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Dr Ron Ben-David  
Chairperson  
Essential Services Commission  
Level 2  
35 Spring Street  
Melbourne  
Vic 3000

Dear Sir,

**Generation Licence Application – Mortons Lane Windfarm**

Attached is the application for a license to 'Generate Electricity for Supply or Sale' for Mortons Lane Windfarm. Mortons Lane Windfarm is owned by Mortons Lane Windfarm Pty Ltd.

Mortons Lane Windfarm Pty Ltd is the licence applicant.

Mortons Lane Windfarm Pty Ltd is a fully owned by Mortons Lane Wind Farm (Holding) Pty Ltd which in turn is fully owned by China Guangdong Nuclear Wind Energy Limited (of The People's Republic of China).

Mortons Lane Windfarm is completing construction and plans to connect to the Powercor's distribution network and commence production in early 2013.

Please contact me directly for enquires regarding this application.

Yours Faithfully,

Yue, Yunyu,  
Vice General Manger  
Mortons Lane Windfarm Pty Limited  
[yueyunyu@cgnpc.com.cn](mailto:yueyunyu@cgnpc.com.cn)  
0427 425 979



# **Generation Licence Application of Mortons Lane Windfarm**

MORTONS LANE WINDFARM PTY LIMITED

A.C.N 126367600

A.B.N 37126367600

SYDNEY NSW 2000

Document History		
Issue No	Description	Date
0d	Draft Submission for ESC to review	17 August 2012
01	1 <sup>st</sup> Full Application Submission, updated as per ESC's comments on draft submission	29 August 2012
02	Full Application Submission, updated as per ESC's comments.	05 September 2012



## 1. Introduction

Mortons Lane Windfarm Pty Ltd (**the applicant**) is constructing a windfarm project named Mortons Lane Windfarm (**the project**) with installation capacity of 19.5MW in the region of Moyne and Southern Grampians Shires. **The project** consists of 13 wind turbine generators, each with rated generation capacity of 1.5MW. Electricity generated by wind turbine generators will be collected by the 22kV reticulation system then will step up to 66kV and transmitted to Nareeb Switching Station via a 66kV line.

It is planned to commence production from the windfarm in early 2013.

Mortons Lane Windfarm Pty Ltd is applying for a Generation Licence for the Mortons Lane windfarm from the Essential Service Commission (**ESC**) and therefore developed this application in accordance with the 'Guidance Notes for Applications for Electricity Licences and the Transfer of Existing Electricity Licences, November 2006'.

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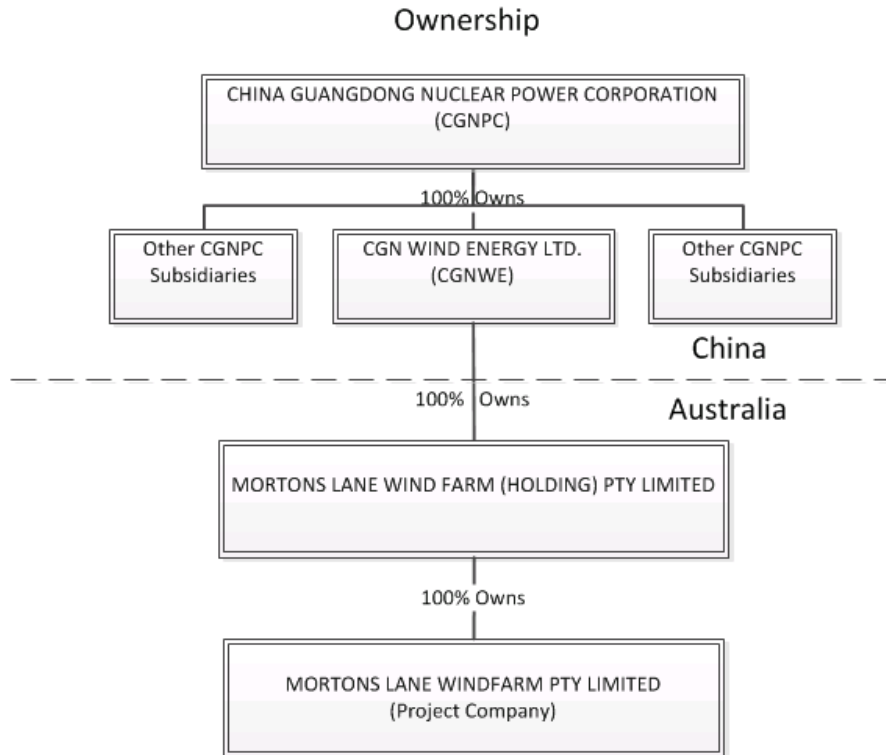
## **2. Information on the applicant and nature of the application**

### **2.1. Basic Applicant Information**

Name of the Applicant	MORTONS LANE WINDFARM PTY LTD
ACN	126367600
ABN	37126367600
Address of Registered Business	SUITE 2 LEVEL 23 201 ELIZABETH STREET SYDNEY, NSW 2000
Contact Person	Yue, Yunyu Vice General Manger <a href="mailto:yueyunyu@cgnpc.com.cn">yueyunyu@cgnpc.com.cn</a> 0427 425 979
Type of Licence Sought	Generate Electricity for supply or sale
Operation scope	Generation of electricity from wind turbines and transmission of electricity generated to the point of connection



## 2.2. Corporate Structure



## 2.3. Corporate Background

China Guangdong Nuclear Wind Energy (CGNWE) was established in May 2010, it is a wholly owned subsidiary of China Guangdong Nuclear Power Company (CGNPC), with a registered capital of \$6.1 billion. Its major businesses cover investment, construction, operation and maintenance of windfarms.

By the end of Dec 2011, CGNWE had established thirteen regional branch offices in China and had an installed capacity of 2889MW, with an operation capacity of 2167MW.

CGNWE has achieved 'The Four Firsts' in the Chinese wind industry and has become one of the major domestic-China wind power developers. The 'Four First' are as the follows:

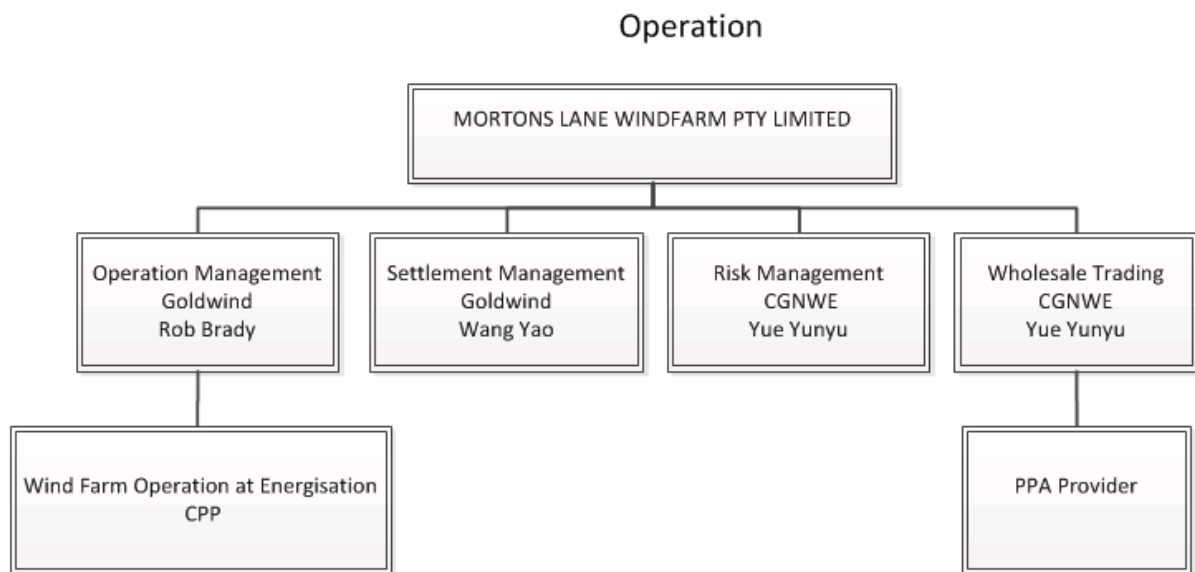
- Won the First Largest National concession wind project – Inner Mongolia Huitengliang 300MW wind farm project.
- Participated the construction of the First 1000MW Wind Farm Base – Zhangjiakou Wind Farm Base.
- Participated the construction of the 10000MW Wind farm Base –Jiuquan Wind Farm Base.
- Participated the Construction of the First National offshore wind farm – Shanghai Donghai Bridge 100MW offshore wind farm.



The development target set by CGNWE is "to devote itself to development, construction, operation and maintenance for wind power industry in China and build up wind power into an important pillar of CGNPC's clean energy industries".

## 2.4. Structure of Project Operation

**The applicant** will contract Goldwind Australia Pty Ltd (GWA) to perform operation maintenance and settlement management. GWA will sub-contract Consolidated Power Projects Pty Ltd (CPP) for the windfarm energisation operations. Relevant contracts are included in folder 13 'Contracts' of Annexure B.



### Consolidated Power Projects

Consolidated Power Projects Australia Pty Ltd (CPP) is an electrical engineering company that specialises in providing full turnkey high-voltage solutions for power distribution and transmission companies; industrial and mining companies and for owners and developers of renewable energy projects.

CPP offers a fully integrated service covering the entire scope of project management, detailed design, specification, procurement, on-site delivery, installation and construction, site management and testing & commissioning.

CPP currently employs a staff complement of more than 50 people, most of whom are engineers and technically skilled personnel who are knowledgeable and experienced in the electrical industry. This capability, together with CPP's growing body of knowledge and strategic links with recognised experts throughout the world, puts the company in a strong position to complete projects that deliver value for money for customers.

CPP's head office and core team is located in Adelaide. It has recently established a presence in Sydney, NSW and, on an as-required basis, established project offices in other locations such as Melbourne and Portland, Victoria.

### Goldwind Australia

Goldwind Australia Pty Ltd (GWA) is fully owned by Goldwind Science and Technology Co Ltd.



Goldwind Science and Technology Co Ltd (Goldwind) is an international, multi-faceted wind power company based in Beijing, China. Since the company was founded in 1998, Goldwind has now expanded across six continents, preserving blue skies and white clouds for future generations around the globe.

Goldwind is the largest manufacturer of wind turbines in China and the 2nd largest globally. With strong, international R&D capabilities, Goldwind has become the world's largest manufacturer of Permanent Magnet Direct Drive wind turbines.

Goldwind is dedicated to becoming the global wind industry's leading total wind power solutions provider. Business includes:

- Wind turbine R&D, design, manufacturing and sales
- Comprehensive services including wind resource assessment, EPC contracting, O&M
- Windfarm investment, operation and transfer

## **2.5. Experience of Key Persons**

### **Yue Yunyu**

Yue has worked in the wind power industry for more than 6 years with experience in windfarm development, wind energy assessment and risk management.

Prior to appointed to MLWF, Yue has worked for CGNWE as an international project manager, responsible for the development of the overseas wind projects and risk management. Yue also worked for Aitricity as a senior wind analyst, responsible for technical support and wind assessment for windfarms. Prior joining Aitricity Yue worked for Spanish turbine company Gamesa as a commercial and technical manager.

### **Wang Yao**

Yao has worked in the electricity industry for over 5 years with experience in windfarm financial feasibility analysis and operational risk management.

Yao has worked in the Middle Office liaising with Front and Back Offices at Hydro Tasmania. Yao was involved in the weekly reconciliation and settlements process. During her service at Hydro Tasmania part of her responsibilities were authorising settlements for Electricity, CFD and various Environmental Products.

### **Rob Brady**

Rob contains more than 20 years' experience within a Service and Maintenance environment. His knowledge stems from his early working career employed as an electrical technician servicing large industrial fire protection systems installed within petro-chemical plants, large manufacturing facilities and multi-story commercial buildings to more recent duties such as the management of sites like the Thames flood barrier in London and the Dungeness Nuclear Power Station in South East England. For most of his working life, Rob has been involved in servicing products for large commercial customers across the construction, manufacturing industries and within the building services sector.

Rob first moved into a managerial role more than 10 years ago, since that time he has been employed by large, multi-national organisations. Commencing his career in electrical service, he

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has continued to gain considerable experience in customer management, contract management and employee development. Rob has worked closely across organizational departments such as Technology R&D, Engineering, Sales and Finance.

## **2.6. Current Licences Held For the Windfarm**

The project has no current licence. **The applicant** will register with AEMO as a non-scheduled generator prior to commissioning.

## **2.7. Cross-ownership**

Mortons Lane Windfarm is 100% owned by CGNWE, and it is the only windfarm CGNWE owns in Victoria currently. Therefore there are no cross ownership issues associated, and are no prohibited interests for the purposes of s.68 EI Act





### 3. Objectives of the Essential Services Commission

**The applicant** has reviewed the objectives set out under sub-sections 8(1) and (2) of the Essential Services Commission Act 2001 (ESC Act), and believes granting of a generation licence to **the applicant** is consistent with the objectives as the follows:

#### 3.1. To protect the long term interests of Victorian consumers with regard to the price, quality and reliability of essential services.

Operation of **the project** in the National Electricity Market (NEM) would improve the level of renewable electricity generation competition, reduce energy cost and improve electricity supply reliability in Victoria.

Operation of **the project** will comply with Generator Performance Standard (GPS) which is set up by and agreed with both the Australian Energy Market Operator (AEMO) and Powercor according to the National Electricity Rules (NER) to meet their objectives to promote efficient investment in and operation of the electricity market for the long-term interests of consumers with respect to the price, quality, safety, reliability and security of energy supply.

Therefore, the objectives and obligations of **the project** would be consistent with ESC's objective to protect the long term interests of Victorian consumers with regard to the price, quality and reliability of essential services.

#### 3.2. To facilitate efficiency in regulated industries and the incentive for efficient long-term investment

Granting the licence to **the applicant** on **the project** will

- Augment part of the national electricity network;
- Improve competitiveness, quality and security of renewable electricity generation and supply; and
- Contribute towards meeting the Renewable Energy Target (RET) set out by Australian Government.

Therefore, granting the licence to **the applicant** would be consistent with ESC's objective to facilitate efficiency in regulated industries and the incentive for efficient long-term investment.

#### 3.3. To facilitate the financial viability of regulated industries

**The project** will make a positive contribution to the financial viability of the national electricity market and therefore granting a licence to **the project** is consistent with ESC's objective to facilitate the financial viability of regulated industries.

#### 3.4. To ensure that the misuse of monopoly or non-transitory market power is prevented

As described in the previous sections, granting the licence to **the project** would improve the competitiveness of renewable electricity power generation in the NEM and is therefore consistent with ESC's objective to ensure that the misuse of monopoly or non-transitory market power is prevented.



### **3.5. To facilitate effective competition and promote competitive market conduct**

As described in the previous sections, granting the licence to **the project** would improve the competitiveness of renewable electricity power generation in the NEM and is therefore consistent with ESC's objective to facilitate effective competition and promote competitive market conduct.

### **3.6. To ensure that regulatory decision making has regard to the relevant health, safety, environmental and social legislation applying to the regulated industry**

Operation of **the project** will comply with relevant health, safety, environmental and social legislation and therefore granting the licence to **the applicant** is consistent with the ESC's objective described in this section.

The Moyne Council and Southern Grampians Council granted planning approval for the windfarm in June 2007. The planning permits from both councils have identical conditions. The permits are available to the public at the Mortons Lane Windfarm website (<http://www.mortonslanewindfarm.com.au/the-project/media-releases/>) and have also been included in Folder 11 of Annexure B. The permit conditions included requirements to produce a number of management plans. The last of the management plans were approved by both councils in February 2012 as evidenced by the documents in Folder 11 with the following filenames: MLWF-LTR-Southern Grampians; Email Sth Grampians; Planning PIPermMinA 374752.

### **3.7. To ensure that users and consumers (including low-income or vulnerable customers) benefit from the gains from competition and efficiency**

As described in the previous sections, granting the licence to **the project** would improve the competitiveness of renewable electricity power generation, and therefore would contribute to lower the marginal cost of electricity power in long term. So that granting the licence to **the project** is consistent with ESC's objective to ensure that users and consumers (including low-income or vulnerable customers) benefit from the gains from competition and efficiency.

### **3.8. To promote consistency in regulation between States and on a national basis**

Granting the licence to **the project** is consistent with ESC's objective to promote consistency in regulation between States and on a national basis, for the reason that **the project** will comply with relevant state and national regulations.



#### 4. Financial viability

The Commission has regard to the financial viability of the industry under s.8A(1)(b) of the Essential Services Commission Act 2001. For this reason, information on financial viability is provided by **the applicant**.

**The applicant** is financially viable to operate the Mortons Lane Windfarm. Mortons Lane Windfarm Pty Ltd is a wholly owned subsidiary of CGN Wind Energy Ltd (**CGNWE**), and financial resources are provided by CGNWE.

CGNWE has an installed capacity of 2889MW, and an operation capacity of 2167MW of windfarm in China. Annual turnover of CGNWE is approximately RMB 1.5 billion (AUD \$225 million).

Information on **the applicant's** financial viability is also further presented in Annexure A.



## 5. Technical Capacity

All relevant approvals to Mortons Lane Windfarm were granted including planning and environmental approvals. Systems and procedures are in place to ensure compliance requirements are met as set out in relevant licence conditions, codes, guideline and rules.

Mortons Lane Windfarm has signed Connection Agreement with the Australian Energy Market Operator (AEMO), Export Agreement with Powercor and has registered with AEMO as Intending Participant.

Operation and Maintenance of Mortons Lane Windfarm will be provided by Goldwind Australia via an operation and maintenance contract (O&M contract). Goldwind operates and maintains approximately 7000 MW of windfarm generation capacity internationally. Goldwind utilises over 20 years of experience in all aspects of windfarm development including planning, construction, manufacturing and operation. Goldwind has relevant internal controls, policies and procedures in place to ensure O&M obligations set in relevant licence conditions, codes, guidelines and rules are met, as evidenced by the documents in Folder 13 with the following filename: Mortons Lane Windfarm Service management plan (Draft Table of Contents).pdf.

Supporting documents for this section are shown in Annexure B.



## **6. Commercial-in-confidence information**

For above sections, documents and information provided to ESC under Annexure A and Annexure B are to be treated as 'STRICTLY CONFIDENTIAL'. Information or any part of the documents should not be provided to any third party or to be used other than the scope and purpose of this application.



## 7. Statutory Declaration

### Statutory Declaration

I, Li You of 201 Elizabeth Street, Sydney being the Director of the Applicant, Mortons Lane Windfarm Pty Ltd Hereby DECLARE that the information contained in this application, and attachments thereto upon which I have placed my signature, for the grant of a Electricity Generation Licence under the Electricity Industry Act 2001 is true and correct and that I make this declaration conscientiously believing the same to be true and in the belief that a person making a false declaration is liable to the penalties of perjury

Declared at Sydney in the State of New South Wales

Signature of Declarant This day of 22 day of March 2013

.....

.....

Before me

(A person authorised by section 107A of the Evidence Act 1958 (Vic))