

**FRWF STAGE 1 PTY LTD**  
**GENERATION LICENCE APPLICATION**

20 APRIL 2022

## 1 APPLICATION SUMMARY

### 1.1 INTRODUCTION

#### The Applicant seeks a Generation Licence

FRWF Stage 1 Pty Ltd (the “**Applicant**”) is applying for a generation licence as required under Part 2 of the *Electricity Industry Act 2004* (**Act**) to construct and operate Flat Rocks Wind Farm Stage 1 from 1 July 2022. The Applicant intends to:

- develop, finance, own and operate the proposed wind farm; and
- only operate as a generator.

#### Details

Flat Rocks Wind Farm Stage 1 (**FRWF1**) is 75.6MW in capacity and is located in the South West Interconnected System (**SWIS**). FRWF1 comprises eighteen 4.2MW wind turbines located on four privately owned farms in the shires of Kojonup and Broomehill-Tambellup in the Great Southern Region of Western Australia, 260km south east of Perth.

The wind farm is proposed to be located over 6,480 hectares of cleared agricultural land currently utilised for broadacre cropping and livestock production. Once constructed and fully operational, the Flat Rock wind farm facility will occupy around 0.3% of land area the majority of which is historically cleared agricultural land. Rights to develop the site have been secured under the option to lease with each of the four landowners for a period of 30 years, with an option to extend for a twenty-year period.

### 1.2 CORPORATE INFORMATION AND ORGANISATIONAL RELATIONSHIPS

The generation licence applicant is:

FRWF Stage 1 Pty Ltd

Level 23.07, 100 Barangaroo Avenue Barangaroo NSW 2000

ACN 165 951 977

ABN 29 165 951 977

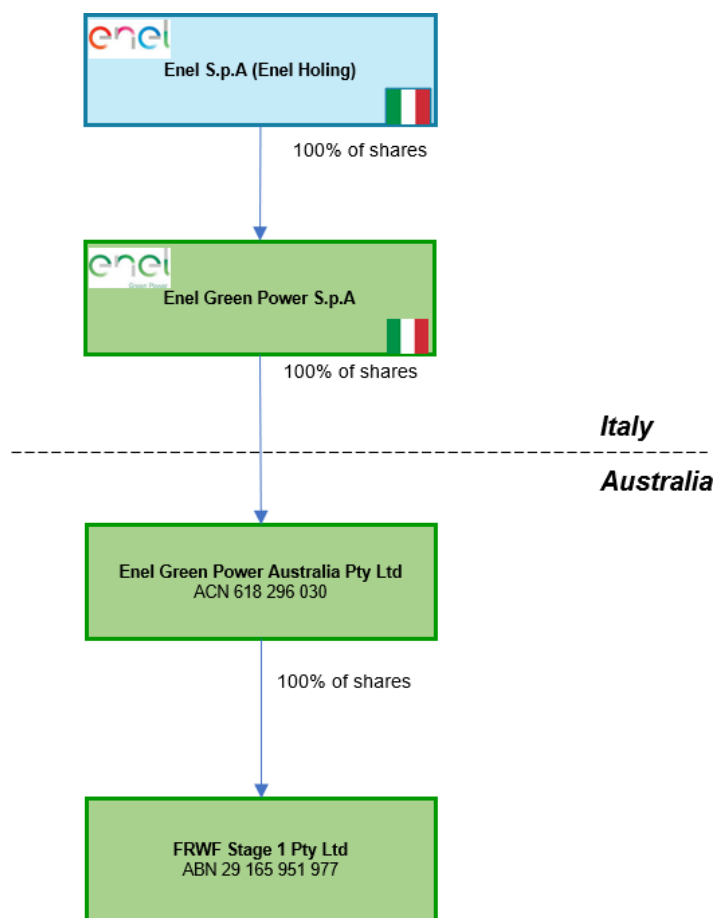
FRWF Stage 1 Pty Ltd is owned by Enel Green Power Australia Pty Ltd (**EGPA**).

FRWF Stage 1 Pty Ltd was incorporated in 2013 by Moonies Hill Energy Pty Ltd (ACN 131 189 305) (**MHE**) the developer of the FRWF1 project. A joint development agreement between MHE and the Enel Green Power Australia Group was executed in August 2016. This agreement entitled EGPA to fully acquire FRWF1 from MHE and was completed on 4 April 2022.

As at the submission of this application, EGPA is the operational entity that will provide construction project management, operational and asset management services to ensure the Applicant is able to meet its compliance obligations, including with the Act and the WEM Rules. EGPA will be the commercial entity responsible for establishing and managing contractual arrangements for provision of energy through a Power Purchase Agreement (**PPA**) with BHP Billiton (**BHP**) as the sole off-taker, financial and related services required to support the operation of the wind farm assets in the Wholesale Electricity Market (**WEM**).

EGPA, and therefore FRWF Stage 1 Pty Ltd (the “**Applicant**”) is a subsidiary of Enel Green Power SpA, as shown in Figure 1.

Figure 1: Organogram – Applicant’s relationship with parent companies



### Italian Corporate Structure

**Enel S.p.A.** is an Italian utility and multinational electricity and gas company and the parent company of **Enel Green Power S.p.A (“EGP SpA”)**, its multinational renewable energy subsidiary. Enel S.p.A. is one of Europe’s largest utility companies and it is a publicly listed company on the Italian stock exchange.

### Australian Corporate Structure

**Enel Green Power Australia Pty Ltd** is a limited liability company under Australian law. It is 100% owned by Enel Green Power S.p.A.

In this application, the Enel Green Power Australia will be referred to as “**EGPA**”.

### The Applicant

Enel Green Power Australia Pty Ltd in turn owns 100% of the shares in FRWF Stage 1 Pty Ltd.

FRWF Stage 1 Pty Ltd is the Applicant in this application (the “**Applicant**”).

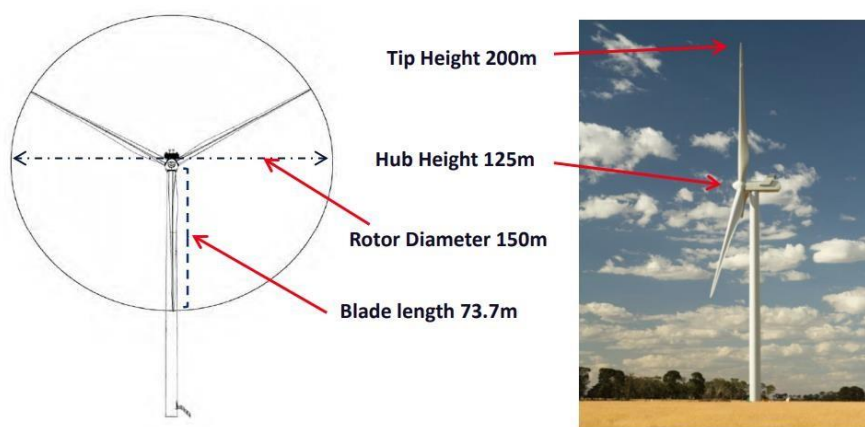
More detailed corporate information, including directors and ownership is available in the ownership evidence from ASIC provided as part of Attachment 2 & 5.

### 1.3 PROJECT OVERVIEW AND SERVICES

The main infrastructure components of the FRWF1 are consistent with other wind farm facilities operating in Western Australia and are listed below:

- 18 wind turbine generators using Vestas V150 4.2MW
- each wind turbine has a 125m tower section
- nacelle (turbine housing) located on top of the tower, and which houses the gearbox and generator (125m height)
- 3 x 75m blades with a rotor diameter of 150m resulting in an overall tip height of 200m
- each wind turbine has a reinforced underground concrete foundation and adjacent hardstand area (gravel) to provide a safe working area for cranes during construction and ongoing maintenance as required

Figure 2: Wind Turbine Specifications



#### Location

The proposed location has been selected due to the quality and consistency of wind, which will allow the wind farm to produce 315GWh of renewable energy and a high-capacity factor of close to 50% of nameplate capacity. Seven years of onsite wind data and analysis demonstrates wind patterns have a strong coincidence with peak demand in the WEM and there is predictable yet minimal season variation across El Nino and La Nina and neutral seasons. The majority of components, temporary and permanent, in the FRWF1 facility will be installed in a cleared land area currently used for broadacre cropping and livestock production.

The Project will have three discrete stages:

1. Construction: Construction is expected to commence in July 2022, subject to approvals and commercial considerations. The construction phase is expected to last for a period of approximately 18-22 months, with around 200 staff employed during the peak construction period.
2. Operation: FRWF1 is expected to be operational by end-2023, with full production by mid-March 2024. The operational life of the wind farm is expected to be 30 years.
3. Decommissioning: Infrastructure may be repowered with new equipment for a further 30-year operating life, or decommissioned, with the site rehabilitated to facilitate continuation of the current land use (agriculture) or alternative land use. If decommissioned, above-ground infrastructure apart from roads (which are left to benefit the landowners) will be removed (e.g., all turbines, transmission lines, etc). The land will then be rehabilitated in line with

development approval conditions and specific landowner agreements. Some infrastructure may remain in-situ depending on landowner preferences.

FRWF1 will supply electricity to a sole off-taker connected to the South West Interconnected System (SWIS).

#### 1.4 PROPOSED SERVICE MODEL

The energy generated is fully contracted through a commercial PPA with BHP for a period of 12 years to partially offset carbon emissions from its nickel mining activities. Under the PPA between BHP and FRWF Stage 1 Pty Ltd, the renewable energy allows and fuels the concept of green circularity through the entire value chain, enabling decarbonisation in a systemic way and making a concrete step towards the energy transition.

EGPA remains committed to creating shared value approach during the construction and operation of the project, working closely with the local community to enhance the economic and social conditions in the local area. The organisation is also dedicated to local sourcing throughout the project's operational and construction phases where possible.

Plant availability, output charge, pricing mechanism are presented in the commercial agreement provided as Confidential Attachment 17.

#### 1.5 OPERATING AREAS

The proposed wind farm will connect to the Western Power network also known as the SWIS via a tee connection to KOJ-ALB 81, 132kV transmission line. The site spans 6,480 hectares across four privately owned broadacre farming sites in the Kojonup and Broomehill-Tambellup shires as shown in Figure Figure 3.

Figure 3: FRWF development site in the context of the SWIS



The Applicant has signed a commercial PPA to sell the entire output of the facility to a single customer – BHP, including energy and LGCs, supplying approximately 315 GWh per year of renewable electricity for 12 years. Therefore, the Applicant does not expect to actively participate in the WEM and does not anticipate any other services will be provided over the period of the PPA.

#### 1.6 STATUS OF OTHER REGULATORY AND CONTRACTUAL APPROVALS

The Applicant has completed all necessary planning and environment approvals to develop FRWF1.

These approvals include development approvals obtained from the Shire of Kojonup on 28 September 2021 and Shire of Broomehill-Tambellup on 6 December 2021 [Attachment 16.1 & 16.2].

The Applicant has also obtained the required network access agreement with Western Power for connection to its network and signed the associated Interconnection Works Contract (**IWC**) to connect the FRWF1 to the SWIS on 17 August 2020. This contract was amended on 9 February 2022 to reflect the expanded declared sent out capacity (**DSOC**) from 65 MW to 73.5 MW and updated connection requirements via a deed of amendment.

All network access agreements provided by Western Power such as the Electricity Transfer Access Contract, the Interconnection Works Contract and its Deed of Variations are included as part of Confidential Attachment 14.

FRWF1 also received confirmation from the Minister of Environment that approval under the Environment Protection and Biodiversity Conservation Act (**EPBC**) was not required for this project [Confidential Attachment 16.3].

## 1.7 FUNDING MODEL

The construction and operation of FRWF1 will be 100% equity funded by EGP SpA, which is one of the world's largest energy companies, and has the capability to fund the assets off its own balance sheet.

An equity commitment letter from EGP SpA is provided as Confidential Attachment 7.

## 1.8 PROJECT IS IN THE PUBLIC INTEREST

FRWF1 will bring a new source of renewable electricity generation into the WA energy market, contributing to the State Government's commitment to a net zero emissions target by 2050.

In 2021 a Social, Environmental, Economic Context Analysis was performed. The purpose of the analysis was to assess the social, environmental, and economic context in the local area to the Flat Rocks Wind Farm project and provide recommendations for local stakeholder and community engagement, as the project moves into construction and operation phases, as well as local 'Creating Share Value' i.e., local community benefit sharing opportunities. FRWF1 will source services and supplies from businesses and service providers in the Great Southern Region where possible, creating new short and long-term employment opportunities in the local communities.

In summary the applicant will provide the following benefits:

- Over \$200 million of capital infrastructure investment in Great Southern Region for the engineering, construction, and commissioning of the project
- Approximately 120 construction staff are anticipated to be on site during construction peaks.
- Additional local stimulus to the service, food, and accommodation sectors
- Approximately 5 - 10 direct, ongoing operational jobs
- Additional indirect maintenance and operations support jobs associated with local trades and traders, providing goods and services to the generation facility and its workforce
- Educational and traineeship opportunities where possible.

# 2 CORPORATE INFORMATION

## 2.1 IDENTITY OF APPLICANT

Name	FRWF Stage 1 Pty Ltd
Company type	FRWF Stage 1 Pty Ltd is a special purpose vehicle 100% owned by EGPA, which in turn is 100% owned by Enel Green Power SpA, one of the world largest utility companies, publicly listed in the Italian stock exchange.