

WIND PORTFOLIO Pty Ltd



ELECTRICITY GENERATION
LICENCE APPLICATION PUBLIC CONSULTATION
BADGINGARRA WIND FARM

Reference: 33170302R0

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1 APPLICATION SUMMARY

1.1 Introduction

The Badgingarra Wind Farm (BWF) site is located approximately 180km north of Perth near the township of Badgingarra and east of the town of Cervantes. The BWF site is located north of Bibby Road and is bisected by Cadda and Yerramullah roads. Lease agreements have been negotiated with the landowners for the seven properties comprising the BWF site.

Wind Portfolio Pty Ltd is applying for a generator licence for the BWF. The BWF shall only operate as a generator and does not intends applying for a transmission, distribution or retail licence.

1.2 Corporate Information

The licence applicant for the BWF is Wind Portfolio Pty Ltd (ABN 84 114 267 695 and ACN 114 267 695) which is owned by the APA Group (APA). APA is a large gas infrastructure company listed on the Australian Stock Exchange (ASX) under the legal and trading name Australian Pipeline Trust (ABN 21 858 175 226 and ACN 091 344 704).

The APA board is made up of eight directors who hold a small quantity of the total equity in the company. None of the directors have been or would have been disqualified from managing corporations under the Corporations Act 2001.

1.3 Financial Information

Copies of the last three years of APA financial statements have been provided in support of this application. These statements include Deloitte Audit reports and director declarations. The APA financial statements are compliant with the Australian Accounting Standards Board standards and ASX rules.

APA is Australia's largest energy infrastructure business with \$14.8 billion in assets, a market capitalisation in excess of \$9 billion and balance sheet capacity to support significant growth. APA has strong investment grade credit ratings from Standard & Poor's and Moody's Investors Service. These ratings facilitate access to global debt capital markets and support APA's debt portfolio. APA intends to fund 100% of the development costs of BWF.

The BWF will be a renewable electricity generator in the Wholesale Electricity Market (WEM) supplying electricity and RECs to a single customer. APA expects that BWF will be a strong value add project of low risk. The wind resources at the BWF site are relatively strong and reliable and a reputable company will be building and operating the wind farm. BWF is expected to export approximately 500 to 550 GWh of energy per year.

APA's Internal Audit Charter is the basis for all company financial policies including accounting internal and external auditing policies; risk management and internal control procedures. The external audit policy is contained in the External Auditor Appointment and Independence Policy document. Risk management procedures and principles are contained in the Audit and Risk Management Committee Charter. Copies of these documents have been provided in support of this application.

1.4 Technical Information

The BWF will comprises of 37 Wind Turbine Generators (WTGs) and Balance of Plant (BOP). The WTGs are Siemens SWT-3-6-130 each rated at 3.6 MW giving a total output of 130 MW net at the point of connection. The maximum blade tip height shall be less than 150 m. The BOP shall include a 132/33kV substation, underground cables, administration buildings and access roads. The BWF substation shall be connected to the South Western Interconnected System (SWIS) at 132kV via a Western Power switch yard that shall be located adjacent to the substation.

Construction for the BWF is schedule to start in July 2017 and be completed by October 2018.

Main and check tariff metering equipment shall be provided by Western Power and located in their switch yard adjacent to the BWF Substation. BWF shall have access to the metering data via Western Power's Online Portal. BWF is expected to export approximately 500 to 550 GWh of energy per year.

A Power Purchase Agreement (PPA) has been negotiated with Alinta for the sale of all energy generated (MWh) and large-scale generation certificates (LGCs).

APA currently owns and operates approximately \$20 billion in energy assets. These assets include natural gas pipelines, gas storage facilities, gas-fired power stations and wind farms.

A project team was formed to steer the BWF project from inception to construction and commissioning. A Management Committee will be appointed to manage BWF during the operation and maintenance phase.

Siemens will design, construct, commission, operate and maintain the BWF via Engineering Procurement Construction (EPC) and Operation and Maintenance (O&M) contracts. Siemens will report to a Project Manager for the EPC phase and a Wind Farm Manager for the O&M phase.

Western Power will design, construct, commission, own, operate and maintain their 132kV switchyard adjacent to the BWF Substation. The Project Manager and the Wind Farm Manager will coordinate activities and liaise with Western Power during the EPC and O&M phase respectively.

BWF has obtained Developmental Approval (DA) from the Shire of Dandaragan subject to a number of conditions. Most of these conditions shall be met before commissioning with a number of conditions either being met during the defects liability period or requiring ongoing monitoring.

BWF is in the process of registering with the following organisations:

- □ Australian Energy Market Operator (AEMO): Registration is sought as a Market Participant with intermittent non-scheduled generators.
- □ Clean Energy Regulator: Registration will be sought as an accredited power station able to create Renewable Energy Certificates (RECs). The RECs shall be classified as Large-scale Generation Certificates (LGCs).

APA is already registered with the Greenhouse and Energy Data Officer and will include relevant data from BWF in their annual NGER submission.

1.5 Public Interest Information

BWF will provide additional renewable energy which will enable large retailers sourcing electricity from non-renewable generators to meet their LGC liability. BWF provides the Australian public with an additional renewable energy source placing downward pressure on energy prices and diversifying Western Australia's energy supply base. Additional supply of LGC's will result in downward pressure on the LGC price which will increase affordability of renewable energy sources.

The development of the BWF has been welcomed by the land owners, the Shire of Dandaragan and the local community. No negative publicity or complaints have been received to date concerning the BWF. Consultations with the representatives of the Yued people have taken place as part of a cultural heritage survey of the BWF site. The BWF will procure services from the local community and the work force shall be located in the local community.

1.6 Licence Supply & Operating Area

The BWF site is located in the Shire of Dandaragan approximately 180km north of Perth near the township of Badgingarra and east of the town of Cervantes. The proposed BWF licence area is approximately 14kms by 13kms as shown in the layout drawing given in **Appendix 1**.

APPENDIX 1

LAYOUT DRAWINGS



