

Our Ref: 22663 / D16-161372
Contact Officer: Tom Stevens-Downie
Contact Phone: (03) 9290 6984

9 December 2016

Mr Mark Hunter
Director
Alcoa Portland Aluminium
P.O. Box No. 1
PORTLAND VIC 3305

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Melbourne Central
Melbourne Vic 3000

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Melbourne Vic 3001

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Dear Mr Hunter

Re: Approval of additional exemption conditions

I refer to a request by the Australian Energy Market Operator (AEMO) to apply additional exemption conditions to your registrable network exemption (NRO3) for the operation of a private transmission network at the Portland Aluminium Smelter Switchyard, Quarry Road, Portland VIC 3305.

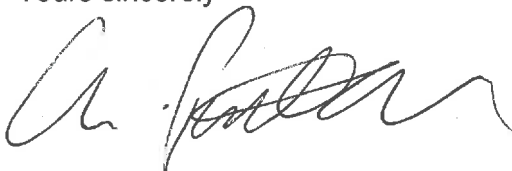
I am writing to inform you that the Australian Energy Regulator (AER) has considered the additional exemption conditions requested and that it decided, on 9 December 2016, to grant the application of additional conditions to your NRO3 network exemption.

I note that these additional conditions (set out in the attached Schedule 1) have been agreed to by both AEMO and Alcoa Portland Aluminium Pty Limited as agent for the joint exemption holders:

- Alcoa Portland Aluminium Pty Limited
- Alcoa of Australia Limited
- Eastern Aluminium (Portland) Pty Limited
- Citic Nominees Pty Limited
- Marubeni Aluminium Australia Limited

If you have any further queries, or would like to discuss this further, please contact Tom Stevens-Downie on 03 9290 6984.

Yours sincerely



Chris Pattas
General Manager
Networks

Schedule 1: Notice of Amendment to Exemption Conditions

ADDITIONAL CONDITIONS OF EXEMPTION ISSUED TO EXEMPTION HOLDER OF NRO3 NETWORK EXEMPTION (PORTLAND ALUMINIUM SMELTER SWITCHYARD)

DATE OF ISSUE: 9 December 2016

Pursuant to section 13 of the National Electricity Law, the Australian Energy Regulator on 9 December 2016 decided to attach additional exemption conditions to the NRO3 network exemption for operation of the Portland Aluminium Smelter Switchyard private transmission network at Quarry Road, Portland VIC 3305 and jointly held by the **Applicants**:

- Alcoa Portland Aluminium Pty Ltd (ABN 80 006 306 752)
- Alcoa of Australia Limited (ABN 93 004 879 298)
- Eastern Aluminium Pty Ltd (ABN 96 067 391 824)
- Citic Nominees Pty. Limited (ABN 59 006 587 819)
- Marubeni Aluminium Australia Pty. Ltd. (ABN 60 056 598 871)

The additional conditions of exemption are specified below and have been agreed to by both the Applicants and the Australian Energy Market Operator (AEMO).

Limitation

1. The Exemption is limited to the Portland Terminal Station and the associated transmission equipment owned by the Applicants as outlined in the plan annexed (Schedule 2) and marked in Red and referred to as "A" in the application (the **Exempt Network**).

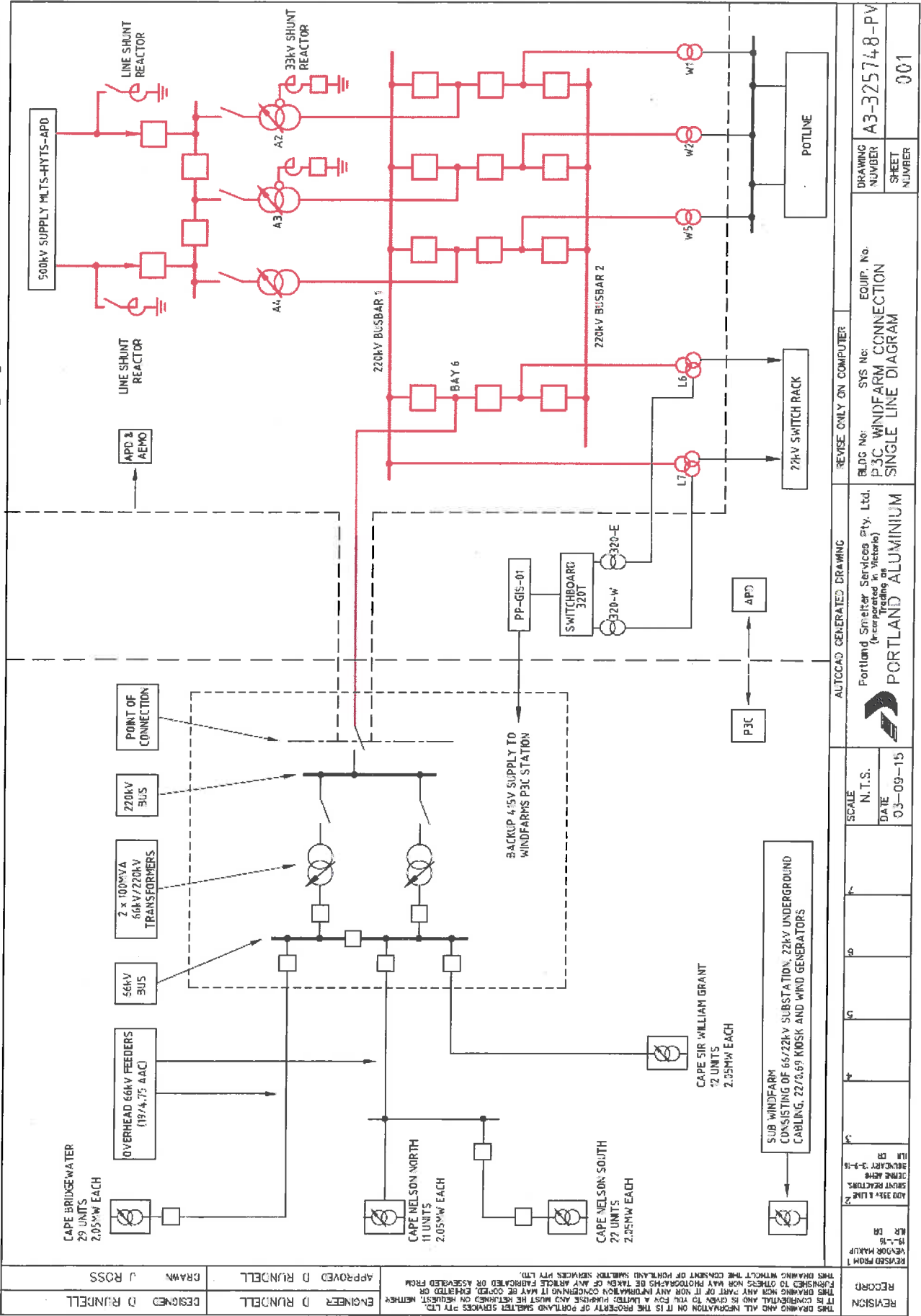
Compliance

2. The Applicants must comply with those terms and conditions of the Use of System Agreement (UoSA) and Network Support Services Agreement (NSSA) that relate to operation by the Applicants of the Exempt Network.
3. The Applicants must comply with power system security directions issued by AEMO under the National Electricity Law and the National Electricity Rules as if they were registered as a Network Service Provider in respect to the Exempt Network.

Commencement and expiry

4. The Exemption takes effect on and from the date of execution of the UoSA and the NSSA as notified by Alcoa to the AER.
5. The Exemption terminates on the date that:
 - a) All of the Applicants are dissolved or wound up;
 - b) Both of the UoSA and the NSSA, and any subsequent agreements that amend or substantially replace those agreements, are terminated or expire; or
 - c) the AER repeals this Exemption.

Schedule 2: Annexed plan of transmission equipment at Portland Aluminium Smelter Switchyard for the purposes of condition 1 listed in Schedule 1



DESIGNED D RUNDELL	APPROVED D RUNDELL	REVISION	REVISION FROM 1
DRAWN J ROSS	ENGINEER D RUNDELL	RECORD	REVISION FROM 1
		MR 15	MR 15
		SR	SR
		ADD 31kV LINE	ADD 31kV LINE
		SHUNT REACTORS	SHUNT REACTORS
		3000V	3000V
		3-3-16	3-3-16
		SCALE	SCALE
		N.T.S.	N.T.S.
		DATE	DATE
		03-09-15	03-09-15
		AUTOCAD GENERATED DRAWING	AUTOCAD GENERATED DRAWING
		REVERSE ONLY ON COMPUTER	REVERSE ONLY ON COMPUTER
		BLDG No: P3C WINDFARM CONNECTION	BLDG No: P3C WINDFARM CONNECTION
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		DRAWING NUMBER A3-325748-PV	DRAWING NUMBER A3-325748-PV
		SHEET NUMBER 001	SHEET NUMBER 001


PORTLAND ALUMINIUM
 Fortland Smelter Services Pty. Ltd.
 (Incorporated in Victoria)
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