

Cherry Tree Wind Farm

Application for Victorian Electricity
Industry Licence - Generation of Electricity
for Supply or Sale



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Attachments

- Attachment A – Certificate of Registration of Cherry Tree Wind Farm Pty Ltd and Constitution
- Attachment B – Cherry Tree Project Trust - Trust Deed
- Attachment C – List of Shareholders, Unit Holders, Beneficiaries
- Attachment D – Diagram of Corporate Structure
- Attachment E – Organisational Structure, Including Experience of Key Personnel
- Attachment F – Relevant Project Contracts
- Attachment G – Evidence of Agreed GPS
- Attachment H – Financial Statements and Related Documents
- Attachment I – List of Guarantees in Place
- Attachment J – Business Plan
- Attachment K – Copies of Relevant Policies
- Attachment L – Statutory Declaration
- Attachment M – Intending Participant Confirmation

1. INFORMATION ON THE APPLICANT AND NATURE OF THE APPLICATION

1.1 Introduction

Cherry Tree Wind Farm (CTWF) comprises 16 x V136-3.6 MW Vestas turbines at 91 m hub-height with a total installed capacity of 57.6 MW and is located on the Cherry Tree Range in Mitchell Shire approximately 90 km NNE from Melbourne. The site is situated in undulating terrain on an elevated plateau and will export power to the local AusNet distribution network via a new 6.4 km 66 kV overhead line and a tee connection with the existing Seymour to Yea 66 kV line.

1.2 The Applicant Details

Name	Cherry Tree Wind Farm Pty Ltd (ABN 30 134 444 947) as trustee for the Cherry Tree Project Trust (ABN 19 446 997 168)
ABN	30 134 444 947
Registered Business Address	Level 16, 15 Castlereagh St, Sydney 2000 NSW
Postal Address	C/- John Laing, Level 16, 15 Castlereagh St, SYDNEY

The contact person on behalf of the Applicant is:

Name	Andrew Milne
Title	Technical Services Manager
Business Address	Level 17, 56 Pitt Street, Sydney NSW 2000
E-mail	andrew.milne@infigenenergy.com
Telephone	0438 878 846

1.2.1 Incorporation Details

The Certificate of Registration of Cherry Tree Wind Farm Pty Limited (“the Company”) and its Constitution is provided in Attachment A. Please treat the contents of this as Commercial-in-Confidence.

1.2.2 Trust Deed

A copy of the trust deed is provided in Attachment B. Please treat the contents of this as Commercial-in-Confidence.

1.2.3 Shareholder Details

The names of shareholders, unit holders, beneficiaries and others having an interest in both Cherry Tree Wind Farm Pty Limited and the Cherry Tree Project Trust are provided in Attachment C. Please treat the contents of this as Commercial-in-Confidence.

1.2.4 Diagram of Cherry Tree Wind Farm Corporate Structure

A diagram of the corporate structure (including details of any parent and related companies within the meaning of the Corporations Act) of both Cherry Tree Wind Farm Pty Limited and the Cherry Tree Project Trust is provided in Attachment D. Please treat the contents of this as Commercial-in-Confidence.

1.2.5 The Applicant's Organisational Structure

The Company's board of directors comprise the following people:

- George Karalis – Director
- David Steghuis – Director

The Applicant does not have employees. Expertise and staff are being provided by Infigen Energy Services Pty Limited, under a Management Services Agreement, to enable the Applicant to meet its obligations under the Electricity Industry Act 2000 (Vic).

An organisational chart showing names and roles of Infigen Energy Services relevant employees and a short summary of the experience of the key personnel is provided in Attachment E. Please treat the contents of this as Commercial-in-Confidence.

1.3 The Application

1.3.1 Type of Licence Sought

The Applicant is seeking a licence to generate electricity for supply or sale under the Electricity Industry Act 2000.

1.3.2 Date from Which the Licence is Sought

CTWF substation is forecast to be energised at the end of January 2020. In order to meet AEMO registration requirements, a licence will be required from this date.

1.3.3 Nature and Scope of Operations for Which the Licence is Sought

CTWF comprises 16 x V136-3.6 MW Vestas turbines at 91 m hub-height with a total installed capacity of 57.6 MW. It is located on the Cherry Tree Range in Mitchell Shire approximately 90 km NNE from Melbourne.

Mitchell Shire Council granted approval for the construction and operation of CTWF on 26 November 2013 (the Planning Permit) under the direction of the Victorian Civil Administrative Tribunal (VCAT.) The site is situated in undulating terrain on an elevated plateau, in open farmland with scattered trees, surround by regions of forestry and steep slopes. The following figure highlights the site characteristics.

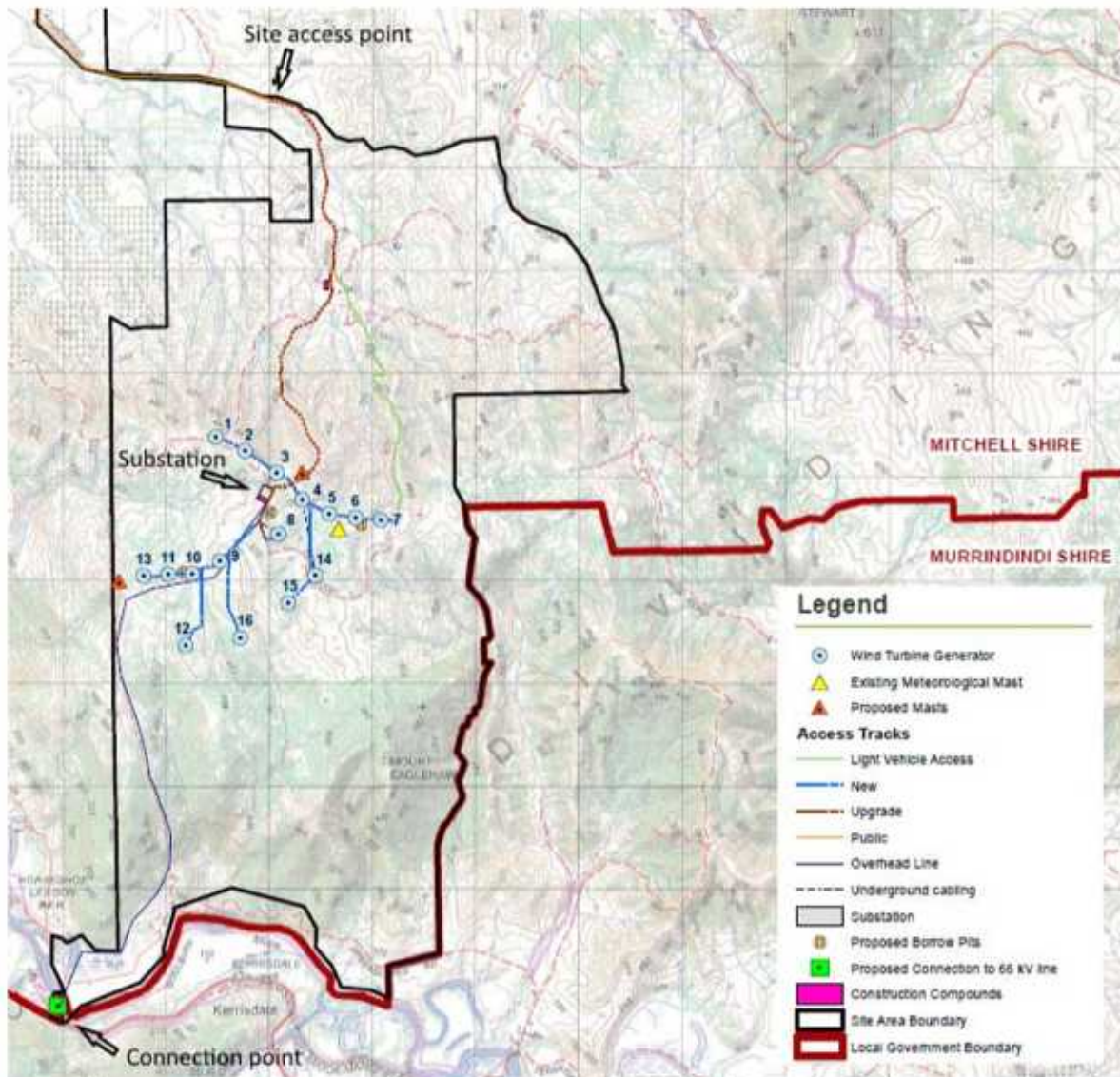


Figure 1. Overview of Site Layout

1.3.4 Details of Current or Former Licences Held in This and/or Other Jurisdictions

Neither the Applicant nor the Company has a current or expired licence in Victoria or any other jurisdictions. The Applicant has been registered as an Intending Participant in the NEM with AEMO and is in the process of lodging its application for Registration as a Generator with them.

1.3.5 Details of any Licences held by Associates of the Applicant

Kiata Wind Farm Pty Ltd (ABN: 79 607 460 873) is an associate of the Applicant and holds an Electricity Generation Licence in the state of Victoria.

1.3.6 Licence Conditions

The Applicant is not seeking any non-standard licence conditions.

1.3.7 Objective of the Commission

The objective of the Commission set out under the Essential Services Commission Act is to promote the long-term interests of Victorian consumers.

The Applicant believes that the granting of the licence is consistent with this objective for the following reasons:

- CTWF is an efficient long-term electricity industry investment for the state of Victoria in that CTWF is underpinned by a fixed power purchase agreement that will help ensuring long term pricing stability for Victorian consumers.
- The Applicant is financially viable generator as evidenced in section 3 of this application. Long term agreements have been entered into for Asset Management and Operations and Maintenance with experienced long-term industry participants.
- The addition of CTWF to the Victorian electricity market will increase electricity supply in the market (with the potential to lower spot market prices) and increase competition in the National Electricity Market.
- CTWF will be subject to all relevant health, safety, environmental and social legislation applying to the Victorian electricity industry and has systems in place to ensure compliance with these requirements.
- CTWF will help reduce the negative externalities from electricity generation by reducing air pollution caused by fossil fuel generators.
- The Applicant will be subject to the National Electricity Rules which provide consistent regulation across all states in the National Energy Market. In addition, the Asset Manager is experienced in operating assets across the NEM (and in WA). The operations will be in compliance with Victorian requirements and are consistent with those in other jurisdictions (with some minor jurisdictional variations)

1.3.8 Fit and Proper Person

The Applicant confirms that it is a fit and proper person to hold a generation licence in the state of Victoria and that:

1. No director of the Company has been declared bankrupt, had their affairs placed under administration or been disqualified from managing a company
2. No director of the Company or any person with significant managerial responsibility or influence on the Company has been subject to any debt judgement or insolvency proceedings
3. No director of the Company or any person with significant managerial responsibility or influence on the Company has been charged with fraud, theft or any other criminal offence.
4. No director of the Company, the Company or any person with significant managerial responsibility or influence on the Company have been involved in any material breaches of obligations regulated by the Essential Services Commission.
5. No director of the Company, the Company or any person with significant managerial responsibility or influence on the Company have been prosecuted for any offences or had any enforcement action taken under any state, territory, Commonwealth or foreign legislation (including, but limited to, the Competition and Consumer Act 2010 (Cth),

Corporations Act 2001 (Cth), or the Australian Securities and Investments Commission Act 2001 (Cth)).

6. No licence or authorisation has been refused, restricted, suspended or revoked from the Company or any other company or person related to or associated with the Company

2. TECHNICAL CAPACITY

2.1 General Information

2.1.1 Organisational Structure

The Applicant has no employees of its own. To enable the Applicant to meet its obligations under the Electricity Industry Act 2000 (Vic), staff and expertise are being provided by Infigen Energy Services Pty Limited under the Management Services Agreement in place between Infigen Energy Services and the Applicant (Attachment F).

Infigen Energy Limited (the ultimate parent company of Infigen Energy Services Pty Limited) is a business actively participating in the Australian energy market. It is a developer, owner and operator of generation assets delivering energy solutions to Australian businesses and large retailers.

With 779 MW of installed generation capacity across New South Wales, South Australia and Western Australia and a recently commissioned battery storage of 25 MW under in South Australia, owned and operated by related entities, Infigen Energy Services has the expertise, knowledge and skill base to operate CTWF. It sells the electricity and Large-scale Generation Certificates through a combination of medium and long-term contracts as well as through the spot market.

An organisational chart of Infigen Energy Services key personnel is provided in Attachment E.

2.1.2 Experience of Key Personnel

A summary of the skills and experience of Infigen Energy Services senior managers and other key personnel of is provided in Attachment E.

2.1.3 Evidence of the Capacity to Comply with Licence Conditions

The Applicant will call upon the resources made available through its the Management Services Agreement in place with Infigen Energy Services to comply with the licence conditions, laws, codes and guidelines.

Infigen Energy Services 24/7 Operation Control Centre (OCC) will be the point of contact during operation for control signals from AEMO and AusNet. The OCC will also be responsible for the bidding and monitoring of the wind farm. OCC staff have developed a deep knowledge and experience base through the management of Infigen's wind farm assets over the last 10 years and are suitably qualified to incorporate CTWF into their operational portfolio.

2.1.4 Internal Controls, Policies and Procedures

CTWF will be operated in accordance with the internal controls, policies and procedures of the Applicant, Infigen Energy Services and Vestas, which are consistent with industry standards and best practice.

Information about Infigen Energy's relevant governance policies are contained on its website at:

<https://www.infigenenergy.com/about-us/corporate-governance/>

Health, Safety and Environment, Compliance, Risk Management and Privacy Policies for Infigen are also attached at Attachment K.

Site Specific Construction Management Plans currently exist and operational plans will be developed prior to commencement of operations. These include but are not limited to:

- CTWF Health and Safety Management Plan
- CTWF Environmental Management Plan
- CTWF Risk Management Plan

2.1.5 Compliance Management and Strategies

The asset manager will manage compliance in accordance with its Compliance Policy, regulatory requirements and the requirements of this licence. It has systems in place to ensure that obligations are identified, kept up to date, recorded and actioned.

2.1.6 Evidence of any Interactions or Preliminary Registration with AEMO

CTWF received registration as an Intending Participant in the National Electricity Market effective 27 Aug 2019. Evidence of this registration is provided in Attachment M.

2.1.7 Australian Financial Services Licence

CTWF does not require an Australian Financial Services Licence. It does not intend to undertake any of the activities which require an Australian Financial Services Licence; that is, CTWF will not:

- provide financial product advice to clients
- deal in a financial product
- make a market for a financial product
- operate a registered scheme
- provide a custodial or depository service, or
- provide traditional trustee company services

2.1.8 Liaison with ESV

Under the EPC Agreement, Vestas is required to meet ESV requirements and has made contact with the ESV. It is expected that CTWF will be inspected and certificates of compliance issued.

2.2 Generation, Transmission and Distribution Licence Applications

2.2.1 Confirmation that all Planning and Environmental Approvals Have Been Completed

Mitchell Shire Council granted approval for the construction and operation of CTWF on 26 November 2013 (the Planning Permit) under the direction of the Victorian Civil Administrative Tribunal (VCAT). All environmental approvals for the project are in place.

2.2.2 Land Agreements

Five long-term land agreements have been executed with land owners across the Project site allowing access, construction and operations of the wind farm.

2.2.3 Confirmation of Agreed Generator Performance Standards with AEMO

CTWF received a 5.3.4A letter from the Australian Energy Market Operator confirming acceptance of the proposed negotiated performance standards as per clause 5.3.4A(d) of the National Electricity Rules (Rules). The letter has been included in Attachment G.

2.2.4 Details of relevant contracts

The Applicant has entered into an engineering, procurement and construction contract for the Cherry Tree Wind Farm project with Vestas (EPC Contract). Under the EPC Contract, Vestas will be responsible for constructing the Cherry Tree Wind Farm. A copy of this agreement is attached in Attachment F. Please treat the contents of this as Commercial-in-Confidence.

The Applicant has entered into and design and construction contract for the Cherry Tree Wind Farm overhead power line with Energy Solutions Pty Limited (Beon). Following construction and commissioning, this line will be gifted to AusNet. A copy of this agreement is attached in Attachment F. Please treat the contents of this as Commercial-in-Confidence.

The Applicant has entered into a Management Service Agreement (MSA) with Infigen Energy Services Pty Ltd. The services provided by Infigen Energy Services Pty Ltd to the Company are set out in Schedule 2 of the MSA and are divided into three parts, namely:

- Construction phase services (Part 1)
- Operational phase services (Part 2)
- Construction and Operational phase services (Part 3)

A copy of this agreement is attached in Attachment F. Please treat the contents of this as Commercial-in-Confidence.

The Applicant has entered into a Service Agreement (AOM 5000) with Vestas Australian Wind Technology Pty Limited which covers operation and maintenance of the wind farm. A copy of this agreement is attached in Attachment F. Please treat the contents of this as Commercial-in-Confidence.

The Applicant has entered into a Connection Services Deed (CSD) with AusNet Electricity Services Pty Ltd to provide access and connection services to the AusNet distribution network. A copy of this agreement is attached in Attachment F. Please treat the contents of this as Commercial-in-Confidence.

The Applicant has entered into a Network Extension Agreement (NEA) with AusNet Electricity Services Pty Ltd that covers the non-contestable connections works on the AusNet distribution network. A copy of this agreement is attached in Attachment F. Please treat the contents of this as Commercial-in-Confidence.

The Applicant has entered into a Network Modification Agreement (NMA) with AusNet Electricity Services Pty Ltd which covers AusNet's requirements for contestable connection works being carried out by the Applicant. A copy of this agreement is attached in Attachment F. Please treat the contents of this as Commercial-in-Confidence.

3. INFORMATION ABOUT FINANCIAL VIABILITY

The Applicant is financially viable and has the capabilities and financial resources to commence and sustainably perform the requirements of the licence. Full supporting details are provided to the Commission in the Attachments below on a Commercial-in-Confidence basis, but may be summarised as follows:

- The company is owned by John Laing Investments Overseas Holdings Limited, an infrastructure fund that specialises in investing and managing public infrastructure projects. The company invests in projects across a number of sectors, from transport to environmental and social infrastructure projects and across a range of markets internationally.
- The company is financed by equity from John Laing Investments Overseas Holdings Limited and long-term debt.

3.1 Current Balance Sheet

The balance sheet, including a statement of assets and liabilities, is provided in Attachment H. Please treat the contents of this as Commercial-in-Confidence.

3.2 Significant Contracts

Please refer to Section 2.2 "Details of relevant contracts".

3.3 Annual Report

Annual financial statements complete with external auditor's and any other required statements, are provided in Attachment H. Please treat the contents of this as Commercial-in-Confidence.

3.4 Credit Ratings

The company is not rated by a credit agency.

3.5 Guarantees

A list of guarantees in place is provided at Attachment I. Please treat the contents of this as Commercial-in-Confidence.

3.6 Shareholder Details

Shareholder details are provided in Attachment C. Please treat the contents of this as Commercial-in-Confidence.

3.7 Business Plan and Financial Model

A Business Plan and supporting Financial Model is provided in Attachment J. Please treat the contents of this as Commercial-in-Confidence.

4. STATUTORY DECLARATION


There have been no changes in financial position or structure, operation of financing since the last audited financial statements. A Statutory Declaration stating such is provided at Attachment L.

I

David Stegehuis

Director

DECLARE that I am authorised by the Applicant to submit this Application on the Applicant's behalf and CERTIFY that the contents of this Application are true and correct.

 Signature	28/Nov/2020 Date
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