

Electricity Supply Act 1995



Statement of Reasons

Generation Licence Application

UPC Robbins Island Pty Ltd

ACN 618 734 277

1 October 2018

BACKGROUND

Pursuant to the *Electricity Supply Industry Act 1995* (ESI 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 19 September 2018, the Regulator received an application from UPC Robbins Island Pty Ltd (UPC Robbins) for an electricity generation licence. UPC Robbins Island sought a licence to operate a number of wind turbines at two proposed locations in Tasmania:

1. Robbins Island (to be known as the Robbins Island Renewable Energy Park);
and
2. Little Marcus Road, West Montagu (to be known as the Jim's Plain Renewable Energy Park).

UPC Robbins is operated and managed by parent company UPC Renewables Australia Pty Ltd (UPC Renewables), with the ultimate holding company being UPC Australia (HK) Ltd. Currently, UPC Renewables has wind interests in north-east Tasmania; wind, solar pumped hydro and transmission interests in New South Wales; and is in the late stages of developing a 700MW solar farm at Uralla in New South Wales.

REGULATOR'S ASSESSMENT

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

UPC Robbins states that it is not involved in any legal proceedings, civil or criminal, commenced or likely to be commenced, relating to its business activities, directors, shareholders or officers.

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

UPC Robbins states that it is backed by parent company UPC Renewables. Holding company UPC Australia (HK) Ltd is funding all UPC Renewables and UPC Robbins projects. This is evidenced by a letter of financial support signed by the Chief Executive Officer of UPC Australia (HK) Ltd and provided to the Tasmanian Economic Regulator.

The application indicates UPC Robbins has no direct employees, with the operations managed and operated by parent company staff. These staff have extensive experience and expertise in all aspects of wind farm development and operation, and familiarity with the Tasmanian electricity supply industry. Both the CEO and COO have in excess of 20 years' experience in the renewable energy sector and previously held roles with Roaring 40s, which developed over 2000MW of wind projects in Australia and Asia. The General Manager has in excess of 25 years' experience in transmission network development, and the Technical Manager over 10 years' experience in renewable energy engineering. In addition, additional third party entities have been engaged to provide technical expertise in relation to the Robbins Island and Jim's Plain projects.

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

2. GENERATING PLANT

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) will be appropriately managed by UPC Robbins:

1. once a connection agreement has been entered into with the relevant Network Service Provider, TasNetworks Pty Ltd; and
2. being obliged 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.

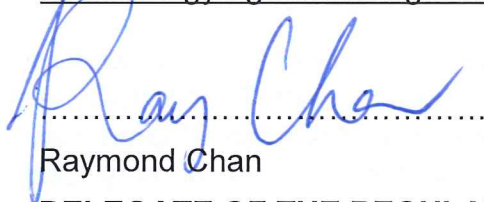
REGULATOR'S DECISION

The Regulator is satisfied that the issue of a licence to UPC Robbins 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 UPC Robbins. The licence is effective from 5 October 2018 for a period of 10 years.

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

A copy of the licence is available on the Regulator's website at www.energyregulator.tas.gov.au.



Raymond Chan

DELEGATE OF THE REGULATOR

1 October 2018