Hydro-Electric Corporation within the meaning of the *Hydro-Electric Corporation Act 1995*;

“Licensee” means Roaring 40’s Wind Pty Ltd (ACN 095 369 396);

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

“management plan” means any of the plans referred to in clause 3.1 of schedule 2;

“National Electricity Code” means the code of conduct, called the National Electricity Code, approved by the Ministers of each of the States of New South Wales, Victoria, Queensland and South Australia for the time being in accordance with section 6(1) of the National Electricity Law set out in the Schedule to the *National Electricity (South Australia) Act 1996* of South Australia;

“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 **management plans** in accordance with terms of reference approved by the **Regulator**;

“Stage 1” means stage 1 of **Woolnorth Wind Farm**, as described in Schedule 3;

“Stage 2” means stage 2 of **Woolnorth Wind Farm**, as described in Schedule 3;

“standards and procedures” means performance standards or codes of conduct issued by the **Regulator** under clause 4.2 of Schedule 2;

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

“Tasmanian network” has the same meaning as in the **Code**;

“Woolnorth Wind Farm” means the wind-powered electricity generating power facility located at Woolnorth in Tasmania and includes the **generating plant** described in schedule 3 and all ancillary machinery and equipment associated with it;

“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 functions of the **Regulator** under the **Act**.
- 1.2 If the **Licensee** becomes aware of any material breach, by the **Licensee**, of the **Act**, the **Regulations**, the **Code** or this licence, the **Licensee** must notify the **Regulator** of the breach as soon as practicable 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:
- 2.1.1 the **Licensee** is put under external administration as defined in the *Corporations Act 2001* (Commonwealth); or
 - 2.1.2 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; or
 - 2.1.3 the manner in which the **Licensee** undertakes and/or fulfils its responsibilities under this licence undergoes a significant change.

3 Management Plans and Reports

- 3.1 The **Licensee** must develop and submit to the **Regulator**:
- 3.1.1 a **compliance plan**; and
 - 3.1.2 any other plan relating to the fulfilment of the objectives of the **Act** as the **Regulator** directs.

- 3.2 The **compliance plan** must be submitted to the **Regulator** on or before 31 August 2002 or such other date as notified by the **Regulator**, subsequently by the first anniversary of that date, and thereafter, every second year or as required and advised by the **Regulator**.
- 3.3 Any other **management plan** required under clause 3.1.3 must be submitted to the **Regulator** on such date as notified by the **Regulator**, subsequently by the first anniversary of that date, and thereafter, every second year or as required and advised by the **Regulator**.
- 3.4 The **management plans** are to be made in accordance with and take account of any **guidelines**.
- 3.5 The **Licensee** must undertake community consultation on aspects of the **management plans** which may affect the public.
- 3.6 The **Licensee** must consider any comments made by the **Regulator** on the **management plans** and, if required by the **Regulator**, amend provisions of the **management plans** related to reporting to the **Regulator**, including processes for capturing and analysing data that is to be reported.
- 3.7 Each year, commencing in 2003, by no later than 30 September or such other date nominated by the **Regulator**, the **Licensee** must provide a report to the **Regulator** which includes:
- 3.7.1 details of the **Licensee's** actual performance against the standards, indicators and targets included in the **management plans**;
 - 3.7.2 if the **Licensee's** actual performance is below the targets included in the **management plans**, the reasons for the failure to meet the targets and strategies for achieving the targets in the future;
 - 3.7.3 projections of the **Licensee's** future performance against the standards, indicators and targets included in the **management plans**;

- 3.7.4 a description of the strategies adopted or to be adopted by the **Licensee** to achieve or exceed the performance targets included in the **management plans**; and
- 3.7.5 details of the **Licensee's** adherence to relevant Australian Standards and other standards.
- 3.8 For the avoidance of doubt, the requirement under clause 3.7 of this schedule 2 to prepare a report containing the information listed in paragraphs 3.7.1 to 3.7.5 of that clause does not limit the powers of the **Regulator**, under clause 1.1 of this schedule 2, the **Act** or the **Regulations**, to require the **Licensee** to produce information.
- 3.9 The **Regulator** may require and advise the **Licensee** that reports prepared in accordance with clause 3.7 of this schedule 2 are to be accompanied by a report prepared by a **reporter**.
- 3.10 The **Regulator** may require and advise the **Licensee** to arrange the provision of a report by a **reporter** at such times and on such conditions as are specified in terms of reference provided by the **Regulator**.

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 and review of any **standards and procedures** specified by the **Regulator** which are, in the opinion of the **Regulator**, relevant to the functions of the **Regulator** under the **Act**, or to the achievement of the objects of the **Act**.
- 4.2 The **Regulator** may issue **standards and procedures** applicable to the **Licensee** and with which the **Licensee** must comply, notwithstanding that the **Licensee** has failed to comply with clause 4.1 of this schedule 2.

- 4.3 The **Licensee** must, in accordance with directions of the **Regulator**, report to the **Regulator** on its performance against applicable **standards and procedures**.

5 Operations and Maintenance Contracts

- 5.1 In the event that the operations and maintenance contract referred to in clause 3.1.2 is amended (including by extension), the **Licensee** must provide the **Regulator** with the information specified in clause 3.2.1 in respect of the amended agreement.
- 5.2 The **Licensee** must advise the **Regulator** as soon as reasonably possible if the **Licensee** enters any contract for the operation or maintenance of the **Licensee's generating plant** by a third party, other than the person referred to in clause 3.1.2.
- 5.3 Not more than 14 days after the commencement of any contract referred to in clause 5.2 of this schedule 2, the **Licensee** must submit to the **Regulator**:
- 5.3.1 in respect of the contract, the information specified in clause 3.2.1;
 - 5.3.2 in respect of the third party:
 - 5.3.2.1 identity;
 - 5.3.2.2 details of qualifications and experience; and
 - 5.3.2.3 contact details.

6 Capacity of Licensee's Generating Plant

- 6.1 This licence is granted on the condition that the **generating plant** will have the capacity to contribute up to approximately 10.5 MW 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 This licence is amended to include **Stage 2** on the condition that the **generating plant** will have the capacity to contribute up to approximately 64.75 MW 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**.
- 6.3 The **Licensee** must provide a notification referred to in clause 6.1 or 6.2 of this schedule 2 no later than 60 days prior to a change to the capacity of the **generating plant** to contribute to the Tasmanian power system being implemented.

7 Connection Agreement

- 7.1 The **Licensee** must not allow its **generating plant** to be, or to remain, connected to the **Tasmanian network** at a time when no **connection agreement** subsists.
- 7.2 The **Licensee** must lodge with the **Regulator**:
- 7.2.1 within a reasonable time after the making or renewal, as applicable, of the agreement, a copy (excluding financial or commercial terms) of any **connection agreement**, other than the **connection agreements** referred to in clauses 3.1.3 and 3.3.3 of this licence, made or renewed by the **Licensee** in respect of the **Woolnorth Wind Farm**; and
- 7.2.2 within a reasonable time after the making of the amendment, a copy (excluding financial or commercial terms) of any material amendment to any **connection agreement** in respect of the **Woolnorth Wind Farm**.
- 7.3 The **Licensee** must advise the **Regulator** as soon as practicable of any breach of, or failure to comply with, the terms and conditions of a **connection agreement** in respect of the **Woolnorth Wind Farm**.

Schedule 3 - Description of the Generating Plant

Stage 1

Six 1.75 MW wind turbine generators

Location: Lots 1, 3 and 4 off Woolnorth Road near Studland and Calm Bays in Tasmania – Certificate of Title references volume 135793 folios 1, 3 and 4

Capacity: 10.5 MW

Voltage: 690 volts

Frequency: 50 hertz

Amount of electricity to be contributed to the system: Up to approximately 10.5 MW

Stage 2

Thirty one 1.75 MW wind turbine generators³

Location: Lots 1, 3 and 4 off Woolnorth Road near Studland and Calm Bays in Tasmania – Certificate of Title references volume 135793 folios 1, 3 and 4

Capacity: 54.25 MW

Voltage: 690 volts

Frequency: 50 hertz

Amount of electricity to be contributed to the system: Up to approximately 54.25 MW

³ Amended 8 December 2003 (Notice of Amendment No. 1)