



Attachment 4B – Fit and Proper Person

Date: 01 March 2022

ENGIE Australia & New Zealand's (**ENGIE ANZ's**) vision is to accelerate and support its customers' transition to carbon neutrality by providing innovative and sustainable energy solutions to households, businesses, communities and cities via its portfolio of low-carbon electricity assets and its expertise in smart infrastructure. It is part of the ENGIE Group, a global energy operator in the businesses of electricity, natural gas and energy services.

ENGIE ANZ has long demonstrated its financial and technical capacity to operate in the complex, ever-changing and heavily regulated generation and wholesale energy markets across Australia since its entry in 1996. Its capabilities have spanned a wide spectrum of operating assets including coal, and now, with its renewed vision to accelerate the pace of carbon neutrality, cover predominantly low-carbon electricity assets such as gas and wind.

ENGIE ANZ is also involved in the comprehensive and complex decommissioning and rehabilitation phases of end of power station life and, together with its partners, in the construction and development phases of the transition to new low-carbon, renewable and battery energy storage grid-connected generators with several wind, solar, hydrogen and battery energy storage projects (including the HBESS) in various stages of development across Australia. ENGIE ANZ's long presence in the generation and wholesale energy markets, which are often characterised by volatility, also speaks to its prudentially sound risk management practices.

ENGIE ANZ is strongly committed to regulatory compliance. Compliance with the law is one of the four key ethical principles embedded in ENGIE's Ethics Charter and the responsibility of all ENGIE employees to uphold. ENGIE ANZ takes its regulatory obligations seriously and continually strives to reinforce its requirements both internally and externally with stakeholders.

ENGIE ANZ does not always get this right in the breadth and complexity of its operations, and has, over the past seven years, witnessed several notable non-compliance events or alleged non-compliance events. However, where, on the occasions it has fallen short, including with respect to its own expectations, ENGIE ANZ voluntarily self-reports (where its own processes have identified the failures) and is open, transparent, and co-operative with regulators to fix mistakes.

ENGIE ANZ accepts full responsibility for any failures and promptly seeks to undertake remedial action to improve identified inadequate processes and rectify any consequences. This is evident in examples of its approaches to managing failures such as:

- implementing significant changes to its operations by ceasing door-to-door sales as part of its retailing activities;
- eliminating, as far as possible, the effects on customers of ENGIE ANZ's mistakes by promptly refunding customers; and
- incurring expenditure on software tools and equipment to better capture data or improve performance as part of its bidding and rebidding activities on the trading desk.

ENGIE ANZ also focusses on continually improving its compliance governance and management structures to embed ownership and accountability and is currently investigating further investments in digital tools to improve understanding and its regulatory compliance responsiveness to mitigate risks.





Considering the above, ENGIE ANZ believes, with its demonstrated financial and technical capacity and a strong commitment to regulatory compliance and continual improvement, the Applicant, is strongly and adequately supported by ENGIE ANZ, and is a fit and proper person to hold a generation and wholesale energy licence and to undertake the licensed activities.

See below for further details on ENGIE ANZ's operations.

The Applicant

The Applicant is ultimately owned by ENGIE S.A. Registration No. 542107651 (70%) (**ENGIE**) and Macquarie Group Limited ABN 94 122 169 279 (30%) (**Macquarie**).

ENGIE ANZ's Generation Assets

ENGIE ANZ has long established roots in Australia having first entered the Australian market in 1996 with International Power's acquisition of the Hazelwood Power Station in Victoria. ENGIE ANZ also owned and operated the Loy Yang B Power Station in Victoria from the time of International Power's acquisition in 2004 until ENGIE ANZ's divestment in early 2018. Consistent with its vision to lower the carbon footprint of its portfolio of electricity assets, ENGIE ANZ no longer owns or operates coal-fired power stations in Australia and is now undertaking the comprehensive and complex rehabilitation of the former Hazelwood Power Station and Mine Site following its 2017 closure decision and the development of a suite of low carbon and renewable wind, solar, hydrogen and battery energy storage projects in Australia.

Currently, ENGIE ANZ has several NEM connected generators in South Australia including the Pelican Point Power Station, the Synergen Power fleet of power stations (Dry Creek Power Station, Mintaro Power Station, Port Lincoln Power Station and Snuggery Power Station), the Willogoleche Wind Farm, and the Canunda Wind Farm. These generators are under common ownership by ENGIE (72%) and Mitsui & Co., Ltd. (28%) (**Mitsui**) (the **IPAH Group**) except for the Willogolcehe Wind Farm. Following the IPAH Group's construction and development of the wind farm, the IPAH Group disposed of its 75% interest in the wind farm in 2020 via the creation of an equity platform to further bolster its development of wind and solar projects. The 75% interest in the equity platform was acquired by an investment fund under the management of the Infrastructure Capital Group (**ICG**), a specialist, independent infrastructure fund management firm. The wind farm continues to be managed by a member of the IPAH Group, International Power (Australia) Pty Ltd (**IPA**), under an asset services management agreement.

The IPAH Group also recently commenced decommissioning activities at its Kwinana Cogeneration Plant site in Western Australia. The Kwinana Cogeneration Plant was a WEM connected electricity and steam generator which was owned by the IPAH Group (70%) together with its partner RATCH-Australia Energy (Kwinana) Pte Ltd (30%). The Plant was operated by ENGIE since International Power's acquisition of the Plant in 2004. The decision to close and decommission the Plant followed the BP Refinery's (the Plant's sole off-taker) decision in October 2020 to cease its refinery operations at the site and convert the site to an import terminal.

Wholesale Trading Activities

The wholesale trading activities of ENGIE's NEM connected generators are conducted by ENGIE's Melbourne based trading team. This team is part of Global Energy Management and Sales, a global business unit of ENGIE specifically dedicated to providing energy supply solutions and risk management services to support its customers through their decarbonisation journey, while optimising ENGIE's assets and contributing to value creation.

ENGIE's Retailing Activities

The IPAH Group also owns Simply Energy (100%), a gas and electricity retailer and one of Australia's fastest growing energy companies with ~750,000 customers. Simply Energy started providing energy in 2005 (then in partnership with EnergyAustralia (50%)), and today Simply Energy provides electricity to customers in New South Wales, Queensland, South Australia, Western Australia and Victoria, plus natural gas to customers in South Australia, Victoria and New South Wales.