

EDL LFG (Vic) Pty Ltd application for

Generation Authority

Victorian Essential Services Commission



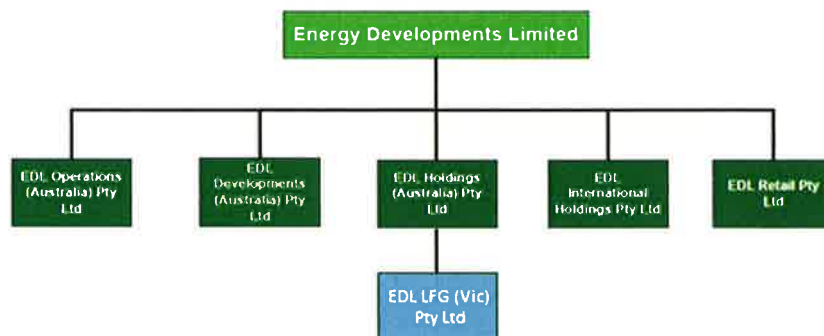
leaders in clean energy



Overview of Applicant

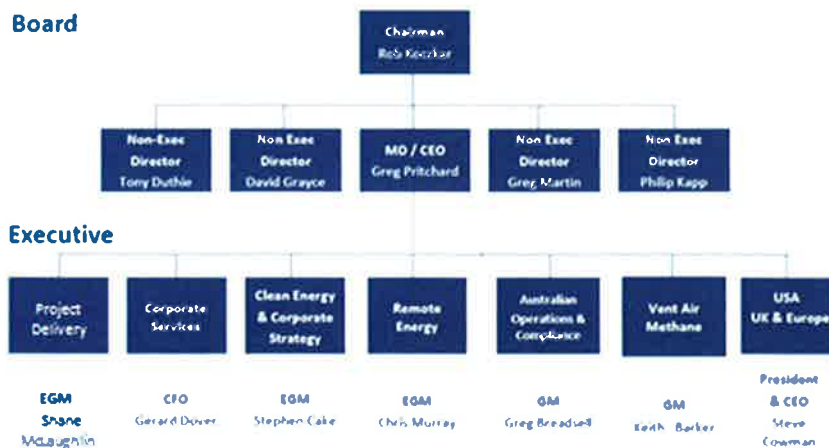
Applicant	EDL LFG (Vic) Pty Ltd
Legal Identity	The applicant is a wholly owned subsidiary of the publicly listed parent entity Energy Developments Limited (EDL)
ABN	69 061 503 348
Address	Building 17, 2404 Logan Road Eight Mile Plains, Queensland 4113
Contact	Michelle Forrest Manager Energy Markets (Australia) Phone: 07 3275 5668 Mobile: 0408 018 937 Email: michelle.forrest@edl.com.au

Corporate Structure



Organisational Structure

Board





Key Personnel

Greg Pritchard (Managing Director, ASIC Officer) MAppFin, BCom, FCA

Greg Pritchard is an experienced corporate executive whose previous positions include Chief Financial Officer of QCT Resources Limited and QNI Limited. He has held various senior posts at KPMG and Wardley James Capel in Australia, the United Kingdom and continental Europe. Greg was promoted to the position of Managing Director in December 2007, having previously been the Company's Finance Director. Greg has exceptional energy industry knowledge, with more than 25 years extensive experience working in the Australian commodities, mining and energy sectors. Greg has previously held prominent energy board positions on the National Generators Forum and the Clean Energy Council.

Glen Marshall (Company Secretary) Bus (Acc), LLB, LLM


Glen has worked for the Company as Legal Counsel since 2003 and was appointed Company Secretary in January 2008. Glen has previously worked at various legal firms in Australia and overseas, covering a broad range of corporate, commercial and project work in various sectors. These roles included Senior Associate at William Fry in Dublin and Senior Associate at Blake Dawson Waldron.

Gerard Dover (Chief Financial Officer) BSc (hons), ACA, MCT, GAICD

Gerard Dover has over 20 years finance experience gained in the energy, manufacturing and professional services sector in Australia, the UK and Europe. Until 2010, Gerard was the CFO of Infigen Energy, an ASX listed wind business with approximately \$4 billion of assets around the world. In this role Gerard led the business through a long period of significant growth including execution of over 2,000MW of wind farm investments with a total spend of \$3.5 billion including 15 acquisitions and multiple debt and equity raisings of over \$3 billion.

Scott Turner (Manager Commercial Clean Energy) BBus (Acc) (CPA)

Scott has 20 years' work experience primarily in accounting, commercial and energy trading disciplines. Scott's current role as Commercial Manager Clean Energy has him setting and executing the energy and green products contract strategy for EDL. Scott's was previously employed at Alinta Energy for 3 years and held roles as Commercial Manager and then Executive General Manager of the Energy Markets Group. Scott's role included accountability for Alinta's activities plant dispatch and bidding (24 hour spot desk), electricity and gas contracting, regulatory and energy markets forecasting in the



National Electricity Market. Prior to Alinta Scott was employed at ENERGEX in a variety of roles over an 8 year period which covered most aspects of the network and retail businesses.

Michelle Forrest (Manager Energy Markets - Aus) BCom, Adv Dip Fin (Fin Markets), AFMA Accredited

Michelle is responsible for positioning the NEM-connected portfolio within the Australian electricity and gas markets to provide the best risk adjusted returns for EDL. This includes all green trading, carbon hedging, negotiating connection agreements, coordinating required market research, risk analysis, registrations, metering and licensing. Prior to joining EDL, Michelle held several senior Trading management positions including Spot Trading Manager, Trading Manager and General Manager Trading within Stanwell Corporation, one of the largest generators in the NEM. Michelle has held management responsibility for all activities within an electricity trading division, including spot trading, derivative contract trading, renewable market operations, market analysis, forecasting and regulatory activities.

Tim Sprey (Manager Corporate Affairs and Risk) LLB, BComm

Tim Sprey joined EDL in 2008 as Legal Counsel. In 2009 Tim took up the commercial management role including corporate and regulatory affairs. In addition, Tim has recently moved into the risk management function providing a coordinated approach to commercial risk management within EDL. Prior to working with EDL, Tim held various legal and corporate affairs roles providing advice to a broad cross section of industries including engineering, construction, insurance and retail.



Steven Dinsdale (Group Financial Controller) BBus (Acc), Grad Dip Applied Finance & Investment

Steven leads EDL's Australian Commercial team. He has worked with EDL for a combined 6 years in his current role and his previous role of Manager Corporate Finance. Steven is a Chartered Accountant and has been working in Finance for 20 years, working in a variety of Finance and Commercial roles for companies such as BHP Billiton, Origin Energy and Orica.

Stephen Cake (Head of Strategy / M&A) LLB (Hons)

Stephen Cake is Head of Strategy / M&A and joined EDL in October 2010. Stephen also heads up the Clean Energy team that will be running the operations of the retail component of the business. He was previously M&A Director at International Power Plc, a UK based FTSE 100 global power generation business, where he held roles in the UK and recently in Australia. Stephen previously worked for an emerging markets power sector business and has an extensive mergers and acquisitions track record, together with strategy development/ implementation expertise.

Mark Jonker (Business Development Manager) BE (Mech) (Hons), MAppFin

Mark joined EDL in 2002 and is currently responsible for business development activities for EDL's Clean Embedded Energy projects. He has 15 years of experience across the Australian energy sector and has worked across many facets of the energy business, including business development, project management and delivery, financial analysis, treasury, corporate and project finance, regulatory approvals and strategic development.

Outsourced Services

The applicant will not employ contractors or outsourced services to assist with the licenced operations.

Incorporation


Annexure A – EDL LFG (Vic) Pty Ltd Certificate of Registration.

Additional details

Not applicable, the applicant is not part of a partnership, trust or joint venture. The applicant is a wholly owned subsidiary of a public company.

Prosecutions

EDL LFG (Vic) has not been found guilty of any criminal offence, been successfully prosecuted, the subject of disciplinary action or subject of administrative or legal actions.



EDL LFG (Vic) advises that in 2004 two related corporations (also being subsidiaries of EDL) entered a guilty plea to charges under sections 8(2) and 10(2) respectively of the Occupational Health and Safety Act 2000 (NSW) relating to a workplace incident at a test plant. The companies were fined \$20,000 each with the low penalty taking into account the actions taken by the companies, the initiatives subsequently introduced by the companies and the early taking of responsibility for the accident by way of the guilty plea.

EDL LFG (Vic) is not aware of any other legal proceedings, civil or criminal commenced or likely to be commenced relating to the business activities of EDL LFG (Vic).

Prosecutions of Officers

In answering this question EDL LFG (Vic) has assumed that the information required relates to current directors, shareholders or officers of EDL LFG (Vic) only and accordingly answers this question on that basis. EDL LFG (Vic) is not aware of any director, officer or shareholder of the company or its subsidiary being subject to any prosecution, disciplinary action, being fined or penalized, or being the subject of an inquiry or investigation in their capacity as a director or officer or shareholder or subsidiary.

Officers

Gregory James Pritchard (Managing Director)
Lot 5, 20 Turner Avenue, New Farm, Qld 4005

Christopher Ross Murray (Director)
14 Regency Place, Kenmore Hills, Qld 4069

Major Shareholders

EDL LFG (Vic) Pty Ltd is a wholly owned subsidiary of EDL, an ASX listed company (ASX code ENE).

EDL's majority shareholder (~80%) is Greenspark Power Holdings Ltd ("Greenspark"). Greenspark is owned by unlisted funds advised by private equity firm Pacific Equity Partners ("PEP"). Founded in 1998 in Sydney, PEP is a leading Australasian based private equity firm which focuses on buyouts and late stage expansion capital in Australia and New Zealand, and PEP has held an AFSL since 1999.



Nature of Application

Type of Licence	Generation Licence for six landfill based electricity generation sites.
Licence date	As soon as possible.
Scope of Operations	Currently the applicant owns and operates six landfill gas fuelled electricity generation sites in Victoria – with each currently being exempt from registration under the Electricity Industry Act 2000 by virtue of the 1 May 2002 standing exemption order under section 17 of the Electricity Industry Act 2000. The sites have been operating for a number of years and are currently exempt from the requirement to hold a generation licence as they are below the relevant size threshold and sell all output directly to a retailer. The applicant would like to change this arrangement and have the ability to settle through the spot and forward electricity markets, and it is the applicant's understanding that this means the 1 May 2002 standing exemption order would no longer apply, and accordingly the applicant is required to seek a licence under the Electricity Industry Act 2000 to generate electricity for supply or sale. The applicant is also seeking AEMO registration.
Other Licences	EDL LFG (Vic) does not currently hold any licences under the Electricity Industry Act 2000 itself, however several related bodies corporate currently hold several comparable electricity generation licences in other Australian jurisdictions. These include a Queensland Retail Licence, a National Retail Licence, several QLD Special Approvals to generate electricity and Generation Authorities, a WA Retail Licence and a NT Generation and Retail Licence.
Unsuccessful applications	The applicant has not made any such applications under the Electricity Industry Act 2000, therefore has not had any unsuccessful applications in this or any other jurisdictions.



The Commissions Objectives

Interests of Vic Customers

The applicant considers that the grant of a licence to generate electricity is in the interests of Victorian electricity consumers because it increases the diversity of Victorian based electricity generators and increases the diversity of the fuel type (here, landfill gas) and size of such generators, and allowing these sites to operate in the NEM spot market by the granting of a generation licence enables the market to efficiently allocate generation demand. It is noted that the sites are already operational and have been operating for a considerable period of time, and that there are no material technical changes proposed should the licence be granted, such that the customers of Victoria would not adversely affected from a physical perspective should the licence be granted. A grant of the licence would facilitate market entry and therefore encourage further market efficiency and competition.

Price

All 6 sites are existing, very small and non-dispatched. This means they are generally speaking price takers in the market and not price setters.

Quality

EDL has been operating these power stations on the Victorian network for nearly 20 years. EDL holds connection arrangements/agreements for each of these sites facilitating operation within the required technical standards. EDL has also commenced discussions with the DNSPs to update and/or restate relevant connection arrangements/agreements.

Reliability

Should the sites become unavailable, there is no impact on Victorian consumers as they are too small to have any impact on AEMO's projected assessment of system adequacy relating to Victoria. Nothing technically will change with the granting of a generation licence for these sites, including reliability.



Financial Viability

Balance Sheet and financials

The applicant is a wholly owned subsidiary of EDL, an ASX listed entity, and EDL publishes regular audited financial reports regarding the operations of the EDL Group. The applicant does not separately report its own balance sheet and financial statements, as the applicant is currently a party to a Deed of Cross Guarantee and Indemnity under class orders [c098/1418], [c091/996], [c092/770], [c093/1370], [c094/1862] and [c095/1550].

The EDL annual reports for the last three financial years (available at the following website http://www.energydevelopments.com/01_cms/details.asp?ID=26) contain audited profit and loss statements and balance sheets including the directors declaration that the financial statements comply with accounting standards, they give a true and fair view, have been made in accordance with the Corporations Act and there are reasonable grounds to believe the company/entity will be able to pay its debts as and when they fall due

Significant Contracts

Currently, the applicant is a party to various older agreements which are based on the old SECV combined power purchase and connection and access agreement format. It is anticipated that these older agreements will end and not be replaced, or will be terminated by mutual agreement and replaced by a new arrangement or contract (to be negotiated) to deal with electricity generation and sale/purchase, and separate new connection and access arrangements (to be negotiated) with the relevant DNSPs.

EDL does not consider the current PPAs for these sites as significant contracts as the majority are either expiring or will be terminated in the coming months. Financial support for the applicant will substantially come from the spot market settlement with AEMO, for which there are no contracts.

Annual Report


The annual reports of the group are available at the following website http://www.energydevelopments.com/01_cms/details.asp?ID=26

S&P or other credit rating

Not available

Auditor Statement

Ernst & Young are the external auditors for EDL, their statements are included in each of the annual reports, the most recent of which can be found on page 83 of the following website http://www.energydevelopments.com/_dbase_upl/141011_ENE%202011%20Annual%20Report.pdf



Consultant statement	Not applicable
Assets and Liabilities	See the latest Annual report at the following website http://www.energydevelopments.com/_dbase_upl/141011_ENE%202011%20Annual%20Report.pdf
Shareholder Register	The applicant is wholly owned by EDL.
Certificate of Registration	(provided above)
Directors Declaration	The most recent directors declaration, part of the 2011 annual report can be found on page 81 of the following website http://www.energydevelopments.com/_dbase_upl/141011_ENE%202011%20Annual%20Report.pdf
Guarantees	The applicant is a member of a Deed of Cross Guarantee and Indemnity under class orders [c098/1418], [c091/996], [c092/770], [c093/1370], [c094/1862] and [c095/1550]
AFSL	Not applicable, the entity does not provide financial services
Assurance	The applicant has sufficient financial resources to sustain its operations including all prudential requirements set by AEMO and/or licenced distributors. Note there are no prudential requirements from AEMO or the DNSPs.
Credit Support	Not applicable, no credit support is required from the DNSPs.
Business Plan	As EDL is a publicly listed company, its business plan is explained on the About Energy Developments page of the following website http://www.energydevelopments.com/01_cms/details.asp?ID=1



Technical Capacity

Organisational Chart (provided above)

Experience of key personnel (provided above)

Service Provider Contracts Not applicable, as outlined above

Statements from industry Not applicable to this licence as per s.28 Electricity Industry Act 2000

Policies As EDL is a publicly listed company its policies are available on the Corporate Governance page of the following website http://www.energydevelopments.com/01_cms/details.asp?ID=7

These include the Board and Governance Charter, Code of Conduct, Risk Management Policy, Company Constitution, Privacy Policy and Securities Trading Policy

There is also an online compliance management system which records and tracks the company's compliance obligations. This links to all relevant documentation including communications, websites, external references etc and provides a full audit trail for each entry.

Business Model

EDL is an international clean energy and remote energy supplier. The Company is focused on significantly increasing its installed generation capacity through upgrades at existing facilities and developing new projects. As EDL is a publicly listed company its business model is explained further on the About Energy Developments page of the following website http://www.energydevelopments.com/01_cms/details.asp?ID=1

The four key areas of the business are outlined below

Landfill Gas

Power plants capture methane, utilising fugitive emissions from landfill sites for power generation, which would otherwise be flared or released to atmosphere (and is 21x more harmful than CO₂)

Power sold through the grid, typically under long term contracts

Located on 42 sites, in Australia, Europe and the USA

EDL has the largest LFG power generation portfolio in Australia and are ranked #5 and #4 in this sector in the USA and UK respectively

Installed LFG capacity of 224MW globally



<i>Waste coal mine gas</i>	<p>Power plants abate methane by utilising waste gas for power generation which has been drained before, during and after coal mining that would otherwise be flared or released to atmosphere</p> <p>Power sold in the National Electricity Market or to retailers under long term contracts</p> <p>Located on 4 sites, in NSW and QLD</p> <p>The largest WCMG fuelled power generator in Australia with installed capacity of 174MW</p>
<i>Vent Air Methane</i>	<p>EDL operates the only Australian commercial scale mine vent air abatement facility, at a BHP coal mine in NSW</p>
<i>Remote Energy</i>	<p>Electricity sold under contract direct to mining customers, remote towns and communities in Australia where there is no alternative source of grid connected power generation</p> <p>Various fuels, including LNG, CNG and diesel</p> <p>Located on 32 sites, in WA, SA, NT and QLD</p> <p>EDL is the largest remote energy provider in the sub 100MW sector in Australia with installed RE capacity of approximately 275MW</p>



Generation Licence Specific Requirements

Electricity Experience

EDL is a listed, Queensland based, international provider of low emissions, renewable and remote energy. Backed by the largest and most active private equity fund in Australia, the company has a market capitalisation of approximately A\$430m. It currently owns and operates a diversified international portfolio of 79 power stations in Australia, the United States and Europe. With a total capacity of 711MW from a range of fuel sources, revenues are generated from the following areas:

- Generation of electricity and sale direct to customers, such as large commercial and industrial users
- Generation of electricity onto the NEM spot market
- Providing broader energy solutions to customers, such as LNG compression and transportation
- Generation and sale of environmental credits in international, national and state based schemes
- Considerable experience in all stages of power station development
- Managing landfill gas fields

EDL has been operating in the clean energy sector for over 20 years and has available to it the business skills, knowledge, personnel, systems and ability to operate within the electricity sector of the NEM.

Experience of key personnel (provided above)

Capacity to comply (provided above)

AEMO Registration Broadmeadows, Brooklyn and Clayton are registered with AEMO with AGL as the intermediary. This is being updated so they are registered with no intermediary and EDL as the market participant.

Corio and Springvale are below the 5MW threshold for mandatory registration with AEMO, however are required be registered to enable them to operate in the spot market. This process is currently underway.

Berwick is also under the 5MW threshold for mandatory registration with AEMO. This site is under a long term PPA until 2022 therefore will not be registered with AEMO at least in the short term.

External parties Not applicable, as outlined above



Development Approvals	Not applicable, the sites are existing
Risk/Governance/Compliance	As EDL is a publicly listed company its risk, governance and compliance framework is available on the Corporate Governance page of the following website http://www.energydevelopments.com/01_cms/details.asp?ID=7
Cross Ownership	There are no cross ownership issues arising under provisions of Part 3 of the Electricity Industry Act 2000 – cross ownership.
Capacity	The applicant is in a unique position in comparison to standard applicants for a generation licence in that it has been operating these power stations in line with all relevant technical requirements for 20 years.



Power Stations

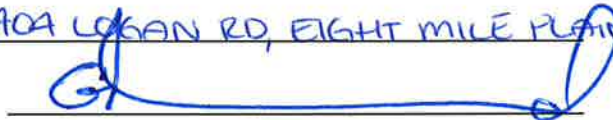
Corio	<p>Biddlecomb Road, Corio VIC 3214</p> <p>1MW nameplate capacity</p> <p>Landfill gas power station</p> <p>The generator is existing (1992) and already connected to the Powercor 22kV network (Priority site)</p>
Broadmeadows	<p>Onslow Avenue, Broadmeadows Vic 3047</p> <p>6.18MW nameplate capacity</p> <p>Landfill gas power station</p> <p>The generator is existing (1993) and already connected to the United Energy Distribution network</p>
Brooklyn	<p>Jones Road, Brooklyn Vic 3012</p> <p>2.83MW nameplate capacity</p> <p>Landfill gas power station</p> <p>The generator is existing (2002) and already connected to the Alinta AE Limited 22kv network</p>
Clayton	<p>Corner Deals and Ryan Road, Clayton Vic 3169</p> <p>11MW nameplate capacity</p> <p>Landfill gas power station</p> <p>The generator is existing (1995) and already connected to the United 22kv network</p>
Springvale	<p>Clarke Road, Springvale Vic 3172</p> <p>4.2MW nameplate capacity</p> <p>Landfill gas power station</p> <p>The generator is existing (1995) and already connected to the United 22kv network</p>
Berwick	<p>Quarry Road, Narre Warren Nth Vic 3804</p> <p>4.6MW nameplate capacity</p> <p>Landfill gas power station</p> <p>The generator is existing (1992) and already connected to the SP AusNet network</p>

Statutory Declaration

I, Gregory James Pritchard of Lot 5, 20 Turner Avenue, New Farm, Qld 4005, being Managing Director and Chief Executive Officer of the applicant, EDL LFG (Vic) 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 an 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.

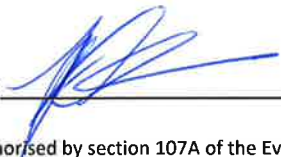
Declared at 2404 LOGAN RD, EIGHT MILE PLAINS, QLD.

Signature



This 20th day of SEPTEMBER 2012

Before me



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

Annexure A – Certificate of Registration



Cert of Reg EDL LFG
(VIC) Pty Ltd.pdf

EDL GROUP OPERATIONS PTY LTD
PO BOX 535
RICHLANDS DC QLD 4077

Remove this top section if desired before framing

Certificate of Registration on Change of Name

This is to certify that

EDL OPERATIONS (CLAYTON) PTY LTD

Australian Company Number 061 503 348

did on the twenty-eighth day of November 2003 change its name to

EDL LFG (VIC) PTY LTD

Australian Company Number 061 503 348

The company is a proprietary company.

The company is limited by shares.

The company is registered under the Corporations Act 2001 and is taken to be registered in Queensland and the date of commencement of registration is the thirty-first day of August, 1993.

Issued by the
Australian Securities and Investments Commission
on this twenty-eighth day of November, 2003.



David Knott
Chairman



CERTIFICATE