



ELECTRICITY GENERATION LICENCE

**EDL LFG (Vic) Pty Ltd
(ABN 69 061 503 348)**

**Issued on
12 December 2012**

C/12/37780
EG03-2012

ELECTRICITY GENERATION LICENCE

This Licence is issued pursuant to section 19 of the *Electricity Industry Act 2000* (Vic) and is subject to the terms set out in this Licence.

Date

This Licence is issued on **12 December 2012**

Licensee

This Licence is issued to:

EDL LFG (Vic) Pty Ltd (ABN 69 061 503 348) (the Licensee)
Building 17, 2404 Logan Road
Eight Mile Plains
QLD 4113

**THE COMMON SEAL of the
ESSENTIAL SERVICES COMMISSION**
was affixed pursuant to the authority
of the Commission

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Dennis Cavagna
Acting Chairperson

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Part A - Interpretation**1. Definitions**

1.1. Unless the contrary intention appears a term in bold type has the meaning shown opposite it:

Act	the <i>Electricity Industry Act 2000 (Vic)</i>
AEMO	Australian Energy Market Operator (ACN 072 010 327)
Administrator	an administrator appointed by the Commission under section 34 of the Act
Business day	a day other than a Saturday, Sunday or a public holiday in Victoria
Commencement Date	the date this Licence is issued, as noted on the first page of the Licence
Commission	the Essential Services Commission established under the ESC Act
Electricity Distribution Code	the code of that name certified by the Commission
Electricity System Code	the code of that name certified by the Commission
ESC Act	the <i>Essential Services Commission Act 2001 (Vic)</i>
Final Enforcement Order	a final order made under section 53 of the ESC Act
Guideline	a guideline published by the Commission
Licensed Power Stations	Broadmeadows, Brooklyn, Clayton, Corio, Narre Warren North and Springvale landfill gas power stations
Licensee	EDL LFG (Vic) Pty Ltd (ABN 69 061 503 348)
Minister	The person who is, from time to time, the Minister for the purposes of the relevant section of the Act
National Electricity Rules	has the same meaning as in the Act
Objectives	the objectives of the Commission under the Act and the ESC Act
Order	an Order in Council made or in force under the Act
Prohibited Interest	has the meaning given in section 68 of the Act
Undertaking	an undertaking given by the Licensee under section 53(5)(a) of the ESC Act
Wholesale Electricity Market	has the same meaning as in the Act

Writing	any mode of representing or reproducing words, figures, drawings or symbols in a visible form
Total Generating Capacity Entitlement	the aggregate of all entitlements to generating capacity of the Licensee within the meaning of Part 3 of the Act

1.2. In this Licence, unless the context otherwise requires:

- a. headings and footnotes are each 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, or part is to a condition, clause, or part of this Licence;
- f. a reference to any statute including the Act and 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;
- g. 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;
- h. a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- i. other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;
- j. a period of time:
 - A. which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
 - B. which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- k. 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.

2. Notices

2.1. A notice under this Licence is only effective if it is in writing, and dealt with as follows:

- a. if given by the Licensee to the Commission – addressed to the Chief Executive Officer of the Commission at the address specified below or as otherwise notified by the Commission:

Essential Services Commission, Level 37, 2 Lonsdale Street,
Melbourne VIC 3000; or

- b. if given by the Commission to the Licensee – given by the Chief Executive Officer of the Commission and addressed (and marked for attention of) the Chief Executive Officer of EDL LFG (Vic) Pty Ltd (ABN 69 061 503 348), at the address specified below or as otherwise notified by the Licensee:

EDL LFG (Vic) Pty Ltd
Building 17, 2404 Logan Road
Eight Mile Plains
QLD 4113

A notice is to be:

- c. signed by or on behalf of the person giving the notice and delivered by hand; or
d. signed by or on behalf of the person giving the notice and sent by pre-paid post; or
e. transmitted electronically by or on behalf of the person giving the notice by electronic mail or facsimile transmission.

2.2. A notice is deemed to be effected:

- a. if delivered by hand – upon delivery to the relevant address;
b. if sent by post – upon delivery to the relevant address;
c. if transmitted electronically – in accordance with the method set out in the *Electronic Transactions (Victoria) Act 2000 (Vic)* for determining the time of receipt.

2.3. A notice received after 5.00 pm, or on a day that is not a business day, is deemed to be effected on the next business day.

Part B - Licence

3. Grant of the Licence

- 3.1. In exercise of its powers under section 19 of the Act, the Commission grants the Licensee a licence to generate electricity for supply or sale on the terms and conditions set out in this Licence with effect from the Commencement Date.
- 3.2. This Licence applies only to the generation of electricity at the Licensed Power Stations.
- 3.3. The Commission has exercised its power under section 19 of the Act having regard to the information provided by the Licensee in its application under section 18 of the Act.

Part C - Conditions of the Licence

4. Status of the requirements in this Part

- 4.1. A breach of any of the requirements set out in this Part C:
- a. is a breach of a condition for the purposes of Part 7 of the ESC Act; and
 - b. is a breach of a condition for the purposes of clause 12 of this Licence.

5. Payment of fees

- 5.1. The Licensee must pay a licence fee as determined by the Minister in accordance with the provisions of section 22 of the Act.

6. Ongoing technical capacity

- 6.1. The Licensee must at all times maintain:
- a. such technical capacity as is:
 - A. required to meet obligations under this licence; and
 - B. reasonably required to undertake the activities authorised by this licence; and
 - b. such additional technical capacity as is reasonably required to enable it to meet and utilise technological advances in the electricity industry.
- 6.2. In this clause 6, activities undertaken pursuant to this Licence includes any activities undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence; and

- 6.3. The Licensee must ensure that any contract entered into with any third parties contains such provisions as are necessary to enable the Licensee to comply with the requirements of this clause 6.

7. Compliance with regulatory instruments

- 7.1. Subject to clause 7.2, the Licensee must comply with:
- a. the Electricity Distribution Code;
 - b. the Electricity System Code; and
 - c. any other code or guideline issued by the Commission from time to time that is expressed as being one with which the Licensee must comply,

to the extent they are applicable to activities undertaken by the Licensee pursuant to this Licence.

- 7.2. The Commission may, from time to time, by written notice grant an exemption in relation to or otherwise modify the application of some of the requirements of the instruments referred to in clause 7.1.
- 7.3. The Licensee must have in place a system for monitoring compliance with this Licence and the instruments referred to in clause 7.1.
- 7.4. The Licensee must comply with the requirements of the *Electricity Safety Act 1998* and any regulations made under that Act.
- 7.5. The Licensee must be registered as a generator with AEMO or exempt from the requirement to be registered as a generator in accordance with the National Electricity Rules and must comply with the requirements of the National Electricity Rules.

8. Compliance with Laws

- 8.1. The Licensee must comply with all applicable laws.

9. Prohibited interests

- 9.1. The Licensee must not hold a prohibited interest.
- 9.2. The Licensee must notify the Commission as soon as it becomes aware of any other person holding a prohibited interest in its business.
- 9.3. The Licensee must comply with any notice issued by the Commission under section 70 or 71 of the Act.

10. Separate accounts

- 10.1. If the Licensee holds more than one category of licence under Part 2 of the Act, the Licensee must prepare separate accounts for each part of its business in respect of which it has been granted a separate licence.

11. Provision of information

- 11.1. The Licensee must notify the Commission of any breach by it of the conditions of this Licence including any of the instruments referred to in

clause 7.1 as soon as reasonably practicable after becoming aware of the breach.

- 11.2. The Licensee must as soon as reasonably practicable provide AEMO with such information as AEMO may properly request in connection with the performance of their functions or the exercise of their powers under the Act in the manner and form specified by AEMO.
- 11.3. The Licensee must as soon as reasonably practicable provide the Commission with such information as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act in the manner and form specified by the Commission.
- 11.4. The Licensee must, as soon as reasonably practicable, upon request of and in a manner and form specified by the Commission, provide the Commission with details of its ongoing technical capacity to undertake the activities authorised by this Licence.

12. Revocation

- 12.1. The Commission may revoke this Licence:
- a. at any time at the request of or with the consent of the Licensee; or
 - b. in accordance with section 73 of the Act.
- 12.2. The Commission may revoke this Licence:
- a. if the Licensee fails to comply with an undertaking or a final enforcement order;
 - b. the Licensee breaches any condition of this Licence, including any condition deemed to apply by the Act or any other legislation;
 - c. if any information provided by the Licensee pursuant to this Licence or in its application for the Licence is found to be false or misleading;
 - d. the Licensee's financial viability or technical capacity is such that the Commission considers that the Licensee would be unable to satisfactorily meet its obligations under this Licence; or
 - e. the Licensee fails to comply with a decision, direction, determination or arrangement (as the case may be) made by or agreed with the Commission, AEMO, Energy Safe Victoria or the Minister.
- 12.3. Where the Commission decides to revoke this Licence, the Commission will issue a notice to the Licensee, specifying:
- a. the basis upon which the Commission is revoking this Licence; and
 - b. the date upon which the revocation will take effect, such date to be:
 - A. where clause 12.2.a applies or where in the Commission's opinion it is appropriate that the Licence be revoked in a shorter time frame having regard to its objectives and the events or circumstances that gave rise to the notice being issued, no less

than 5 business days after the date upon which the notice is issued; and

- B. in all other cases, no less than 20 business days after the date upon which the notice is issued,

and, subject to clause 12.4, this Licence will be revoked on the date specified in the notice.

- 12.4. The Commission may, at its discretion and by written notice to the Licensee, withdraw a notice issued under clause 12.3 at any time prior to the revocation date specified in the notice if the Commission is satisfied that the Licensee has complied with the relevant final enforcement order or undertaking, rectified the breach or complied with the relevant decision, direction, determination or arrangement (as the case may be) or if the Commission considers that it is otherwise appropriate to withdraw the notice.

13. Variation

- 13.1. For the purposes of section 29(1)(a) of the Act, the Commission may vary this Licence in accordance with the procedures set out in this clause 13.

- 13.2. Where the Commission:

- a. wishes to amend the list of instruments referred to in clause 7.1; or
- b. is of the opinion that a proposed variation to the Licence is consistent with its objectives and is:
 - A. of an administrative or trivial nature; or
 - B. required urgently, such that it would not be appropriate to issue a notice under section 29(1)(c) of the Act,

the Commission may issue a notice to the Licensee.

- 13.3. A notice issued under clause 13.2 will include:

- a. the terms of the variation;
- b. the purpose of the variation;
- c. where clause 13.2.b.B applies, confirmation that the Commission is of that opinion; and
- d. the date upon which the variation will take effect.

14. Transfer

- 14.1. This licence may be transferred in accordance with section 31 of the Act.

15. Audit

- 15.1. Upon request by the Commission, the Licensee must appoint an auditor to be approved by the Commission to conduct audits of:

- a. the Licensee's compliance with its obligations under the Act or this Licence, including but not limited to the codes and guidelines referred to in clause 7.1; and
 - b. the reliability and quality of information reported by the Licensee to the Commission and the consistency of that information with the Commission's specifications; and
 - c. any other matter as directed by the Commission.
- 15.2. The Licensee must ensure that the Commission is promptly provided with a copy of any reports produced by the auditor pursuant to this clause. The Licensee must comply, and must require the auditor to comply, with any guidelines issued by the Commission dealing with audits under this clause.

16. Administrator

- 16.1. If an administrator is appointed to the Licensee's business under section 34 of the Act, the administrator must exercise its functions and powers in such a manner as may be specified by the Commission in the instrument of appointment.
- 16.2. The Licensee is responsible for the acts and defaults of the administrator.