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Contact Officer: Paul Dunn
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20 December 2017

Paul Newman
Partner, Ashurst Australia
GPO Box 9938
BRISBANE QLD 4001

Dear Mr Newman

Re: Gannawarra Solar Farm - Application for individual exemption from Chapter 5

Thank you for the application dated 23 November 2017 by Gannawarra Solar Farm Pty Ltd, ACN 615 736 895 (GSF) for a partial exemption from the operation of chapter 5 of the National Electricity Rules (NER).

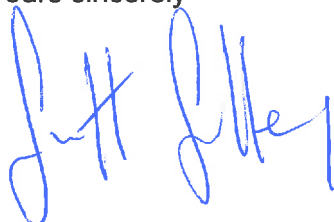
I am pleased to advise that on 15 December 2017 the AER Board approved the application. The conditions which apply to our decision are set out in the attached notice of decision. Also, the clauses of chapter 5 of the NER which continue to apply are detailed in the annexure to the notice of decision.

I draw your attention to condition 3 of the notice of decision. This condition notes that the Gannawarra Energy Storage System (GESS) as described in the application is to be connected to the GSF Network. However, GSF must not allow any other party to connect a generating system without further approval by the AER.

In relation to clause 6 of the application, I also confirm that the AER does not require GSF to submit a model standing offer for basic connection services or standard connection services.

Should you have any questions about this decision, please contact Paul Dunn, Director - Networks on 03 9290 1426.

Yours sincerely



Scott Sandles
Acting General Manager
Network Pricing, Policy and Compliance

Attachment: Notice of Decision

cc. Tony Snell, Principal Corporate Lawyer, Australian Energy Market Operator Ltd.

NETWORK SERVICE PROVIDER EXEMPTION
CLAUSE 2.5.1 OF THE NATIONAL ELECTRICITY RULES
GANNAWARRA SOLAR FARM PTY LTD ACN 615 736 895
NOTICE OF DECISION TO GRANT EXEMPTION

On 15 December 2017, the AER decided pursuant to clause 2.5.1 of the *National Electricity Rules* (the “NER”) to grant Gannawarra Solar Farm Pty Ltd ACN 615 736 895 (the “Applicant”) an exemption from the operation of the provisions of Chapter 5 of the NER other than those provisions that are referred to in the Annexure and subject to the following conditions.

CONDITIONS

Specified distribution system

- 1) The Exemption is limited to the distribution system (“Distribution System”) that:
 - a) is owned and operated by the Applicant; and
 - b) connects the Gannawarra Solar Farm to Powercor’s 66kV network as described in the application for exemption of 23 November 2017 (the “Application”).

Licence

- 2) The Applicant must comply with any law of the State of Victoria requiring the Applicant to be authorised to own, control and/or operate the Distribution System.

Third party connections to the Distribution System

- 3) If the Applicant receives a request from a third party to connect a Generating System (not otherwise described in the Application) to the Distribution System, the Applicant must notify the AER of the request. The Applicant must not allow another party to connect a Generating System to the Distribution System without the prior written consent of the AER.

Note: The Application states the Gannawarra Energy Storage System (to be owned by GESS ProjectCo Pty Ltd) is to be connected to the Distribution System. The purpose of this condition 3 is to allow the AER to reconsider the Exemption in the event that any other party proposes to connect a generator to the Distribution System. The AER will consult the Australian Energy Market Operator (“AEMO”) if a request is made to connect another party.

For the purposes of this condition 3, the term ‘Generating System’ has the meaning assigned to it in the NER.

Commencement and expiry

- 4) The Exemption takes effect on and from the effective date of registration of the Applicant as a network service provider by AEMO in relation to the Distribution System.
- 5) The Exemption terminates on the date that:
 - a) the Applicant is dissolved;
 - b) the Applicant fails to satisfy condition 3; or
 - c) the AER decides to repeal the Exemption in accordance with condition 7.

- 6) If the Applicant becomes aware that any condition of this Exemption is not satisfied, the Applicant must promptly (and, in any event, within 20 business days) notify the AER.
- 7) The AER may decide to amend or repeal the Exemption. The decision to amend or repeal the Exemption is exercisable in the same way, and subject to the same conditions, as the decision to grant the Exemption.

Note: For example, the AER may decide to repeal the Exemption in the event that a condition of the Exemption is not satisfied, or if circumstances change.

Interpretation

- 8) In this Exemption, unless the contrary intention appears, a reference to:
 - a) a statute, regulation, law, rule or other law includes regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
 - b) a document or provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
 - c) an agreement or a provision of an agreement includes an amendment or supplement to, or replacement or novation of, that agreement or that provision of that agreement;
 - d) except in relation to references to the Applicant, a particular person includes a reference to the person's successors, substitutes (including persons taking by novation) and assigns.

Note 1: The Exemption is personal to the Applicant, and does not apply to any other person that owns, controls or operates the Distribution System at the time of the decision or in the future.

Note 2: Conditions 4.1 – 4.9 of Part B of the *Electricity Network Service Provider – Registration Exemption Guideline* do not apply to this Exemption.

Annexure

- 1) The Applicant is not exempt from the operation of the provisions of Chapter 5 of the NER referred to in paragraph 2 of this Annexure to the extent that the operation of those provisions is necessary to:
 - a) give effect to the registration, commissioning, testing, maintenance and secure and safe operation of the Distribution System, including associated control systems or protection systems; or
 - b) provide for the determination or amendment of performance standards (within the meaning of the NER) applicable to any generating plant connected to the Distribution System and compliance with those performance standards;
 - c) to give effect to the design, registration, commissioning, testing, maintenance and secure and safe operation of any generating plant connected to the Distribution System, including associated control systems or protection systems; or
 - d) ensure the timely provision to AEMO or the AER of information required by AEMO or the AER (as appropriate) about the Distribution System or any connected Generating System or other plant.

- 2) For the purposes of paragraph 1 of this Annexure the provisions of Chapter 5 are:
 - clause 5.2.1
 - clause 5.2.3(d)(9)-(11)
 - clause 5.2.3(e), (f)
 - clause 5.3.4A(a), (b)(2)-(4), (c)-(i)
 - clause 5.3A.9(f)
 - clause 5.3.7(g)
 - clause 5.3.9
 - clause 5.3.10
 - clause 5.7.1(h)-(l)
 - clause 5.7.2
 - clause 5.7.4
 - clause 5.7.5
 - clause 5.7.6
 - clause 5.8
 - clause 5.9.2
 - clause 5.9.3
 - clause 5.9.4
 - clause 5.9.5
 - clause 5.9.6
 - clause S5.2.2
 - clause S5.2.3
 - clause S5.2.4

- clause S5.2.5
- clause S5.2.6
- clause S5.2.7
- clause S5.2.8
- clause S5.5

and any such other provisions of Chapter 5 of the NER that are relevant to the operation of the provisions listed above.

- 3) For the purposes of the operation of the relevant provisions of Chapter 5 referred to in paragraph 2 of this Annexure:
- a) GESS ProjectCo Pty Ltd (ACN 621 425 661) as owner, controller or operator of the Gannawarra Energy Storage System and;
 - b) the Applicant as owner, controller or operator of the Gannawarra Solar Farm,
- will be taken to be the 'Connection Applicant' and the definition of 'Connection Applicant' in Chapter 10 of the NER will not apply.