

4 December 2018

Ms Kimberlee McKay
Acting Director
Utilities Commission of the Northern Territory
Level 11, Charles Darwin Centre
19 The Mall
Darwin NT 0800

Dear Ms McKay,

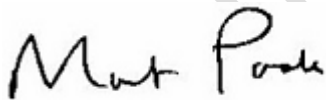
RE: Transfer of Generation Licence Application – Katherine Solar Pty Ltd to Eni Australia Limited

On behalf of Katherine Solar Pty Ltd and Eni Australia Limited, Epuron is pleased to submit the attached application for the transfer of the Standard Generation Licence from Katherine Solar Pty Ltd to Eni Australia Limited.

Eni Australia Limited is in the process of acquiring all Katherine Solar Pty Ltd assets to generate electricity for sale to NT electricity retailers or generators.

Please don't hesitate to contact Anthony Melov or myself should you have any questions in relation to this application.

Yours sincerely



Martin Poole
Executive Director, Epuron
Director, Katherine Solar Pty Ltd

Standard Generation Transfer Application

Katherine Solar Pty Ltd to Eni Australia Limited

Requirement	Applicant Response
<p><u>Legal Identity:</u></p> <ul style="list-style-type: none"> • Full legal name of Generation License Owner • ABN / ACN • Registration jurisdiction • Full legal name of Generation License Transferee • ABN / ACN • Registration jurisdiction 	<p>Katherine Solar Pty Ltd ABN: 89 614 150 622 ACN: 614 150 622 Victoria</p> <p>Eni Australia Limited ABN: 40 009 475 389 ACN: 009 475 389 Foreign company (registered in UK) with registered office in Western Australia</p>
<p><u>Contact Details:</u></p> <ul style="list-style-type: none"> • Name and title of a nominate contact officer and alternative • Telephone, fax, and/or email details • Street Address 	<p><u>Nominated Contacts</u></p> <p>Anthony Melov Senior Project Manager, Epuron Phone: (02) 8456-7400 Fax: (02) 9922 6645 a.melov@epuron.com.au Level 11, 75 Miller Street</p>

Requirement	Applicant Response
	<p>North Sydney NSW 2060</p> <p>Simone Rizzi Commercial Manager, Eni Australia Ltd simone.rizzi@eni.com Phone: +61 8 9320 1111 Eni House, 226 Adelaide Tce Perth WA 6000</p> <p><u>Alternative Contacts</u></p> <p>Martin Poole Executive Director, Epuron m.poole@epuron.com.au</p> <p>Ernie Delfos Managing Director, Eni Australia Ltd ernie.delfos@eni.com</p> <p><i>All other details are as for Nominated Contact</i></p>
<p><u>Licence Type:</u></p> <ul style="list-style-type: none"> Type of licence the applicant is seeking to transfer 	<p>Standard generation licence dated 1 November 2018 authorising Katherine Solar Pty Ltd to generate electricity for sale to electricity entities holding generation or retail licences.</p> <p>License to be transferred to Eni Australia Ltd.</p>

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<ul style="list-style-type: none"> • Proposed date (if any) which the applicant is seeking to have the issued licence transferred by • Details of the facilities and the area concerned (as applicable) in which the licence activities are to be carried on • Construction schedule 	<p>21 December 2018</p> <p>The Katherine Solar Power Station will be a 25MW AC solar photovoltaic (PV) facility consisting of ground-mounted, solar PV modules and associated electrical and civil infrastructure.</p> <p>The project site is located approximately 5km from the town of Katherine near the Stuart Highway on cleared rural living/agricultural land. A vegetation buffer will be in place between the Stuart Highway and the solar farm itself.</p> <p>All generation output will be exported via a direct connection to Power & Water Corporation’s 132 / 22kV Katherine Zone Substation. A new 22kV overhead / underground power line will be constructed alongside the Stuart Highway and Zimin Drive to access this substation.</p> <p><i>Commercially sensitive confidential information removed</i></p>
<p><u>Licensee Details:</u></p> <p>The applicant must show that:</p> <ul style="list-style-type: none"> • They are a resident in Australia • Have the capacity to be sued in their own name in an Australian Court • They are not under external administration • Have a financial situation commensurate with their potential financial exposure 	<p>See Attachment A - Certificate of Registration of a Company & ASIC extract.</p> <p>Eni Australia Limited is owned 100% by Eni International BV.</p> <p>Eni International BV is owned 100% by Eni S.p.A.</p> <p>Neither the licensee nor the transferee is under external administration.</p> <p>See response under “Financial Capacity” below.</p>

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<p>The applicant should include a copy of the applicant’s Certificate of Registration of the company.</p> <p>If the applicant is a wholly owned subsidiary of another company, or one of a group of related companies, summary information about the parent company and the ownership structure of the related companies should be provided.</p> <p>The directors, senior management and major shareholders of an applicant should be made known to the Commission.</p>	<p>The applicant for the Generation Licence Transfer is Katherine Solar Pty Ltd.</p> <p>The transferee of the Generation License is Eni Australia Limited.</p> <p>Eni Australia Limited operates as a subsidiary of Eni S.p.A.</p> <p>The directors and senior manager of Eni Australia Ltd are: Ernest Frank Oliver Delfos (Managing Director) Franco Polo (Chairman) Francesca Rinaldi (Director) Gianluigi Ferrara (Director) Simone Rizzi (Commercial Manager).</p> <p>The above listed Directors of the transferee have experience and previous commercial dealings that are highly relevant to the applicant’s proposed business (see below). None of the Directors has:</p> <ul style="list-style-type: none"> ➤ been found guilty of a criminal offence, ➤ been successfully prosecuted under any Territory, State or Commonwealth legislation (such as the Australian Securities and Investments Commission Act 2001), or ➤ been the subject of any past or present administrative or legal actions in relation to an authorisation, authority, or licence.
<p><u>Nature of Industry Participation:</u></p> <p>The applicant should:</p>	<p>As discussed above, the applicant is Katherine Solar Pty Ltd. and the transferee is Eni Australia Limited.</p>

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<ul style="list-style-type: none"> ➤ provide general information about its existing activities, both within and outside the electricity industry ➤ summarise the reasons why the applicant intends to participate in the Northern Territory electricity industry and the broad nature of that participation ➤ explain how the granting of a licence would be consistent with those requirements. 	<p><u>Eni Australia Limited – General Information</u></p> <p>Eni Australia Limited operates exclusively in Australia as a subsidiary of Eni S.p.A.</p> <ul style="list-style-type: none"> ➤ Eni Australia Limited has been present in Australia since 2001; ➤ Eni Australia Limited directly holds a 65% interest and is the operator of retention lease NT/RL7 (Evans Shoal); ➤ Either directly or through affiliates, main activities in the country are concentrated in the conventional and deep offshore production of oil and natural gas; in 2017, production of oil and natural gas averaged 22 kboe/d; ➤ The main production blocks in which, through affiliates, Eni holds interests are WA-33-L (Blacktip gas field, Eni’s interest 100%) and Joint Petroleum Development Area (JPDA) 03-13 (Eni’s interest 10.99%, Bayu-Undan gas field); ➤ Non-operated shareholding in Darwin LNG Pty Ltd (10.99%); ➤ Eni’s group is the major gas supplier in the Northern Territory gas production from Blacktip gas field is sold through Gas Supply Agreement with Power and Water Corporation (PWC) <p><u>Participation in the NT Electricity Industry & Licence Requirements</u></p> <p>The transferee intends to construct a large-scale solar PV project which will export all generation output to PWC’s Darwin-Katherine network at a 22kV connection point which will be located near the project site.</p> <p>The asset management of the large-scale solar PV plant will be contracted to Epuron.</p>

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	<p>Both electricity and Large Generation Certificates (LGCs) will be sold under a long-term off-take agreement (Power Purchase Agreement, PPA) to major electricity retailer entity, Jacana Energy.</p> <p>The Katherine Solar Farm will be a key contributor to the NT Government’s 50% renewable energy target.</p> <p><u>Participation in other jurisdictions</u></p> <p>Eni Australia does not currently hold electricity generator licences in other Australian jurisdictions.</p>
<p><u>Technical Capacity:</u></p> <p>Applicants must show that they have the technical capacity to comply with the likely conditions of the licence and any associated codes and guidelines published at the time.</p> <p>For generation licence applicants, this includes (but is not limited to):</p> <ul style="list-style-type: none"> ➤ the System Control Technical Code ➤ the Network Technical Code ➤ the Electricity Standards of Service Code ➤ relevant sections of the National Electricity Law and National Electricity Rules that apply in the Northern Territory ➤ requirement to develop and maintain a safety management and mitigation plan, which must be consistent with and reflect good electricity industry practice in relation to the safety management of the electricity infrastructure owned or operated by the applicant. 	<p><u>Relevant licences, conditions and legislative requirements</u></p> <ul style="list-style-type: none"> • Generation licence – obtained by Katherine Solar Pty on 1 November 2018 • Development Permit – obtained by Katherine Solar Pty • Aboriginal Areas Protection Authority approval and Sacred Site Clearance Certificate – obtained by Eni Australia Limited • Foreign Investment Review Board (FIRB) approval – obtained by Eni Australia Limited • Permits to be obtained before start of construction: <ul style="list-style-type: none"> ○ Permit to Work within a Road Reserve ○ Road Opening Permit ○ Building Permit <p>In accordance with the UK Companies Act 2006 Eni Australia Limited has no object restrictions in its Articles. Standard Industrial Classification (SIC) has to be notified for all the types of activity the company is doing.</p> <p>The SIC code 35110 “Production of Electricity” will be added in the first available reporting period.</p> <p><u>Experience – solar power</u></p>

<p>In order to demonstrate technical capacity to the Commission, applicants should provide:</p> <ul style="list-style-type: none"> ➤ details of their experience in and knowledge of the electricity industry ➤ a summary of the skills and experience of the directors and senior managers, and their relevance to meeting the requirements of the licence ➤ evidence that the applicant has the capacity to comply with the licence conditions, codes and guidelines relevant to its application ➤ if the applicant is to rely on another entity to provide staff and resources, a summary of the relationship between the applicant and this entity, including any formal agreements to provide services, and a summary of this other entity's experience in and knowledge of the electricity industry, and technical capacity to meet the relevant requirements of the licence ➤ evidence that negotiation of relevant agreements necessary to undertake electricity operations in the Northern Territory (e.g. network access agreement, power purchase agreements, provision of standby agreements) is well advanced and that no substantive issues have been identified that would stop such agreements being executed. 	<p>Eni S.p.A. is accelerating its growth in the Renewable Energy business and has adopted a business plan that foresees 1GW of renewable capacity installed by 2021 and 5GW by 2025. Within this business plan, the company has a total capacity of 30MW in operation.</p> <ul style="list-style-type: none"> • Assemini (Italy) – 18MW photovoltaic plant • Ferrera Erbognone (Italy) – 1MW photovoltaic plant • Gela (Italy) –four photovoltaic plants for a total capacity of 8MW • Ragusa (Italy) – 800kW photovoltaic plant • Porto Torres (Italy) – 1MW photovoltaic plant • Bari (Italy) – 500kW photovoltaic plant • Roana (Italy) – 1MW photovoltaic plant • Verano (Italy) – 1MW photovoltaic plant • Milazzo (Italy) – 1MW photovoltaic plant <p>Status: Under construction</p> <ul style="list-style-type: none"> • Assemini (Italy) – 8MW photovoltaic plant – start up year 2019 • Porto Torres (Italy) – 31MW photovoltaic plant, start up year 2019 • Bir Rebaa North (Algeria) – 10MW photovoltaic plant – start up December 2018 <p>Some other initiatives are:</p> <ul style="list-style-type: none"> • Belayim (Egypt) – 50 MW photovoltaic plant by year 2020 • Badamsha (Kazakhstan) – 50 MW wind plant by year 2019 <p><u>Experience – thermal power generation</u></p> <p>Eni Australia Limited through its parent company has a solid track record around the development and operation of electricity generation plants.</p>
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	<ul style="list-style-type: none"> • Eni group operates in the Italian thermoelectric power generation sector. The company owns five combined cycle power plants with a total installed capacity of over 5 GW. Production capacity is reported below <ul style="list-style-type: none"> ○ Brindisi (Italy) <ul style="list-style-type: none"> ▪ CTE 3: electricity: 1179MWe – Steam: 120 t/h ▪ CTE Nord: electricity: 151MWe – steam: 385 MWt ○ Ravenna (Italy) <ul style="list-style-type: none"> ▪ Generation Section 1 composed of one 122MWe gas turbine plant (TG501) with a recovery steam boiler (BA501) - 190 t/h high pressure steam and 44 t/h low pressure steam and two condensation and partial back-pressure turbines: 37MWe (20TD2) and 65MWe 20TD300 ▪ Generation Section 2 composed of one 266MWe gas turbine plant, one recovery steam boiler - 280 t/h high pressure steam, 44 t/h medium pressure steam, 32 t/h low pressure steam, and one 127 MWe steam turbine ○ Ferrara (Italy) <ul style="list-style-type: none"> ▪ CC1 and CC2 Combined Cycles: electrical power 385MWe ▪ CTE2 reserve boiler: thermal power 200MWt ○ Mantova (Italy) <ul style="list-style-type: none"> ▪ CC1 and CC2 Combined Cycle: electrical power 390MWe thermal power 683MWt ▪ B6 reserve boiler: electrical power 56MWe thermal power 258MWt ○ Ferrera Erbognone (Italy) <ul style="list-style-type: none"> ▪ CC1 & CC2: electrical power: 390MWe – Thermal power 683MWt ▪ CC3: electrical power: 250MWe – Thermal power 462MWt <p>As discussed above, the asset management of Katherine Solar Power Station will be contracted to Epuron.</p> <p>Epuron is a wholly Australian-owned specialist developer and owner-operator of renewable energy projects in the NT and elsewhere in Australia:</p>

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	<ul style="list-style-type: none"> ➤ Proven solar and wind development track record extending back to 2003; ➤ Epuron has owned and operated solar PV in the NT since 2012; ➤ Epuron’s NT solar portfolio has since grown to 7MW across 5 sites, the largest of which is Uterne (4.1MW) located in Alice Springs; ➤ Epuron has successfully developed numerous large-scale wind projects which are now operational (over 370MW to date) or under construction (200MW); ➤ Successfully permitted wind projects totalling over 2,000MW and, in the last year alone, over 250MW of solar PV developments. <p>Epuron has owned and operated solar assets in the NT since 2012:</p> <ul style="list-style-type: none"> ➤ <u>TKLN:</u> Constructed as a result of winning a Power & Water Corporation tender in March 2010, these 3 remote solar power stations are located at Ti Tree, Kalkarindji and Lake Nash. The installations total 1 MW and are connected to PWC micro-grids. They are “high penetration” projects which contain short-term battery storage and interact with PWC-owned diesel gensets. Epuron continues to own and operate these sites; they are remotely monitored on a daily basis and maintained with the assistance of local partners. While relatively small compared to the scale of the applicant project, these sites require close attention and highlight Epuron’s operational track record in the NT. ➤ <u>Uterne:</u> Epuron has owned and operated the Uterne Solar Power Station located in Alice Springs since 2012. In 2015 Epuron constructed a 3.1 MW expansion of the site, bringing total capacity to 4.1 MW. Uterne utilises single-axis tracking technology; a similar technology may be used by the applicant. Epuron closely monitors the project in partnership with SunPower, the project’s EPC contractor. ➤ <u>Yulara:</u>

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	<p>Epuron owns and operates the Yulara Solar Power Station, consisting of 5 sites totalling 1.8 MW and located at Ayers Rock Resort. The project reached practical completion in March 2016 and operates under a 20-year lease arrangement with Voyages Indigenous Tourism Australia, the resort’s owner. Voyages itself is owned by the Indigenous Land Corporation, a Commonwealth statutory authority.</p> <p><u>Skills & Experience of Directors & Senior Managers</u></p> <p>Resumes for key Eni Australia personnel are provided in Attachment C.</p> <p><i>Martin Poole (Director)</i> <i>BA, MEng (Chem). PhD, USyd</i></p> <p>Martin is co-founder and joint Executive Director since its establishment in 2003.</p> <p>Martin has worked in the energy industries in Australia and the UK for over 25 years. He started his career in the offshore oil industry with BP Exploration in the North Sea before returning to Australia in 1992. He then operated a successful energy consultancy business with clients in Australia and the UK including electricity and gas utilities, large industrial customers, power generators and various energy technology companies.</p> <p><i>Andrew Durran (Director)</i> <i>BE (Elec, Hons), MBA (Technology Management)</i></p> <p>Andrew is co-founder and joint Executive Director of Epuron.</p> <p>Andrew has more than 20 years’ experience in the energy industry focussed on renewable energy, including previous roles as an Associate Director of Energy Supply and Business Development at Sustainable Energy Development Authority, a directorship of Hampton Wind Farm Company, and various roles in NSW-based utilities Pacific Power and Transgrid. Andrew was an active member of the Federal Mandatory Renewable Energy Target Working Group, National Green Power Accreditation Steering Group, and the NSW Sustainable Energy Research and Advisory Council (SERDAC).</p>

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	<p><i>Anthony Melov (Senior Project Manager)</i> <i>BCom, LLB (UNSW)</i></p> <p>Anthony has more than 15 years’ experience in the implementation of renewable energy projects in Australia and overseas. He has been directly involved in the origination, development, financing, construction and asset management of projects totalling over 3,000 MW of operating capacity. Anthony’s experience ranges from Australian utility-scale solar photovoltaic projects to a 1,550MW wind energy project now operating in California. Anthony has previously worked with Meridian Energy, Allco Wind Energy, Macquarie and renewable energy companies operating in the USA, UK, Mexico and South Africa. Anthony’s generation licensing experience includes working with ESCOSA on projects in South Australia.</p> <p>Anthony has been instrumental in the development, financing and construction of Epuron’s NT solar portfolio.</p> <p><u>Team Capability of the Asset Manager</u></p> <p>The Epuron team consists of over 15 members with engineering, planning, construction and broad development, legal and commercial backgrounds. A number of Epuron’s engineers have specialist solar expertise and are involved in the daily management of Epuron’s development and asset management activities. Following are two relevant staff examples.</p> <p><i>Jessica Picton (Project Engineer)</i> <i>BE (PV and Solar Energy) (Hons), UNSW</i></p> <p>Jessica has worked in the renewable energy industry for over 9 years and has been involved in over 1,000 MW of wind and solar farm developments in Australia and abroad. Jessica’s experience covers project design, development and construction and she was instrumental in the design and implementation of Epuron’s TKLN projects in the NT.</p> <p><i>Daniel Gilbert (Solar Asset Manager)</i> <i>BE (PV and Solar Energy) (Hons), UNSW</i></p>

Requirement	Applicant Response
	<p>Daniel is an engineer and project manager, primarily involved with the technical operation and daily management of Epuron’s solar energy portfolio in the NT. Daniel’s activities involve project development, technical analysis, hardware management, design and asset management duties including performance monitoring and reporting.</p> <p><u>Capacity to Comply with Relevant Licence Conditions, Codes and Guidelines</u></p> <ul style="list-style-type: none"> ➤ Epuron has a solid track record around the development, construction and operation of large-scale solar PV projects in the NT. ➤ The Utilities Commission has previously issued the following licences to entities which are 100% owned by Epuron.: <ul style="list-style-type: none"> ○ Special Licence (Independent Power Producer) issued to Uterne Power Plant Pty Ltd on 22 November 2010; and ○ Special Licence (Independent Power Producer) issued to TKLN Solar Pty Ltd on 24 May 2012. ➤ Both Eni’s group and Epuron have long-term relationships with PWC and Territory Generation: <p><u>Eni Australia Limited.</u></p> <ul style="list-style-type: none"> ○ Major gas supplier in the Northern Territory. The gas is sold through a Gas Supply Agreement with Power and Water Corporation; <p><u>Epuron</u></p> <ul style="list-style-type: none"> ○ The expansion of the Uterne Solar Power Station required extensive consultation with PWC Networks which culminated in a Generator User Agreement executed in June 2014; ○ Off-take arrangement with PWC and ongoing operational interface in relation to the TKLN solar assets;

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	<ul style="list-style-type: none"> ○ Ongoing operational interface with PWC System Control in relation to the Uterne Solar Power Station; ○ Off-take arrangement with Territory Generation in relation to the Uterne Solar Power Station; and ○ Participation in NT electricity industry stakeholder processes such as PWC System Control’s review of the Secure System Guidelines. <p>➤ The Uterne Generator User Agreement and Epuron’s Special Licences require ongoing compliance with the System Control Technical Code, Network Access Code, Network Technical Code and all other relevant standards and statutory requirements as well as adherence to good electricity industry practice.</p> <p><i>Commercially sensitive confidential information removed</i></p>
<p><u>Financial Capacity:</u></p> <p>The financial resources available to the applicant should be addressed in appropriate detail.</p> <p>Audited financial reports for at least three years should be provided in the first instance. The requirement for audited reports is waived in the case of newly incorporated bodies, but equivalent information should be provided either:</p> <ul style="list-style-type: none"> ➤ in relation to the other corporations in the applicant’s group or ➤ detailed cash flow analysis for five years based on projected sales scenarios, including details of the assumptions, information source/s and customer analysis underlying the scenarios. 	<p>Eni Australia Limited will finance construction of the project through funds provided internally by Eni group.</p> <p><i>Commercially sensitive confidential information removed</i></p> <p>Risks, in summary, are managed as follows:</p> <ul style="list-style-type: none"> ● Price – Via a long-term PPA with Jacana Energy and turn-key EPC agreement ● Volume – Via detailed project design (with a minimum 30-year useful life); use of high quality equipment; and EPC agreement with appropriate performance guarantees and warranties ● O&M – The EPC contractor will provide operation & maintenance services (at least) during the defects liability period under an O&M contract with availability guarantee. An asset management agreement will be in place with Epuron.

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	<ul style="list-style-type: none"> • Regulatory – The project will be implemented in compliance with both existing Codes (there is an executed Generator User Agreement in place) and measures are being taken to comply with anticipated system control requirements (for example, via battery storage). • Appropriate property damage, business interruption, public liability and statutory insurance policies will be in place during construction and operations.
<p><u>Cross-Ownership and Ring-Fencing:</u></p> <p>Applicants should outline:</p> <ul style="list-style-type: none"> ➤ the basis on which services and resources will be transacted between relevant operating areas of the applicant, or the applicant and other related entities ➤ in the case of applicants that are wholly owned subsidiaries, proposed audit arrangement for the applicant and whether separate reports for the licensed entity and its parent are to be prepared and made publicly available ➤ other guidelines or standards relating to financial separation, ring fencing, and separate audit arrangements, which the applicant intends to follow. 	<p>Eni Australia Limited will construct, own and operate the Katherine Solar Power Station. Financial reporting will be produced for the transferee on a stand-alone basis.</p> <p>As set out elsewhere in this document, the transferee intends to contract with Epuron for asset management services. This scope is likely to include reporting, compliance, management of stakeholder duties (including relationships with contract counterparties, statutory authorities, O&M contractors and landowner), maintenance of appropriate insurance, and development of appropriate documentation including OH&S policies and safety management plan.</p>
<p><u>Licence Conditions:</u></p> <p>Where the applicant is seeking particular licence conditions, the nature and reasons for seeking these conditions should be explained.</p>	<p>As at the date of this transfer application, Katherine Solar Pty and Eni Australia Limited are not seeking particular licence conditions.</p>
<p><u>Exemptions:</u></p> <p>Where an applicant seeks any regulatory exemptions or modifications, the nature and reasons for seeking these exemptions or modifications should be explained.</p>	<p>As at the date of this transfer application, Katherine Solar Pty Ltd and Eni Australia Limited are not seeking any regulatory exemptions or modifications.</p>

Requirement	Applicant Response

Public Version

Attachment A - Certificate of Registration of a Company & ASIC Extract

Attachment B – Financial Reports

Attachment C – Eni Australia CVs

Attachment D – Five year project cashflow projection

Attachment D – Five Year Cashflow Projection

Commercially sensitive confidential information removed

Generator User Agreement – Executed
