



GENERATION LICENCE

Issued to

Darwin International Airport Pty Limited

Date of Issue

3 March 2023

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Generation Licence

Licensee: Darwin International Airport Pty Limited

1 Definitions and Interpretation

1.1 In this licence a word or phrase in italics:

- (a) has the meaning given to it in part 1 of schedule 1; or
- (b) if the word or phrase is not defined in part 1 of schedule 1, then it has the meaning given to it in the *Electricity Reform Act 2000*.

1.2 This licence must be interpreted in accordance with the *rules* set out in part 2 of schedule 1.

2 Grant of licence

Under Part 3 of the *Electricity Reform Act 2000*, the *Utilities Commission* grants the licensee a licence to:

- (a) generate electricity at the *electricity generating plants* described in schedule 2(a) for sale as contemplated by paragraph (b) or (c), or in any *retail licence* held by the licensee;
- (b) sell electricity to electricity entities holding a *retail licence* or a *generation licence*; and
- (c) sell electricity to a person specified in schedule 2(b) whenever permitted by any exemption under the *Electricity Reform Act 2000* or the *Regulations*,

in accordance with the terms and conditions of this licence.

3 Term

This licence commences on the date it is issued and continues until the earlier of:

- (a) when it is surrendered by the licensee under section 35 of the *Electricity Reform Act 2000*;
- (b) when it is cancelled by the *Utilities Commission* under section 36 of the *Electricity Reform Act 2000*.

4 Annual return

The licensee must lodge an annual return containing such information as is required from time to time by the *Utilities Commission* by written notice.

5 Suspension of licence

This licence may be suspended under section 36 of the *Electricity Reform Act 2000*.

6 Variation of licence

This licence may only be varied in accordance with section 32 of the *Electricity Reform Act 2000*.

7 Transfer of licence

This licence may only be transferred in accordance with section 33 of the *Electricity Reform Act 2000*.

8 Licence fee and other charges

8.1 The licensee must pay an annual licence fee or instalment of the annual licence fee, as the case may be, to the *Utilities Commission* as determined by the *Minister* under section 19 of the *Electricity Reform Act 2000*.

8.2 The licensee must pay the *System Controller* any charges relating to the operations of system control.

9 Capacity to operate

9.1 The licensee must, from time to time, provide the *Utilities Commission* with details of the licensee's financial, technical and other capacity to continue *operations* under this licence, if requested to do so by the *Utilities Commission*.

9.2 The licensee must provide any information requested by the *Utilities Commission* under clause 9.1 of this licence:

- (a) in a manner and form determined by the *Utilities Commission*; and
- (b) within 20 *business days* of the request.

10 Compliance with regulatory instruments

10.1 The licensee must, as amended from time to time, comply with:

- (a) all applicable provisions of the *System Control Technical Code* and the *Network Technical Code*;
 - (b) all applicable provisions of a code or rule made under the *Utilities Commission Act 2000*;
 - (c) any applicable protocol, standard and code applying to the licensee under the *Regulations*; and
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- (d) all applicable laws including, the *Regulations*, the Pricing Order and any technical or safety requirements or standards contained in *Regulations* made under the *Electricity Reform Act 2000*.

11 Compliance process and compliance reporting

11.1 The licensee is to establish and maintain a compliance process.

- (a) Within 3 months of issue of this licence, the licensee must establish, document, maintain and comply with appropriate auditable internal policies, procedures and systems (“compliance process”) for ensuring that it complies with its obligations under this licence, and all applicable laws, codes, *rules* or standards.
- (b) The compliance process must include policies, procedures and systems for:
 - (i) training of employees about the obligations of the licensee under this licence;
 - (ii) regular internal audit by the licensee of its compliance with its obligations under this licence;
 - (iii) regular reporting to, and consideration by, the Board of the licensee concerning compliance with the obligations of the licensee under this licence;
 - (iv) dealing with any complaints made by a *customer* or other third party to the licensee in connection with non-compliance by the licensee with its obligations under this licence; and
 - (v) detecting and reporting to the *Utilities Commission* any material breach of the compliance procedures.
- (c) The *Utilities Commission* may (after giving reasonable notice to the licensee) require the licensee to demonstrate to the *Utilities Commission*’s satisfaction that:
 - (i) the licensee’s compliance procedures are adequate; and/or
 - (ii) the licensee is complying with its compliance procedures;
- (d) Any notification made by the *Utilities Commission* to the licensee concerning the *Utilities Commission*’s opinion of the adequacy of the compliance process of the licensee will not affect the licensee’s obligations under this licence.

11.2 Compliance reports.

- (a) A licensee must provide a report to the *Utilities Commission*, at reasonable intervals determined by the *Utilities Commission*, describing the measures taken by the licensee to ensure compliance with its obligations (a compliance report).
 - (b) The compliance report, and the *Utilities Commission*’s assessment of compliance, may be made publicly available by the *Utilities Commission*.
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11.3 External audit.

- (a) The *Utilities Commission* may, upon reasonable notice to a licensee, require the licensee to appoint an independent auditor to undertake an audit of the licensee's compliance with any of its obligations under this licence.
- (b) The standards or requirements to apply to an audit under clause 11.3 will be determined by the *Utilities Commission* in consultation with the licensee. The auditor will report in accordance with those standards or requirements.
- (c) The auditor will provide a copy of the auditor's report to the licensee and the *Utilities Commission* as soon as reasonably possible after it has been completed.
- (d) The licensee will be responsible to pay the costs of undertaking the audit.

11.4 Appointment of external auditor by *Utilities Commission*.

- (a) The *Utilities Commission* may, upon reasonable notice to a licensee, appoint an independent auditor to undertake an audit of the licensee's compliance with any of its obligations under this licence.
- (b) In the event that the *Utilities Commission* appoints an independent auditor,
 - (i) the *Utilities Commission* will nominate the standards and requirements, and the auditor will report in accordance with those standards or requirements; and
 - (ii) the licensee must cooperate with any reasonable requests made by the independent auditor in undertaking the audit.
- (c) The *Utilities Commission* will provide a copy of the auditor's report to the licensee as soon as reasonably possible after it has been completed.
- (d) The licensee will be responsible to pay the costs of undertaking the audit.

11.5 Notification of breaches to the *Utilities Commission*.

- (a) A licensee must report any material breach of its obligations under this licence to the *Utilities Commission* as soon as reasonably possible after becoming aware that the breach has occurred, and must advise of the remedial action that is being undertaken to rectify the breach.

12 Changes in offices or major shareholders

The licensee must notify the *Utilities Commission* of any change to any *officer* and, if applicable, any *major shareholder* of the licensee, within 20 *business days* after the change.

13 Community service obligations

The licensee must comply with the requirements of any scheme approved and funded by the *Minister* for the performance of community service obligations by *electricity entities*.

14 Directions of System Controller

The licensee must comply with the directions of the *System Controller*.

15 Quality of electricity

The licensee must provide electricity of a quality suitable for any *electricity network* which is interconnected or interfaces with the licensee's *electricity generating plants*.

16 Compatibility

The licensee must not do anything to its *electricity generating plants* affecting the compatibility of its *electricity generating plants* with any *electricity network* so as to prejudice public safety or the security of *supply*.

17 Right of use

The licensee must:

- (a) grant each *electricity entity* holding a *network licence* rights to use or have access to the licensee's *electricity generating plants* that are interconnected or interface with the *electricity entity's* assets for the purposes of ensuring the proper integrated operation of the *power system* and the proper conduct of the *operations* authorised by the *electricity entity's* licence; and
- (b) in the absence of agreement as the terms on which such rights are granted, comply with any determination by the *Utilities Commission* as to those terms.

18 Provision of ancillary services

- 18.1 On request by the *System Controller*, the licensee must provide ancillary services on terms which are fair and reasonable in the opinion of the *Utilities Commission*.
- 18.2 For the purposes of clause 18.1 of this licence, ancillary services are services that the *Utilities Commission* decides, at the request of the *System Controller*, are necessary or desirable to exercise system control over the *power system*.

19 Consultation

The licensee must participate, to the extent specified by the *Utilities Commission*, in the development, issue and review of any regulatory instruments.

20 Provision of information to the Utilities Commission and System Controller

The licensee must, from time to time, provide the *Utilities Commission* or the *System Controller*, in a manner and form to be determined by the *Utilities Commission* or the *System Controller*, such information as the *Utilities Commission* or *System Controller* may request.

21 Safety management and mitigation plan

The licensee must:

- (a) Within 3 months of the date of issue of this licence:
 - (i) prepare 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 licensee under this licence; and
 - (ii) submit the initial plan to the *Utilities Commission* for approval;
- (b) annually review and, if necessary, update the plan to ensure that it is consistent with and reflects good electricity industry practice;
- (c) comply with the plan as approved in accordance with this clause;
- (d) not amend the plan without the approval of the *Utilities Commission* or the regulator specified in the *Electricity Reform Act 2000* and the Electricity Reform (Safety and Technical) Regulations as having the authority to approve the licensee's *safety management and mitigation plan* from time to time.

22 Operator

If an operator is appointed to the licensee's business under section 41 of the *Electricity Reform Act 2000*, the operator must exercise its functions and powers in such a manner as may be specified by the *Utilities Commission* in the instrument of appointment.

23 Coordination Agreement

- 23.1 The licensee, must enter into, and comply with, an agreement, on terms approved by the *Utilities Commission*, with each *electricity entity* holding a *retail licence* or *network licence* which provides services to the licensee's *customers* as to the coordination of the provision of services to those *customers*, including arrangements whereby the *retailer* has responsibility for taking up any *customer* complaints about the quality of services being supplied with the licensee.
 - 23.2 To avoid doubt, the matters described in clause 23.1 may be contained in an *access agreement* or another agreement between the licensee and another *electricity entity*.
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Date: 3 March 2023

THE COMMON SEAL of **UTILITIES**
COMMISSION is duly affixed in the
presence of:

La McKay
Signature of authorised person

Director Utilities Commission
Office held

KIMBERLEE MCKAY
Name of authorised person (block
letters)



Schedule 1

Part 1 - Definitions

In this licence:

“access agreement” has the meaning given to that term under the *Electricity Reform Act 2000*;

“business day” means a day on which banks are open for general banking business in Darwin, excluding a Saturday or Sunday;

“customer” has the meaning given to that term under the *Electricity Reform Act 2000*;

“electricity entity” means a person licensed under Part 3 of the *Electricity Reform Act 2000* to carry on operations in the *electricity supply industry*;

“electricity generating plants” means the electricity generating plants described in schedule 2(a) of this licence;

“electricity network” has the meaning given to that term under the *Electricity Reform Act 2000*;

“generation licence” means a licence to generate electricity granted under Part 3 of the *Electricity Reform Act 2000*;

“major shareholder” means an entity, as defined in section 9 of the *Corporations Act 2001*, which has a beneficial interest in more than 50% of the shares in the licensee or exercises control over the licensee within the meaning of section 50AA of the *Corporations Act 2001*;

“Minister” means the Minister of the Crown who is responsible for the administration of the *Electricity Reform Act 2000*;

“network licence” means a licence to operate or own an *electricity network*;

“Network Technical Code” has the meaning given to that term under the *Electricity Reform Act 2000*;

“officer” means a director or secretary or executive manager responsible for carrying out day to day licensed operations;

“on-supplier” has the meaning given to that term under the *Electricity Reform (Administration) Regulations 2000*;

“operation” has the meaning given to that term under the *Electricity Reform Act 2000*;

“*power system*” means the system for generating, transmitting, distributing and *supplying* electricity and includes a part of the system;

“*receiver*” has the meaning given to that term under the *Electricity Reform (Administration) Regulations 2000*;

“*Regulations*” means the regulations made under the *Electricity Reform Act 2000*;

“*retailer*” means a holder of a *retail licence* under Part 3 of the *Electricity Reform Act 2000*;

“*retail licence*” means a licence to *sell* electricity granted under Part 3 of the *Electricity Reform Act 2000*;

“*rule*” means any rule made by the *Utilities Commission* under section 24 of the *Utilities Commission Act 2000*;

“*safety management and mitigation plan*” means a plan detailing the licensee’s policies, procedures, systems and strategies that ensure the safety of the public, employees and contractors around electricity infrastructure.

“*supply*” has the meaning given to that term under the *Electricity Reform Act 2000*;

“*System Controller*” means a person licensed under Part 3 of the *Electricity Reform Act 2000* to exercise control over the *power system*;

“*System Control Technical Code*” has the meaning given to that term under the *Electricity Reform Act 2000*;

“*Utilities Commission*” means the Utilities Commission of the Northern Territory established under the *Utilities Commission Act 2000*.

Part 2 - Interpretation

In this licence, unless the contrary intention appears:

1. headings are inserted for convenience and do not affect the interpretation of this licence;
 2. the singular includes the plural and vice versa;
 3. words importing a gender include any gender;
 4. the word "person" includes a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, trust or any governmental agency;
 5. a reference to a condition, clause or schedule is to a condition, clause or schedule of this licence;
 6. a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
 7. a reference to this licence or another document includes any variation or replacement of any of them;
 8. a reference to a statute, regulation, proclamation, order in council, ordinance, by-laws, code, law or similar instrument includes all statutes, regulations, proclamations, orders in council, ordinances, by-laws, codes, laws and similar instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 9. a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
 10. the verb "include" (in all its parts, tenses and variants) is not used as, nor is it to be interpreted as, a word of limitation; and
 11. if an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.
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Schedule 2(a)

Electricity Generation Plants

The electricity generating plants covered by this licence are:

Power Station	Description ¹
Darwin International Airport precinct, Eaton	≤7.75 MW AC solar photovoltaic plants, and ≤3.3 MW AC back up diesel generating plants

¹Generation capacity listed may not reflect any potential export limit applied in accordance with the relevant connection agreement between the Licensee and the network provider.

Schedule 2(b)

Specified Customers

Under clause 2(c) of this licence, electricity sales are permitted to:

- (a) an *on-supplier* for the premises at which the *electricity generating plant* is located; or
 - (b) a *receiver* in relation to the premises at which the *electricity generating plant* is located.
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Schedule 3

Variations to the licence

Date	Reason for variation

