

Application for electricity generation authority

Yarrenlea Solar Pty Ltd

Information paper

May 2019

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1. Background

Yarrenlea Solar Pty Ltd (the applicant ABN 30 609 850 553) has applied to the Regulator for a generation authority under the *Electricity Act 1994* (the Act). Under the Act, the Regulator is the Director-General of the Department of Natural Resources, Mines and Energy (the department), being the chief executive of the department that administers the Act.

The application for a generation authority is in respect of a proposed solar farm (the generating plant), located in Yarrenlea in the Darling Downs region of South-East Queensland on Lot 3347 on A341649, Lot 2 on RP7475, Lot 2 on RP18249 and Lot 2 on A34925. The site is located 44 kilometres south-west of Toowoomba and 10 kilometres west of the Pittsworth township.

The proposed generating plant will consist of approximately 54,984 panels rated at 360 watts, and 314,360 panels rated at 365 watts on a single-axis tracking system and will have 22 x 5.5 MVA inverters with a total nameplate rating of 133.9MWdc. The generating plant is expected to export approximately 254,000 MWh annually.

The applicant proposes to connect to Energy Queensland's distribution supply network via the newly constructed Energy Queensland Yarranlea North substation. The substation will connect to two existing 110 kilovolt (kV) lines that run from Powerlink's Middle Ridge substation to Energy Queensland's Yarranlea bulk supply substation.

The applicant is a corporate entity specifically established to own and operate the proposed generating plant and is wholly-owned by Risen RISI Holding Ltd incorporated in Hong Kong. Risen RISI Holding Ltd is in turn wholly-owned by Risen Energy Co Ltd (Risen) incorporated in China. Risen is listed on the Shenzhen Stock Exchange ChiNext market.

The Risen group of companies develop, manufacture and distribute solar modules and invest in utility scale solar projects, with operations across Asia, Europe, Africa, South America and Australia. Founded in 1986, Risen specialises in R&D, sales and service of PV modules, solar terminal applications and integration. In 2018, they were one of the top 10 tier-1 manufacturers globally. Located in the Tashan Industry Zone in China, the company has over 6,500 employees worldwide with an annual capacity of 4.5GW.

The Risen group's revenue in 2016 was US\$1,080 million with net profit of US\$106 million.

The applicant will be the owner and operator of the generating plant while Operations and Maintenance (O&M) services will be contracted to a Risen subsidiary company, Risen Energy Services Pty Ltd (RES).

The generation authority, if issued, will authorise operation of the generating plant.

Subject to receipt of all necessary approvals (including this generation authority), the applicant anticipates the generating plant will reach commissioning stage in August 2019.

2. Consideration of an application

The Act provides that the Regulator may issue a generation authority only if satisfied:

- (a) the applicant will operate the generating plant stated in the application
- (b) the generating plant will be able to provide electricity of a quality suitable for the transmission grid or supply network stated in the application
- (c) the applicant is a suitable person to be a generation entity
- (d) the owner or proposed owner of the generating plant (whether or not the applicant) is a suitable person to be the owner
- (e) the applicant meets the additional criteria prescribed under a regulation.
(Note that no additional criteria are prescribed by regulation).

In deciding whether the applicant is a suitable person to be a generation entity, or the owner or proposed owner of the generating plant (whether or not the applicant) is a suitable person to be the owner, the Act states the Regulator may consider:

- (a) the person's previous commercial and other dealings and the standard of honesty and integrity shown in the dealings
- (b) any failure by the person to perform commercial or statutory obligations and the reasons for the failure
- (c) the person's criminal history
- (d) if the person is a corporation – the matters mentioned in paragraphs (a) to (c) for persons who are shareholders, directors or holders of other interests in the corporation
- (e) for the applicant – the applicant's competence to be the operator
- (f) additional matters prescribed by regulation.
(Note that no additional matters are prescribed by regulation).

Further, the Act provides that, in deciding whether to issue the generation authority, the Regulator must consider:

- (a) the objects of the Act
- (b) relevant government policies about environmental and energy issues and the likely environmental effects of building and operating the generating plant
- (c) additional matters prescribed under a regulation.
(Note that no additional matters are prescribed by regulation).

The Act also stipulates that, before issuing a generation authority, the Regulator must invite interested persons to make submissions about the application for the authority and the Regulator must consider the submissions made.

3. The applicant

The information set out in sections 3 to 0 of this information paper was provided by the applicant as part of its formal application to the Regulator for a generation authority.

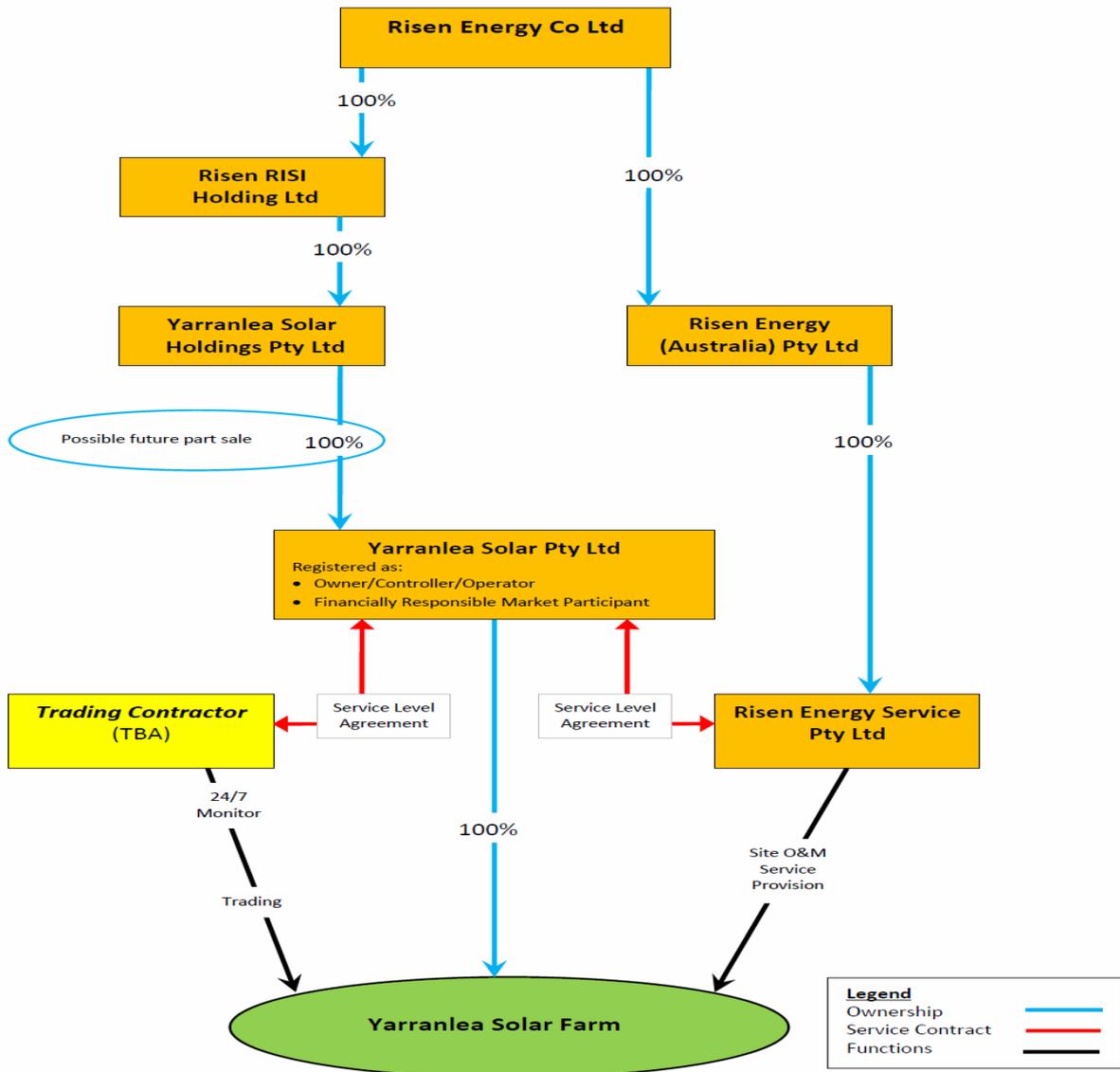
The applicant will be the owner and operator of the generating plant while Operations and Maintenance (O&M) services will be contracted to Risen subsidiary company Risen Energy Services Pty Ltd (RES).

Risen has connected over 350 (Megawatt) MW of solar power globally through subsidiaries and manages capacity of approximately 150MW in their own solar farms.

International projects include the 23MW Amatec farm in Germany, the 30MW Estate Partner project in Denmark and the 20MW Green Source project in Romania. In Australia, Risen is currently developing two utility scale solar farms including the Yarranlea Solar Farm (this application) and the 100MW Merredin Solar Farm that will connect to Western Australia's South-West Interconnected System. Over the next 12-24 months, Risen, through relevant subsidiaries, is seeking to acquire multiple interests in Australia for the purpose of developing and/or operating utility scale solar farms and where relevant, battery storage facilities.

The applicant was registered as an Australian propriety company limited by shares on 16 December 2015 and is a special-purpose entity established specifically for the proposed generating plant. The corporate structure is set out in Figure 1 below.

Figure 1 - Corporate Structure Diagram



The applicant considers it and the other relevant entities have the engineering, technical and operational expertise to competently operate the proposed generating plant.

4. The proposed generating plant

The proposed generating plant will be known as the Yarrenlea Solar Farm.

The generating plant will be located in Yarrenlea in the Darling Downs region of South-East Queensland on Lot 3347 on A341649, Lot 2 on RP7475, Lot 2 on RP18249 and Lot 2 on A34925. The applicant has had a 30-year lease approved over the site.

The proposed plant will consist of approximately 54,984 panels rated at 360 watts, and 314,360 panels rated at 365 watts on a single-axis tracking system and will have 22 x 5.5 MVA inverters with a total nameplate rating of 133.9 MWdc. The generating plant is expected to export approximately 254,000 MWh annually.

The applicant has a Negotiated Ongoing Connection Contract in place with Ergon Energy Corporation Limited (Ergon Energy) to connect to Ergon Energy's distribution network via the newly constructed Energy Queensland Yarranlea North substation.

The applicant is seeking generator registration with the Australian Energy Market Operator. Currently there is no Power Purchase Agreement in place for the sale of the electricity generated by the Yarranlea Solar Farm however it is intended that the energy will be sold on the National Electricity Market and the applicant will continue to seek Power Purchase Agreements for the sale of electricity generated.

5. Approvals for construction of the generating plant

A generation authority issued under the Act authorises its holder to operate the generating plant.

It should be noted that a generation authority does not authorise or approve the construction of generating plant and, indeed, that is not a matter within the jurisdiction of the Act or the Regulator. Section 26(2) of the Act states:

“..a generation authority does not relieve its holder or anyone else from complying with laws applying to the development, building, operation or maintenance of generating plant.”

The proponent of the generating plant has the responsibility to obtain all approvals necessary for construction and ongoing operation of the plant, including relevant environmental and local government approvals.

The applicant has obtained Development Approval, through the Toowoomba City Council, for a Material Change of Use – Renewable Energy Facility for the site. This approval is for a timeframe of 30 years.

The applicant has also undertaken an Ecological Assessment (flora & fauna) with the following outcomes:

1. no further action required under the *Environment Protection and Biodiversity Conservation Act 1999*
2. no further action required under the *Vegetation Management Act 1999*
3. an application for a clearing permit will be required under the *Nature Conservation Act 1992*.

Further, a Cultural Heritage Management Plan (CHMP) is not required under the *Aboriginal Cultural Heritage Act 2003* as an Environmental Impact Statement will not be conducted.

6. Submissions

Submissions are invited from interested persons in relation to the application from Yarranlea Solar Pty Ltd for a generation authority.

In particular, the Regulator is interested in matters that may impact on the suitability of Yarranlea Solar Pty Ltd to be a generation entity and Risen Energy Co Ltd to be the owner of the generating plant, as well as the other issues the Regulator must consider under the Act.

Please note that private personal and commercial-in-confidence information contained within a submission may be provided to a third party for the purpose of consideration of the application. In the case where the Regulator provides an opportunity for an applicant to respond to matters raised in a submission, the private personal information and commercial-in-confidence information of the person making the submission will not be provided to the applicant. The State of Queensland through the Department of Natural Resources, Mines and Energy has taken steps to ensure the appropriate treatment of such information by departmental staff and contractors. By submitting a submission, you agree that your submission will be used by the Department and its contractors in reviewing and processing the applications.

All personal and commercial-in-confidence information will be stored at the office of the Department, and in accordance with the relevant privacy legislation. The Department's privacy statement can be found at: www.dnrme.qld.gov.au/home/legal/privacy. If you have any questions or queries you can email the Department's privacy unit at privacy@dnrme.qld.gov.au.

Submissions must be made in writing, and sent by email or mail to:

Mail:

Attention: The Manager
Commercial and Regulation, Energy Division
Department of Natural Resources, Mines and Energy
PO Box 15456
CITY EAST QLD 4002
Phone: 13 43 87

Email:

energyregulation@dnrme.qld.gov.au

Closing date for submissions is 5.00pm on 24 June 2019