LICENSEE NAME: Merredin Energy Pty Ltd
ACN 124 273 025

LICENSE AREA: The area set out in the map referred to in Schedule 1.

LICENSE NUMBER: EGL25

COMMENCEMENT DATE: 22 June 2012

VERSION NUMBER: 2

VERSION DATE: 1 July 2015

EXPIRY DATE: 21 June 2042

Signed by the Chief Executive Officer of the Economic Regulation Authority

1 July 2015
ELECTRICITY GENERATION LICENCE

1 Definitions and interpretation

1.1 In this licence, the following definitions apply unless the context otherwise requires:

**Act** means the *Electricity Industry Act 2004* (WA).

**applicable legislation** means:

(a) the Act; and

(b) the *Regulations* and the *Codes* that apply to the *licensee*.

**asset management system** means the measures that are to be taken by the *licensee* for the proper maintenance, expansion or reduction of the *generating works*.

**Authority** means the Economic Regulation Authority.

**business day** means a day which is not a Saturday, Sunday or a Public Holiday in Western Australia.

**Code** means:

(a) the *Code of Conduct for the Supply of Electricity to Small Use Customers* or any such replacement Code approved pursuant to section 79 of the *Act*;

(b) the *Electricity Industry Customer Transfer Code 2004*;

(c) the *Electricity Industry (Metering) Code 2012*; and

(d) the *Electricity Industry (Network Quality and Reliability of Supply) Code 2005*.

**commencement date** means the date the licence was first granted by the Authority being the date specified in Schedule 1.

**electricity** has the meaning given to that term in section 3 of the *Act*.

**electronic means** means:

(a) the internet;

(b) email, being:

(i) in relation to the Authority, the Authority’s email address as notified to the *licensee*; and

(ii) in relation to the *licensee*, the email address specified in the licence application or other such email address as notified in writing to the Authority; or

(c) any other similar means,

but does not include facsimile or telephone.

**expiry date** means the date specified in Schedule 1.

**generating works** has the meaning given to that term in section 3 of the *Act*.

**individual performance standards** mean any standards prescribed by the Authority for an individual *licensee* pursuant to clause 13 of the *licence*.

**licence** means:

(a) this document (excluding the title page and the second page of this document); and

(b) the Schedules to this document; and
(c) any individual performance standards approved by the Authority pursuant to clause 13.

**licence area** is the area stated in Schedule 1 of this licence.

**licensee** means Merredin Energy Pty Ltd, ACN 124 273 025.

**licensee’s assets** means the licensee’s distribution system, transmission system or generating works (as the case may be).

**notice** means a written notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to or in connection with, this licence.

**operate** has the meaning given to that term in section 3 of the Act.

**performance audit** means an audit of the effectiveness of measures taken by the licensee to meet the performance criteria in this licence.

**performance criteria** means:

(a) the terms and conditions of the licence; and

(b) any other relevant matter in connection with the applicable legislation that the Authority determines should form part of the performance audit.

**publish** in relation to a report or information means either:

(a) posting the report or information on the licensee’s website; or

(b) sending the report or information to the Authority to be published on the Authority’s website.

**Regulations** means:

(a) Economic Regulation Authority (Licensing Funding) Regulations 2014;

(b) Electricity Industry (Code of Conduct) Regulations 2005;

(c) Electricity Industry (Customer Contracts) Regulations 2005;

(d) Electricity Industry (Licence Conditions) Regulations 2005;

(e) Electricity Industry (Obligation to Connect) Regulations 2005; and

(f) Electricity Industry (Ombudsman Scheme) Regulations 2005.

**related body corporate** has the meaning given to that term in section 50 of the Corporations Act 2001 (Cwlth).

**reviewable decision** means a decision by the Authority pursuant to:

(a) clause 13.2;

(b) clause 14.2;

(c) clause 14.4;

(d) clause 17.3;

(e) clause 20.5; or

(f) clause 20.7,

of this licence.

**version date** means the date on which the licence was last amended pursuant to clause 10 or clause 11.

1.2 A reference in this licence to any applicable legislation includes, unless the context
otherwise requires, any statutory modification, amendment or re-enactment of that applicable legislation.

2 Grant of Licence

2.1 The licensee is granted a licence for the licence area to construct and operate generating works or operate existing generating works in accordance with the terms and conditions of this licence.

3 Term

3.1 This licence commences on the commencement date and continues until the earlier of:

   (g) the cancellation of the licence pursuant to clause 7 of this licence;
   (h) the surrender of the licence pursuant to clause 8 of this licence; or
   (i) the expiry date.

4 Fees

4.1 The licensee must pay the applicable fees and charges in accordance with the Regulations.

5 Compliance

5.1 Subject to any modifications or exemptions granted pursuant to the Act, the licensee must comply with any applicable legislation.

6 Transfer of Licence

6.1 This licence may be transferred only in accordance with the Act.

7 Cancellation of Licence

7.1 This licence may be cancelled only in accordance with the Act.

8 Surrender of Licence

8.1 The licensee may only surrender the licence pursuant to this clause 8.

8.2 If the licensee intends to surrender the licence the licensee must, by notice in writing to the Authority:

   (a) set out the date that the licensee wishes the surrender of the licence to be effective; and
   (b) set out the reasons why the licensee wishes to surrender the licence, including the reasons why it would not be contrary to the public interest for the surrender of the licence to be effective on the date set out in the notice.

8.3 Upon receipt of the notice from the licensee pursuant to clause 8.2, the Authority will publish the notice.

8.4 Notwithstanding clause 8.2, the surrender of the licence will only take effect on the later of the day that:

   (a) the Authority publishes a notice of the surrender in the Western Australian Government Gazette, such date to be at the discretion of the Authority; and
   (b) the licensee hands back the licence to the Authority.

8.5 The licensee will not be entitled to a refund of any fees by the Authority.
9 Renewal of Licence
9.1 This licence may be renewed only in accordance with the Act.

10 Amendment of Licence on Application of the Licensee
10.1 The licensee may apply to the Authority to amend the licence in accordance with the Act.

11 Amendment of Licence by the Authority
11.1 Subject to any applicable legislation, the Authority may amend the licence at any time in accordance with this clause.
11.2 Before amending the licence under clause 11.1, the Authority must:
   (a) provide the licensee with written notice of the proposed amendments under consideration by the Authority;
   (b) allow 15 business days for the licensee to make submissions on the proposed amendments; and
   (c) take into consideration those submissions.
11.3 This clause also applies to the substitution of the existing licence.
11.4 For avoidance of doubt, the licensee will not have to pay a fee for amendments under clause 11.

12 Accounting Records
12.1 The licensee and any related body corporate must maintain accounting records that comply with standards issued by the Australian Accounting Standards Board or equivalent International Accounting Standards.

13 Individual Performance Standards
13.1 Performance standards are contained in applicable legislation.
13.2 The Authority may prescribe individual performance standards applying to the licensee in respect of the licensee’s obligations under this licence or the applicable legislation.
13.3 Before approving any individual performance standards under this clause, the Authority will:
   (a) provide the licensee with a copy of the proposed individual performance standards;
   (b) allow 15 business days for the licensee to make submissions on the proposed individual performance standards; and
   (c) take into consideration those submissions.
13.4 Once approved by the Authority, the individual performance standards are included as additional terms and conditions to this licence.

14 Performance Audit
14.1 The licensee must, unless otherwise notified in writing by the Authority, provide the Authority with a performance audit within 24 months after the commencement date, and every 24 months thereafter.
14.2 The licensee must comply, and must require the licensee’s auditor to comply, with
the Authority’s standard audit guidelines.

14.3 The licensee may seek a review of any of the requirements of the Authority’s standard audit guidelines in accordance with clause 19.1.

14.4 The performance audit must be conducted by an independent auditor approved by the Authority. If the licensee fails to nominate an auditor within one month of the date that the performance audit was due, or the auditor nominated by the licensee is rejected on two successive occasions by the Authority, the Authority may choose an independent auditor to conduct the performance audit.

15 Reporting a Change in Circumstances

15.1 The licensee must report to the Authority:

(a) if the licensee is under external administration as defined by the Corporations Act 2001 (Cwlth), within 2 business days of such external administration occurring; or

(b) if the licensee:

(i) experiences a change in the licensee’s corporate, financial or technical circumstances upon which this licence was granted; and

(ii) the change may materially affect the licensee’s ability to perform its obligations under this licence,

within 10 business days of the change occurring; or

(c) if the:

(i) licensee’s name;

(ii) licensee’s ABN; or

(iii) licensee’s address.

change, within 10 business days of the change occurring.

16 Provision of information

16.1 The licensee must provide to the Authority, in the manner and form described by the Authority, specified information on any matter relevant to the operation or enforcement of the licence, the operation of the licensing scheme provided for in Part 2 of the Act, or the performance of the Authority’s functions under that Part.

17 Publishing information

17.1 The Authority may direct the licensee to publish, within a specified timeframe, any information it considers relevant in connection with the licensee or the performance by the licensee of its obligations under this licence.

17.2 Subject to clause 17.3, the licensee must publish the information referred to in clause 17.1.

17.3 If the licensee considers that the information is confidential it must:

(a) immediately notify the Authority; and

(b) seek a review of the Authority’s decision in accordance with clause 19.1.

17.4 Once it has reviewed the decision, the Authority will direct the licensee in accordance with the review to:

(a) publish the information;
(b) publish the information with the confidential information removed or modified; or

(c) not publish the information.

18 Notices
18.1 Unless otherwise specified, all notices must be in writing.
18.2 A notice will be regarded as having been sent and received:
   (a) when delivered in person to the addressee; or
   (b) 3 business days after the date of posting if the notice is posted in Western Australia; or
   (c) 5 business days after the date of posting if the notice is posted outside Western Australia; or
   (d) if sent by facsimile when, according to the sender’s transmission report, the notice has been successfully received by the addressee; or
   (e) if sent by electronic means when, according to the sender’s electronic record, the notice has been successfully sent to the addressee.

19 Review of the Authority’s decisions
19.1 The licensee may seek a review of a reviewable decision by the Authority pursuant to this licence in accordance with the following procedure:
   (a) the licensee shall make a submission on the subject of the reviewable decision within 10 business days (or other period as approved by the Authority) of the decision; and
   (b) the Authority will consider the submission and provide the licensee with a written response within 20 business days.

19.2 For avoidance of doubt, this clause does not apply to a decision of the Authority pursuant to the Act, nor does it restrict the licensee’s right to have a decision of the Authority reviewed in accordance with the Act.

20 Asset Management System
20.1 The licensee must provide for an asset management system in respect of the licensee’s assets.
20.2 The licensee must notify the Authority of the details of the asset management system within 5 business days from the later of:
   (a) the commencement date; and
   (b) the completion of construction of the generating works.
20.3 The licensee must notify the Authority of any substantial change to the asset management system within 10 business days of such change.
20.4 The licensee must provide the Authority with a report by an independent expert, acceptable to the Authority, as to the effectiveness of the asset management system not less than once in every period of 24 months calculated from the commencement date (or any longer period that the Authority allows by notice in writing).
20.5 The licensee must comply, and must require the licensee’s expert to comply, with the Authority’s standard audit guidelines.
20.6 The licensee may seek a review of any of the requirements of the Authority’s standard
audit guidelines dealing with the asset management system in accordance with clause 19.1.

20.7 The review of the asset management system must be conducted by an independent expert approved by the Authority. If the licensee fails to nominate an independent expert within one month of the date that the review of the asset management system was due, or the independent expert nominated by the licensee is rejected on two successive occasions by the Authority, the Authority may choose an independent expert to conduct the review of the asset management system.
Schedule 1 – Licence Details

1 Licence Area
   1.1 The *licence area* is set out in Plan NumberERA-EL-128.

2 Commencement Date
   2.1 22 June 2012

3 Expiry Date
   3.1 21 June 2042
Schedule 2 – Additional Licence Clauses (Not Used)
Schedule 3 – Licence Area Maps
### Amendment Record Sheet:

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<tr>
<th>Version Date</th>
<th>Description of Amendment</th>
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<td>1 July 2015</td>
<td>Electricity Licences Review 2015 amendment by substitution</td>
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