

Electricity generation licence application form

Purpose of this form

This form must be completed by persons applying to the Essential Services Commission (the commission) for a licence to authorise electricity generation in Victoria. Electricity generation includes battery energy storage systems.

Basis for this form

Section 18 of the *Electricity Industry Act 2000* (the Industry Act) provides that a licence application must be made in a form approved by the commission. This is the form approved by the commission.

Use of this form and the applicant's responsibilities

A licence application may be made by any legal person including, without limitation, individuals, incorporated associations, unit and other forms of trusts and corporations. Entities that are not a legal person (for example, an unincorporated joint venture or a partnership) cannot apply for a licence.

For the purpose of this application form, reference to the term "Officer" includes the applicant's directors and secretary, and other persons who make or participate in making decisions that affect a substantial part of the business (for example, Chief Executive Officer, Chief Financial Officer or General Manager).

The applicant should list the information requested in the spaces provided in this form and enclose additional information when required.

The applicant must take all reasonable steps to ensure the information provided in the application form is complete, true and correct.

An officer of the applicant is required to make a declaration to this effect in the application form. Failure to disclose information or misrepresent any matter relevant to such information may result in a licence not being issued or in the revocation of a licence later.

It is a criminal offence under section 61A of the *Essential Services Commission Act 2001* to provide the commission with false or misleading information or documentation.

The applicant is responsible for providing the commission with current, accurate and relevant documentation. It is the applicant's responsibility to make all reasonable inquiries to obtain the information requested by this form.

Providing accurate and relevant information and a complete application (answering all questions and providing all information) will assist in timely processing of an application. All applications are assessed on a case-by-case basis. If insufficient information is provided with an application, we will contact the applicant about the requirement for additional information to be submitted before the application is considered further.

Prior reading

It is expected that the applicant has read our [Guideline: Applications for electricity and gas industry licences](#) before completing this form.

It is the applicant's responsibility to ensure its compliance with legal obligations when applying for a licence.

Licence conditions

Section 20 of the Industry Act authorises the commission to issue licences subject to conditions as decided by the commission. Licences are published on our [website](#). We recommend the applicant familiarise itself with the relevant standard conditions and be confident that it can comply with those conditions prior to applying for a licence.

Further information

The applicant should note that we may ask for further information, or to clarify the information that the applicant has already provided with the application.

Consultation and confidentiality

We will consult with relevant government, industry and consumer groups on the licence application through a public consultation process. Applications and/or supporting information that is not confidential will be made available on our website.

If the applicant believes that any information provided as part of its application is confidential or commercially sensitive, it is the applicant's responsibility to clearly identify this information on those documents. The applicant should also provide a 'non-confidential' version of the application form and documents for publication on our website.

How to lodge an application

The applicant may send the completed application form electronically (preferred) or in hard copy to:

Electronically: licences@esc.vic.gov.au

Hard copy: Market Operations, Energy Division
Essential Services Commission
Level 8, 570 Bourke Street
Melbourne VIC 3000

Large files

Applicants generally need to send us large files which is often not suitable via email. Please contact us at licences@esc.vic.gov.au to discuss alternative options to provide an application to the commission.

Application fees and annual licence fees

The commission has the authority to set a licence application fee. Currently, there is no application fee.

Holding a licence incurs annual licence fees. Refer to the commission's [Guideline: Applications for electricity and gas industry licences](#) for more information regarding annual licence fees.

1. General Information - The Applicant

The applicant must answer all questions in this section.

1.1 Legal name of applicant

State the full legal name of the applicant. The applicant is the person who will be generating electricity and/or selling (wholesale) electricity that will be the subject of the licence.

Name: Pacific Blue Smart Communities Pty Ltd (“Pacific Blue”)

1.2 Legal identity of applicant

Provide the applicant’s ABN and ACN (where relevant) and information about the applicant (for example, whether the applicant is a private limited company, trust, or joint venture).

ABN: 79 151 241 673

ACN: 151 241 673

Type of entity: Private limited company

1.3 Contact details and address of the applicant

The applicant

Business address: Level 13, 700 Collins Street, Docklands

State: Victoria

Postcode: 3008

Postal address (if different): Same as business address

State:

Postcode:

Full name of contact person: [REDACTED]

Position title: [REDACTED]

Telephone: [REDACTED]

Mobile: [REDACTED]

Email: [REDACTED]

1.4 Diagram of corporate and organisational structure

Attach a diagram illustrating the corporate structure, including details of any related companies within the meaning of the *Corporations Act 2001* and the organisational chart. Provide a diagram of the:

a) Corporate structure (including any parent and related companies within the meaning of the *Corporations Act 2001*), and

Attachment reference:

Attachment 1.4 a) - Pacific Blue Company structure

b) Organisational chart (including composition of the board, management, and other key personnel responsible for the key functions).

Attachment reference:

Attachment 1.4 b) - Pacific Blue Organisational structure

This document includes the Board of Pacific Blue Smart Communities Pty Ltd as well as the Pacific Blue's management and other key personnel responsible for the delivery, operations, and maintenance of the project outlined in the application.

1.5 The licence

The applicant must answer all questions in this section.

If the applicant is seeking for a licence to be issued by a certain date, identify this date. **Note: we do not undertake to issue the licence by this date.** The applicant should usually allow a minimum of eight to 10 weeks **once we consider the application to be complete.** An application is considered complete once we have all the information needed for the commission to make a decision. In other words, when we have no need to request further information from the applicant. This includes a public consultation period of four weeks (generally) as part of our consideration of licence applications.

Provide details on the following:

Date from which licence is sought: 31 August 2023

Type of generation: Two (2) Battery Energy Storage Systems (BESS)

Expected name plate capacity: 1.99 MWh for BESS #1, 0.45 MWh for BESS #2

Location of generation facility: 163 Nepean Hwy, Dromana VIC 3936, AUS

Details of how the generator will be connected to the network: The BESS is proposed to be installed and connected to the United Energy (UE) distribution infrastructure, to an existing UE switchboard at Southern Advanced Plants premises in Dromana. The BESS would be connected to a 22kV HV line via 2 MVA 0.415/22kV step transformer.

2. Technical capacity

The applicant must answer all questions in this section.

2.1 Experience and knowledge of the industry

Provide information about the human resources available to the applicant. This includes:

- a) The experience and qualifications of those employees outlined in the organisational chart;

Refer Attachment 2.1 a)

- b) If the applicant will employ contractors or agents to assist with the licensed activities, the name of those contractors or agents, details about the experience of the contractors or agents in such operations and details of the processes in place to ensure the contractors or agents comply with the licence conditions, including relevant regulatory obligations

- [REDACTED] along with its subsidiary batteries manufacturing company [REDACTED] has been selected as the battery energy storage system (BESS) supplier for the provision, design, manufacturing, factory acceptance testing (FAT), delivery, installation supervision and commissioning support services of the BESS for this project. [REDACTED] has had an established presence in the Australian market since 2008, supplying solar PV panels for the retail market and developing utility-scale solar farms and battery storage project around the country. Refer Attachment 2.1 b) a).
- [REDACTED] have been appointed as the Design and Construction (D&C) contractor for the BESS installation. [REDACTED] will be responsible for the supply, testing and construction of all electrical, civil and structural work, as well as generating all of the electrical and civil drawings and schematics to be provided to [REDACTED] Refer Attachment 2.1 b) b).
- [REDACTED] has been engaged to act on our behalf on the engineering aspects of this project assisting with design review and contractor adherence to the scope of works and duties. Refer Attachment 2.1 b) c).

These contractors will be required to operate in respect of their relevant agreements to ensure they operate within the regulatory obligations.

Where the applicant is relying on a third party to provide staff and/or resources to meet the technical capacity requirements of the generation and wholesale licence, provide:

- c) the experience and qualifications of any relevant key employees who will manage those systems and processes;

Refer Attachment 2.1 a) which includes skills and experiences of key Operations and Maintenance staff as well as management and delivery personnel.

- d) if the applicant will engage third parties to assist with the licensed activities, provide the following information in relation to each third party:

The applicant plans to engage a third-party Operations and Maintenance (O&M) services provider to assist with the licensed activities. This O&M Contract is currently in development and negotiations phase, and the preferred O&M Contractor is the current D&C Contractor, [REDACTED]. We plan to finalise and execute this agreement by end of May 2023.

Attachment 2.1 d) provides details about the skills and experiences of [REDACTED].

- (i) the name of that third party - To be confirmed once O&M Contract is finalised.
- (ii) the scope of activities undertaken by the third party

The BESS operational scope of activities to be undertaken by the third party is:

- Monitoring day-to-day performance and operations
- Monitoring the warranty and performance guarantees
- Periodic capacity and efficiency testing
- Dispatching the BESS into the market

The BESS maintenance scope of activities to be undertaken by the third party is:

- Component and ancillary system inspections
- Air conditioning system maintenance
- Annual capacity and efficiency testing
- Thermal scans
- PCS inspections and maintenance
- Part replacements
- Firmware inspections & updates

- (iii) details and copies of any agreements for the provision of services

Please find attachment 2.1 d) (iii) which includes an example of Pacific Blue's existing O&M Contract template for a large-scale BESS. A similar bespoke O&M Contract will be put in place for this project, which will address the specific operations and maintenance requirements including the scope of activities given in section 2.1 d) (ii).

- (iv) details about the experience of the third party in relation to the activities that it will be undertaking, including any accreditations

We have included the skills and experiences of our preferred O&M provider in Attachment 2.1 d). The capability of our preferred O&M provider can also be found in attachment 2.1 d) (iv). Further details and accreditations to be provided to the ESC once the O&M Contract has been finalised.

- (v) details of the processes in place to ensure the third party complies with the licensee's regulatory obligations.

The Applicant has processes in place to ensure employees as well as third parties comply with regulatory obligations. A list of these can be found in Attachment 2.1 d) (v). These obligations form part of the contract documents, which the potential third party service providers will be required to follow as part of their contracts with Pacific Blue in order to support the licenced activities.

Attachment reference:

Attachment 2.1 a) - Pacific Blue Employee Experience

Attachment 2.1 b) a) - [REDACTED] Agreement

Attachment 2.1 b) b) - [REDACTED] Agreement

Attachment 2.1 b) c) - [REDACTED] Agreement

Attachment 2.1 d) - Third Party Employee Experience

Attachment 2.1 d) (iii) - Pacific Blue O&M Contract Template

Attachment 2.1 d) (iv) - [REDACTED] Capability Statement

Attachment 2.1 d) (v) - List of Pacific Blue policies and procedures

2.2 Risk management

- a) Provide confirmation and evidence that the applicant has identified the risks associated with electricity generation and wholesale operations. Additionally, provide evidence that the applicant has established, utilised and relied upon risk management systems and processes which are adequate, accurate and current to address those risks.

Refer Attachment 2.2 a)

- b) Provide a copy of the applicant's risk management strategy. A statement should also be provided (or supporting document must make it clear) whether the strategy has been developed in line with any Australian or International Standard (for example, ISO 31000:2018).

Refer Attachment 2.2 b)

- c) Provide a copy of a risk register that identifies risks, controls and mitigations.

Refer Attachment 2.2 c)

Attachment reference:

[Attachment 2.2 a\) - Obligation Register](#)

[Attachment 2.2 b\) - Pacific Blue Risk Management Framework - Strategy](#)

[Attachment 2.2 c\) - Risk Register](#)

2.3 Registration with the Australian Energy Market Operator and generator performance standards

Advise if the applicant will apply to register with the Australian Energy Market Operator (AEMO). If so, provide evidence of registration or exemption, or intending registration or exemption (for example, correspondence between the applicant and AEMO). If the applicant is not registering with AEMO, describe why that is the case.

Provide confirmation from AEMO that proposed negotiated generator performance standards will meet requirements for power system security and reliability under the National Electricity Rules.

[The Applicant has applied to AEMO to be a Small Generation Aggregator \(SGA\). Negotiated generator performance standards will not apply to the installation.](#)

Attachment reference:

[Attachment 2.3 - AEMO SGA Application](#)

2.4 Licences held in other jurisdictions

If the applicant holds, or has previously held, electricity and/or gas licences or authorisations in other jurisdictions provide details. If a licence or authorisation previously held has been suspended or cancelled, provide details.

[The Applicant does not hold, nor has it previously held any electricity or gas licence, in any other Australian jurisdiction.](#)

2.5 Previous unsuccessful licence applications in other jurisdictions

Confirm whether the applicant has applied for an electricity or gas licence in another jurisdiction and not been issued with a licence or authorisation, provide details.

[The Applicant has not previously applied for an electricity or gas licence in any other Australian jurisdiction.](#)

2.6 Licences held by associates of the applicant

If an associate (within the meaning of the *Corporations Act 2001*) holds an electricity or gas licence in Victoria or in other Australian jurisdiction, provide details.

Attachment reference:

[Attachment 2.6 - Associated licences](#)

2.7 Compliance management

- a) Provide evidence of compliance management which demonstrates how the compliance systems the applicant has (or will have) in place will ensure compliance with all the relevant regulatory obligations required by an electricity generation licence.

Refer Attachment 2.7 a)

- b) Provide a copy of the applicant's compliance management strategy. A statement should also be provided (or supporting document must make it clear) whether the strategy has been developed in line with any Australian or International Standard (for example, AS ISO 19600:2015).

Refer 2.7 a).

Attachment reference:

Attachment 2.7a - Pacific Blue Risk Management - Compliance Framework

2.8 Material agreements

Provide copies of agreements entered into, or intended to be entered into, by the applicant that are material to the undertaking of the electricity generation activity. Agreements that are material to the undertaking of the electricity generation activity may include:

- a) Connection agreements, such as a Generator Connection Agreement and Generator Project Agreement with a generation facility.

The Embedded Generator Connection Agreement is currently being negotiated between the Applicant and United Energy. The negotiations for this Agreement are expected to be concluded by April 2023.

- b) Any contract concerning the construction and delivery of the project (sometimes commonly referred to as a Project Construction and Coordination Deed (PCCD) or Engineering, Procurement and Construction Agreement).

The contracting structure for construction and delivery of the project will be via the established BESS Supplier Contract and the D&C Contract. These have been included as part of section 2.1 b)

- c) Any Network Services Agreements.

The Applicant is negotiating with United Energy to provide frequency control and demand management support.

- d) Any contracts concerning the managerial aspects of the activity (sometimes commonly referred to as a Management Services Agreement or Asset Management Agreement).

The Applicant has an in-house Operations team who will be responsible for the management of the BESS in conjunction with an appointed service provider and Bidding Software company. We are in the process of negotiating these agreements and once executed, we can provide a copy of these agreements upon request.

- e) Any contract concerning the ongoing operations and maintenance of the transmission assets (sometimes commonly referred to as an Operations and Maintenance Agreement).

As stated in section 2.1 d), the O&M Contract is currently in development and negotiations phase, and our preferred O&M Contractor is the current D&C Contractor, [REDACTED] We plan to finalise and execute this agreement by end of May 2023.

- f) Any contract concerning the sale of electricity from the generator under a Power Purchase Agreement.

There are no contracts concerning the sale of electricity from the generator under a Power Purchase Agreement.

Attachment reference:

Refer attachments provided in section 2.1 b)

2.9 Engagement with Energy Safe Victoria

Provide details about the applicant's engagement with Energy Safe Victoria and any copies of correspondence regarding the proposed electricity generation facility.

Attachment reference:

Attachment 2.9 - ESV correspondence

2.10 Additional information

Provide any additional information the applicant considers relevant to the commission's assessment of the applicant's technical capacity.

Attachment reference:

Attachment 2.10 - Project Plan

3. Financial viability

3.1 Financial resources

The applicant must provide a statement that will be made available to the public during the consultation period that the applicant has the financial resources to commence and sustainably perform the relevant licensable activities.

Provide a statement to confirm that:

- a) the applicant is financially viable and has the financial resources to sustainably operate the electricity generation facilities, and

[The Applicant is financially viable and has the financial resources to sustainably operate the energy generation facilities.](#)

- b) the applicant will be a registered market participant with the Australian Energy Market Operator for its electricity generation activities, therefore subject to the prudential requirements under the National Electricity Rules.

[The Applicant will be a registered market participant with the Australian Energy Market Operator \(AEMO\) for its electricity generation activities and will be subject to the requirements of the National Electricity Rules \(NER\). Please refer to Section 2.3.](#)

The commission reserves the right to conduct a financial viability assessment and require the applicant to produce information and documents it considers appropriate to complete such an assessment.

Attachment reference:

[Attachment 3.1 a\) a\) - PHPL Half Year Financial Statements June 2022](#)

[Attachment 3.1 a\) b\) - PHPL Group Statutory Accounts 31 December 2021](#)

[Attachment 3.1 a\) c\) - Certificate of name change](#)

4. Fit and proper person

The applicant must answer all questions in this section.

In deciding whether to grant or refuse a licence application, the commission will consider whether the applicant is a fit and proper person to hold a licence in Victoria.

The concept of a 'fit and proper person' is established by common law and takes its meaning from its context, from the activities in which the person is or will be engaged, and the ends to be served by those activities.

In considering whether an applicant is a fit and proper person, we will have regard to the applicant's honesty, integrity and reputation. These are relevant factors as they can inform an assessment of the likelihood of future conduct.

We will also consider the conduct of directors, office holders or any person with significant managerial duties or influence. We will also consider the conduct of related bodies corporate or entities that can exert control over the applicant.

- a) Have any directors of the applicant, directors of any entity that can exert control over the applicant, or any person with significant managerial responsibility or influence on the applicant:
- (i) been declared bankrupt,
 - (ii) had their affairs placed under administration,
 - (iii) been disqualified from managing a company,
 - (iv) been subject to debt judgements, or
 - (v) insolvency proceedings (including any administration, liquidation, or receivership in connection with the affairs of a company)?

If yes, provide details:

Neither the Applicant, its directors, the directors of an entity that can exert control over the applicant nor any person with significant material responsibility or influence on the Applicant has been declared bankrupt, had their affairs placed under administration, disqualified from managing a company, been subject to debt judgments or insolvency proceedings (including any administration, liquidation, or receivership) in connection with the affairs of a company.

- b) Has the applicant, any directors of the applicant, directors of any entity that can exert control over the applicant or any person with significant managerial responsibility or influence on the applicant been prosecuted for any offences or had any enforcement action taken under any state, territory, Commonwealth or foreign legislation (including, but not limited to, the *Competition and Consumer Act 2010*, *Corporations Act 2001*, or the *Australian Securities and Investments Commission Act 2001*)?

If yes, provide details:

Neither the Applicant, its directors, the directors of an entity that can exert control over the applicant nor any person with significant material responsibility or influence on the Applicant has been prosecuted for any offences or had any enforcement action taken under any state,



territory, Commonwealth, or foreign legislation (including, but not limited to, the Competition and Consumer Act 2010, Corporations Act 2001 or the Australian Securities and Investment Commission Act 2001.

- c) Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility or influence on the applicant been involved in any material breaches of obligations regulated by the commission or any other regulator?

If yes, provide details:

Attachment reference:

Attachment 4 c) - Pacific Blue Material Breaches of Obligations

- d) Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility been under investigation in relation to its regulatory obligations or is currently bound by an enforceable undertaking?

If yes, provide details:

Neither the Applicant, its directors, the directors of an entity that can exert control over the applicant nor any person with significant material responsibility or influence on the Applicant have been under investigation regarding their regulatory obligations or are currently bound by an enforceable undertaking.

- e) Has the applicant, any related body corporate or any person with significant managerial responsibility or influence on the applicant, been refused a licence or authorisation, or had restricted, suspended, or revoked any such licence or authorisation (in any jurisdiction)?

If yes, provide details:

Neither the Applicant, its directors, the directors of an entity that can exert control over the applicant nor any person with significant material responsibility or influence on the Applicant has been under investigation in relation to its regulatory obligations or is currently bound by an enforceable undertaking.

Additional information

Answer the following questions and, where the answer to any question is “no” (except for question b)), provide further detail.

- a) Is the applicant a resident of, or does it have permanent establishment in, Australia?

The Applicant is a resident of Australia

- b) Is the applicant under external administration (as defined in the *Corporations Act 2001*) or under a similar form of administration under any laws applicable to it in any jurisdiction?

The Applicant is not under external administration, or any similar form of administration, under any laws applicable to it in any jurisdiction.

- c) Is the applicant immune from suit in respect of the obligations under the *Electricity Industry Act 2000*?

The Applicant is not immune from suit in respect of the obligations under the Electricity Industry Act 2000.

- d) Is the applicant capable of being sued in its own name in a court of Australia?

The Applicant is capable of being sued in its own name in a court of Australia.

5. Commission objectives

The applicant must answer all questions in this section.

In deciding whether to grant or refuse an electricity generation licence application, the commission must consider its objectives under the *Electricity Industry Act 2000* and the *Essential Services Commission Act 2001* (ESC Act).

Our primary objective under the ESC Act, when performing our functions and exercising our powers, is to promote the long-term interests of Victorian consumers. In seeking to achieve this objective, we must have regard to the price, quality, and reliability of essential services and the matters set out in section 8A to the extent they are relevant.

In seeking to achieve the objectives specified in section 8, the commission must have regard to the matters to the extent that they are relevant in any particular case.

Provide any information the applicant considers relevant to the commission's consideration of its objectives outlined in:

- Section 8 of the ESC Act (also see section 8A of the ESC Act); and
- Section 10 of the *Electricity Industry Act 2000*.

The Applicant considers that this generation licence is in accordance with the objectives provided by the Essential Services Commission under Section 8 of the Essential Services Commission Act 2001 and Section 10 the Electricity Industry Act 2000.

The Applicant's project promotes the long-term interests of Victorian consumers through providing a battery storage system that allows for electricity to be stored and then discharged when needed. Given that the project will increase the stability of electricity in the grid, this only strengthens the notion that the project will be in the long-term interest of Victorians given the reliability it will provide for years to come.

The Applicant's project will replace a diesel generator owned and operated by United Energy located at Dromana site. The BESS will provide clean, reliable, high-quality power and the Applicant is also required to enter into a Distribution Connection Embedded Generator Agreement with United Energy which means the Applicant's project will comply with NER Chapter 5A.

6. Statutory declaration

All the information provided in this application and attached documents for an electricity generation licence must be true and correct and must be verified by a statutory declaration. This statutory declaration must be made by the applicant (where the applicant is an individual) or a director of the applicant (where the applicant is a corporation) and must be made in accordance with the requirements of the *Oaths and Affirmations Act 2018*.

An example statutory declaration form can be found [here](#). Information for authorised witnesses can be found [here](#).

The statutory declaration must address the following:

- a) identification of the declarant's position and/or role with the applicant
- b) that the declarant believes the information provided in the application to be true and correct
- c) that the declarant believes the applicant has the financial resources to commence and operate the activities the subject of the licence.

I David Maddock

of 13/700 Collins St, Docklands VIC 3008, Australia

make the following statutory declaration under the *Oaths and Affirmations Act 2018* (Victoria):

- a) That I am the director of **Pacific Blue Smart Communities Pty Ltd ACN 151 241 673**
- b) The information provided in this application (including any attachments) to the Essential Services Commission for an electricity generation licence is true and correct

and I make this declaration conscientiously believing these matters to be true and knowing that making a statutory declaration that I know to be untrue is an offence.

I make it knowing that making a statutory declaration that I know to be untrue is an offence.

(Signature of person making this statutory declaration in the presence of the authorised statutory declaration witness)

Declared at on 7/2023

Handwritten mark

Witness

I am an authorised statutory declaration witness and I sign this document in the presence of the person making the declaration:

[Redacted signature area]

[signature of authorised statutory declaration witness]

on 18 /04/ 2022,

Australian Legal Practitioner [Redacted name]

A person authorised under section 30(2) of the **Oaths and Affirmations Act 2018** to witness the signing of a statutory declaration.

A