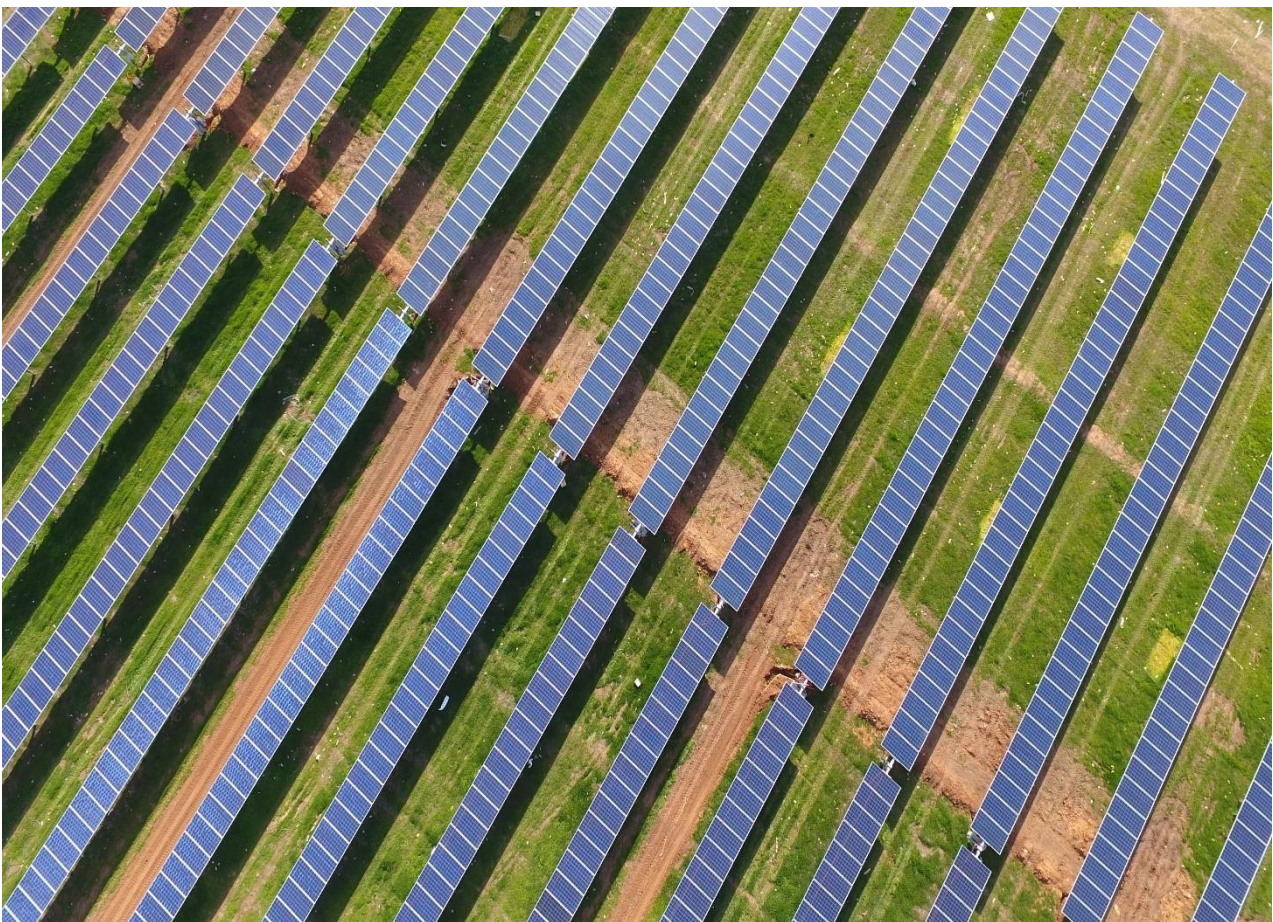


# APSU POWER PTY LTD

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



## Apsu Solar Farm (Numurkah)

17<sup>th</sup> November 2020

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- Attachment A – Certificate of Registration of Apsu Power Pty Ltd
- Attachment B – Constitution of Apsu Power Pty Ltd
- Attachment C – Diagram of Corporate Structure
- Attachment D – Organisational Structure, including Experience of Key Personnel
- Attachment E – Contract with Licenced Retailer
- Attachment F – Statutory Declaration
- Attachment G – Regulatory Obligations Practical Compliance Plan
- Attachment H – Electrical Health and Safety Plan
- Attachment I – Environmental Management Plan
- Attachment J – Certificates of Compliance
- Attachment K – Development Approval n 5/2016/264 - Moira Shire Council
- Attachment L – Powercor Interface Agreement
- Attachment M – Service and Maintenance Agreement
- Attachment N – Powercor Connection Contract
- Attachment O – Powercor Generator Deed
- Attachment P – Audited Financial Statements and related documents
- Attachment Q – Shareholder details
- Attachment R – Business Plan

## SECTION 1 – INFORMATION ON THE APPLICANT AND NATURE OF THE APPLICATION

### 1.1 INTRODUCTION

The Apsu Solar Farm (Numurkah) is under 5 MWac in capacity, comprising of polycrystalline PV panels on single axis trackers. The solar farm is located in the Moira Shire, Victoria, approximately two and half kilometres north/north west of the town of Numurkah, and 33 kilometres north of Shepparton.

### 1.2 THE APPLICANT DETAILS

Name	Apsu Power Pty Ltd
ABN	11 613 995 243
Registered Business Address	C/O Julie Redmond Suite 4, 251 Lower Heidelberg Road East Ivanhoe VIC 3079
Postal Address	PO Box 114, Doncaster VIC 3108

The Contact person on behalf of the Applicant is:

Name	Antony Stanton
Title	Director
E-mail	[REDACTED]
Telephone	[REDACTED]

#### 1.2.1 Incorporation Details

The Certificate of Registration of Apsu Power Pty Ltd (“the **Applicant**”) is provided in Attachment A. The Constitution of the Applicant is provided in Attachment B. Please treat the contents of these as Commercial-in-Confidence as it contains proprietary information of the Applicant.

#### 1.2.2 Corporate Structure

A diagram of the corporate structure (including details of parent companies within the meaning of the Corporations Act) is provided in Attachment C. Please treat the contents of this as Commercial-in-Confidence as it contains proprietary information of the Applicant.

#### 1.2.3 Organisational Structure

The Applicant’s board of directors comprise the following people:

- Antony Stanton – Director
- Dean Tanevski – Director

A diagram of the organisational structure is provided in Attachment D. Please treat the contents of this as Commercial-in-Confidence as it contains proprietary information of the Applicant.

## **1.3 THE APPLICATION**

### **1.3.1 Type of Licence Sought**

The Applicant seeks a generation licence from the Essential Services Commission of Victoria (ESC) as owner and operator of the Apsu Solar Farm (Numurkah).

### **1.3.2 Date from which licence is sought**

The Applicant seeks a licence to cover its operations as an electricity generator from mid-January 2021.

### **1.3.3 Nature and scope of operations for which the licence is sought**

The Applicant is a business that was established in 2016 with the goal of constructing small scale community style solar farms. The Applicant is 100% Victorian owned and Australian operated. The Applicant plans to develop a portfolio of solar farms going forward and to operate them under its own Small Generator Aggregator Registration with AEMO. The Applicant has gained knowledge and sufficient experience over the last 4 years of planning, construction and operating the solar farm.

The Apsu Solar Farm (Numurkah) is under 5 MWac in capacity, comprising of polycrystalline PV panels on single axis trackers. The Apsu Solar Farm (Numurkah) is located in the Moira Shire, Victoria, approximately two and half kilometres north/north west of the town of Numurkah, and 33 kilometres north of Shepparton.

Construction of stage 1 of the Apsu Solar Farm (Numurkah) was completed and subsequently commissioned in December 2018. Stage 1 of the Apsu Solar Farm (Numurkah) stands at 3 MWdc/2.436 MWac and is connected to the local distribution grid through the Numurkah Zone Substation. Stage 1 of the Apsu Solar Farm (Numurkah) comprises of 9,230, 325-watt dc polycrystalline PV modules. Since its activation the Apsu Solar Farm (Numurkah) has generated 8,000 MWh, a saving of 8,000 metric tonnes of CO<sub>2</sub> emissions into the atmosphere.

Upon completion of stage 2 of the Apsu Solar Farm (Numurkah), the solar farm will be running at full capacity, with an additional 3 MWdc of modules. It is expected to generate between 11,600 and 11,900 MWh per year for the 30 years of its estimated design life, equivalent to avoiding between 11,600 and 11,900 metric tonnes of CO<sub>2</sub> emissions each year.

The Applicant is currently exempt from registering the solar farm as a generator as the solar farm has a nameplate rating of less than 5 MW and sells all of its output to a licenced retailer that is registered as a Small Generation Aggregator with AEMO. The power purchase contract with the licenced retailer is provided in Attachment E and is due to expire on 31 July 2021 unless extended by the parties. Please treat contents of this as Commercial-in-Confidence in accordance with Clause 17 of

Attachment E, because it contains sensitive commercial information, including pricing and the licenced retailer's standard terms of contracting.

In accordance with its current business plan, the Applicant has made a strategic decision to apply for a generation licence with the Essential Services Commission in its own name, including so that it has greater control over the solar farm and can sell electricity into the NEM on a merchant basis, following expiry of the power purchase agreement. As well as applying to the ESC, the Applicant will also apply to AEMO for registration as a SGA, which will allow it to sell electricity in the NEM, and in the long term will facilitate the registration of multiple solar farms which the Applicant intends to develop in the future.

#### **1.3.4 Former and concurrently held licences by the Applicant**

The Applicant has never previously applied for an electricity licence in any jurisdiction.

The Applicant currently relies on a standing exemption as it operates a generating system with a nameplate rating of less than 5 MW. As noted above, the Applicant is in the process of lodging its application for Registration as a Small Generator Aggregator with AEMO.

#### **1.3.5 Licences held by associates of the Applicant**

There are no licences held by any associates of the Applicant for electricity generation in any jurisdiction.

#### **1.3.6 Licence conditions**

The Applicant does not seek 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:

- The Apsu Solar Farm (Numurkah) increases the amount of available generation capacity on the Victorian grid. This in turn increases competition, which reduces prices as the market adjusts to a lower equilibrium price ensuring long term pricing stability for Victorian consumers.
- The Apsu Solar Farm (Numurkah) improves the reliability of supply in Victoria by increasing the overall amount of generating capacity available in Victoria; diversifying the types of generation available in the Victorian network and by diversifying the range of locations generation is available on the Victorian network.
- The Applicant is financially viable generator as evidenced in section 3 of this application.

- The Apsu Solar Farm (Numurkah) is subject to all health, safety, environmental and social legislation applying to the Victorian electricity industry and has systems in place to ensure compliance with these requirements.
- The Apsu Solar Farm (Numurkah) will help reduce the negative externalities from electricity generation by reducing air pollution caused by fossil fuel generators.
- The Applicant has secured a connection agreement with Powercor which requires the Apsu Solar Farm (Numurkah) to operate to within quality standards that are consistent with the Generator performance Standards specified in the National Electricity Rules. The Applicant secured this connection agreement by demonstrating that its power system is adequate to meet these requirements.

### 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:

- No director of the Company has been declared bankrupt or had their affairs placed under administration or been disqualified from managing a company.
- 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.
- 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.
- No director of 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.
- No director of 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)).
- 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.

Executed statutory declarations supporting the details in this licence application are provided in Attachment F. Please treat the contents of this as Commercial-in-Confidence as it contains proprietary information of the Applicant.

## **SECTION 2 – TECHNICAL CAPACITY**

### **2.1 TECHNICAL CAPACITY**

The Applicant is confident that it has gained the necessary knowledge and sufficient experience over the last 4 years of planning, construction and operating the Apsu Solar Farm (Numurkah) and together with contracts established with third party service providers, has the technical capacity going forward to meet the Essential Services Commission's requirements.

#### **2.1.1 Experience of Key Personnel**

A summary of the skills and experience of the directors/managers and other key personnel are included in Attachment D. Please treat the contents of this as Commercial-in-Confidence as it contains proprietary information of the Applicant.

#### **2.1.2 Evidence of the Capacity to comply with Licence Conditions**

The Applicant has gained the knowledge required over the last 2 years of Stage 1 of the Apsu Solar Farm (Numurkah) being in operation and as such is capable of taking over all aspects of the licence, including participating directly into the spot market.

The Apsu Solar Farm (Numurkah) currently is:

- completely computerised and automated to satisfy all DNSP and AEMO requirements.
- Under 30GWh yearly output and meets the requirements of a standing exemption with AEMO.
- Small enough that should the site become unavailable, there is no impact on Victorian consumers, as it doesn't have any impact on AEMO's projected assessment of system adequacy relating to Victoria.
- The Applicant has registered operational contacts directly with AEMO and DNSP should manual dispatch commands be required.

#### **2.1.3 Internal Controls, Policies and Procedures**

The Applicant has implemented policies and systems in place to ensure compliance with applicable laws, including electricity, health, safety and environmental laws.

Attached are full versions of the policies and procedures. These include the:

- Regulatory Obligations Practical Compliance Plan (Attachment G)
- Electrical Health and Safety Plan (Attachment H)
- Environmental Management Plan (Attachment I)



#### **2.1.4 Compliance Management and Strategies**

The Applicant's commitment to compliance starts with the Apsu Power board of directors, which are committed to complying with laws, rules, regulations, relevant industry guidelines and codes and organisational standards.

As a small business, the directors also undertake the role of managers. They are supported by a small team of personnel.

Compliance is fundamental to managing legal risks and meeting obligations to AEMO, ESC, AER, the AEMC and other relevant regulators. The directors/managers and personnel of the Applicant each have a responsibility to adhere to the company's values and to actively participate in upholding and improving compliance standards.

The personnel must make themselves aware of the legal obligations within their area of accountability and control. Managers then have responsibility to ensure that those under their direction carry out their obligations and obtain advice where necessary to ensure obligations are met.

The directors have primary responsibility for reviewing compliance related issues on behalf of the Applicant. The directors review progress and audits and evaluates departures from laws or procedures together with assessing risks and providing general guidance and direction to the Applicant.

The Compliance Plan in Attachment G details the Applicant's strategy for ensuring compliance with applicable laws.

#### **2.1.5 AEMO Registration, trading and settlement**

The Applicant currently meets the requirements of a standing exemption because the Apsu Solar Farm (Numurkah) has a nameplate rating of less than 5 MW. The Applicant is in the process of lodging its application for Registration as a Small Generator Aggregator with AEMO.

The Applicant will link to AEMO's IT systems and trade the Apsu Solar Farm (Numurkah)'s electricity directly into the spot/wholesale market.

#### **2.1.6 Australian Financial Services Licence**

The Applicant does not require an Australian Financial Services Licence because it is not required for the operation of the Apsu Solar Farm (Numurkah) or for their ordinary business practices. It does not intend to undertake any of the activities which require an Australian Financial Services Licence; that is, the Applicant 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.

### **2.1.7 Liaison with Energy Safe Victoria**

The Applicant has established safety procedures and protocols for its ongoing operations at the Apsu Solar Farm (Numurkah) to ensure it and any subcontractors comply with the Electricity Safety Act 1998 and its associated regulations.

All electrical equipment installed in Stage 1 of construction complies with AS/NZS3000 standards.

Independent licenced inspectors have inspected and verified the installation complies with the Electrical Safety Act and the Electrical Safety Installation Regulations. Certificates of compliance have been issued.

The DNSP and Energy Safe Victoria have received the compliance certificates issued by the inspectors. Copies of certificates are provided in Attachment J.

## **2.2 GENERATION, TRANSMISSION AND DISTRIBUTION LICENCE APPLICATIONS**

### **2.2.1 Environmental and Planning Approvals**

The Applicant has completed all necessary planning and environmental approvals to develop the Apsu Solar Farm (Numurkah). These approvals include Development Approval n 5/2016/264 obtained from the Moira Shire Council on 12<sup>th</sup> September 2017. Copy of approval letter from Moira Shire Council and associated attachments is provided in Attachment K. Please treat the contents of this as Commercial-in-Confidence as it contains proprietary information of the Applicant.

### **2.2.2 Land Agreements**

The land upon which the Apsu Solar Farm (Numurkah) resides is jointly owned by the two directors of the Applicant and as such Land Agreements are not applicable.

### **2.2.3 AEMO Agreed Generator Performance Standards**

The Applicant has secured a connection agreement with Powercor which requires the Apsu Solar Farm (Numurkah) to operate to within quality standards that are consistent with the Generator performance Standards specified in the National Electricity Rules. The Applicant secured this connection agreement by demonstrating that its power system is adequate to meet these requirements.

A copy of the Powercor Interface Agreement is provided in Attachment L. Please treat the contents of this as Commercial-in-Confidence as it contains commercially sensitive information relating to a third party, including pricing information.

#### **2.2.4 Executed contracts**

The Applicant has entered into a power purchase agreement with a licenced retailer. A copy of this agreement is provided in Attachment E. Please treat contents of this as Commercial-in-Confidence in accordance with Clause 17 of Attachment E, because it contains commercially sensitive information of the counter-party, including pricing information and other commercial terms.

The Applicant has entered into an agreement with a third party to perform service and maintenance as required. A copy of this agreement is provided in Attachment M. Please treat the contents of this as Commercial-in-Confidence as it contains commercially sensitive information relating to a third party.

The Applicant has entered into a Connection Contract with Powercor Limited. A copy of this agreement is provided in Attachment N. Please treat the contents of this as Commercial-in-Confidence as it contains commercially sensitive information relating to a third party.

The Applicant has entered into a Generator Deed – Registered Market Participant with Powercor Limited. A copy of this Deed is provided in Attachment O. Please treat the contents of this as Commercial-in-Confidence as it contains commercially sensitive information relating to a third party.

The Applicant has obtained the relevant insurance necessary for the on-going operation of a high voltage facility in Victoria.

## **SECTION 3 – FINANCIAL VIABILITY**

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

- The Applicant is jointly owned by Stamkar Pty Ltd and DNS Software Pty Ltd.
- The Applicant is financed by equity from both parent companies.

### **3.1 CURRENT BALANCE SHEET**

The balance sheet, including a statement of assets and liabilities, is provided in Attachment P. Please treat the contents of this as Commercial-in-Confidence as it contains commercially sensitive financial information of the Applicant.

### **3.2 SIGNIFICANT CONTRACTS**

Please refer to Section 2.2.4 “Executed contracts”.

### **3.3 ANNUAL REPORT**

Annual financial statements, complete with external auditors and any other required statements, are provided in Attachment P. Please treat the contents of this as Commercial-in-Confidence as it contains commercially sensitive financial information of the Applicant.

### **3.4 CREDIT RATINGS**

The Applicant is not rated by a credit agency.

### **3.5 SHAREHOLDER DETAILS**

Shareholder details are provided in Attachment Q. Please treat the contents of this as Commercial-in-Confidence as it is proprietary information of the Applicant.

### **3.6 BUSINESS PLAN AND FINANCIAL MODEL**

A Business Plan and supporting Financial Model are provided in Attachment R. Please treat the contents of this as Commercial-in-Confidence as it contains commercially sensitive information of the Applicant.

## **SECTION 4 – STATUTORY DECLARATION**

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