

## Applicant Details

Applicant Details	
Name	Griffin Power 2 Pty Ltd.
Registered Office (if a Corporation)	L15, 28 The Esplanade Perth WA 6000
Principal Place of Business (if different from Registered Office)	As above.

Contact Details	
Contact Name	Charles Martelli.
Mail Address	L15, 28 The Esplanade Perth, WA 6000
Email	charles.martelli@thegriffingroup.com.au
Telephone	+6189291 2818
Fax	+6189486 7330

Company Structure	
ABN or ACN	ABN: 57 122 896 968
Legal Nature of Applicant	Griffin Power 2 Pty Ltd.
Place of Incorporation	Perth, WA.

Electricity Licences

Classification of the Electricity Licence Application		
Type of Licence Application	Generation Transmission Distribution Retail Integrated Regional	<i>Retail</i>
For Generation and Integrated Regional Licences	Installed Capacity	<u>NA</u> megawatts
For Transmission and Integrated Regional Licences	Transmission System Length	<u>NA</u> kilometres
For Distribution and Integrated Regional Licences	Distribution System Length	<u>NA</u> kilometres
For Retail and Integrated Regional Licences	Number of Customers	<u>1-50</u>

Gas Licences

Classification of the Gas Licence Application		
Type of Licence Application	Distribution Trading	
For Distribution Licences	Distribution System Length	_____ kilometres
For Trading Licences	Number of Customers	_____

Water Licences

Classification of the Water Operating Licence Application		
Type of Licence Application	Potable Non-Potable Drainage Irrigation Sewerage	
For all Water Operating Licence Classifications	Water System Length	_____ metres/kilometres (delete as applicable)
For all Water Operating Licence Classifications	Number of Customers	_____

Areas to be covered by the licence

Designated area of the Licence Application	
Specific Area and/or Address to be covered by this licence.	<u>SWIS.</u> _____ _____
If the area covered by this licence is restricted to less than 4 Local Government Areas (LGAs) please list them here	Licence covers > 3 LGAs Specific LGAs covered 1 _____ 2 _____ 3 _____
Region(s) to be covered by this licence	Perth Metropolitan <del>Gascoyne</del> Goldfields-Esperance Great Southern <del>Kimberley</del> Mid-West Peel <del>Pilbara</del> South West Wheatbelt

**Certification – Acknowledgement of Commitment**

I declare that the information provided in this application is correct to the best of my knowledge and I am aware of the requirements under the Act for the licence being applied for and that I have the authority to make this application on behalf of the above entity.

Signed by or on behalf of the applicant<sup>5</sup>.

Name: Shane Cremin

Position: General Manager - Policy & Strategy

Signed: \_\_\_\_\_

Date: 3/05/2011

<sup>5</sup> If signed on behalf of the applicant, please attach the relevant authority to bind the applicant.

# Application for Electricity Retail Licence

## Griffin Power 2 Pty Ltd



### GRIFFIN POWER 2 Pty Ltd

Griffin Power 2 Pty Ltd  
ABN: 57 122 896 968  
15<sup>th</sup> Floor 28 The Esplanade  
Perth WA 6000  
Telephone +61 8 9261 2888  
Facsimile +61 8 9486 7330



GRIFFIN POWER 2  
A Member of the Griffin Group



## **INTRODUCTION**

Griffin Power 2 Pty Ltd (GP2), a member of The Griffin Group, seeks the granting of an Electricity Retail Licence for the purpose of trading electricity within the South West Interconnected System (SWIS). GP2 will retail electricity to contestable customers with annual consumption of >160MWh (i.e. it will not retail to Small Use Customers). It will source electricity from its own generation assets, through bilateral arrangements with other market participants and from the STEM.

GP2 has been a registered Participant with the Independent Market Operator (IMO) and has participated in the Wholesale Electricity Market (WEM) since the commissioning of its wholly owned Bluewaters Power Station Unit 2 in November 2009. Griffin possesses extensive electricity retailing experience with industrial and business customers within the SWIS and currently holds both electricity retail and generation licences under the Griffin Power Pty Ltd and Griffin Energy Sales Pty Ltd entities.

## **CORPORATE PROFILE**

GP2 is a member of The Griffin Group of companies (Griffin). The parent company of the Griffin Group is Devereaux Holdings Pty Ltd. Parts of Griffin were placed under Voluntary Administration (VA) in January 2010. The operational power entities are not under VA. Prior to being placed under VA, the Griffin Group was one of the largest and oldest diversified private companies in WA. Amongst others, it previously owned the Griffin Coal Mining Company Pty Ltd and still retains ownership of the agricultural entity WR Carpenter Pty Ltd. Prior to VA, the Griffin Group employed over 700 staff, mostly in WA.

GP2 is the owner of the Bluewaters Power Station Unit 2 (BW2). This is a 230MW (gross, 217MW net) coal fired power station located in Collie. It was commissioned in November 2009 and has been operating at high availability in the WEM since then. BW2 holds long term



bilateral wholesale contracts for 200MW of its output with highly rated counterparties. It trades the remainder of its output on short term bilateral contracts or in the STEM.

GP2 has the related entities, Griffin Power Pty Ltd (GP) and Griffin Power 3 Pty Ltd (GP3). GP is the owner of the Bluewaters Power Station Unit 1 (BW1), an identical facility to BW2. It was commissioned in April 2009 and has been operating at high availability in the WEM since then. BW1 holds long term bilateral retail contracts for around 200MW of its output with highly rated counterparties. It trades the remainder of its output on short term bilateral contracts or in the STEM. GP3 holds the development rights for Bluewaters Unit 3 (BW3) and Bluewaters Unit 4 (BW4). The proposed BW3 and BW4 are both 230MW coal fired units located adjacent to BW1 and BW2 in Collie. They have full environmental approvals.

Griffin is also a joint venture partner in the Emu Downs Wind Farm (EDWF) with Stanwell Corporation, owned by the Queensland Government. EDWF is located on land (owned by Griffin) near Cervantes, 180 kilometres North of Perth. It comprises 48 wind turbines, generating 80MW at capacity. EDWF is accredited as a Renewable Energy provider from the Office of the Renewable Energy Regulator and has a 'Green Power' accreditation from the Department of Energy, Utilities and Sustainability. The Emu Downs Wind Farm was commissioned in October 2006. The EDWF is in the final stages of being divested.

Additionally, the related entity Griffin Energy Sales Pty Ltd (GES) holds a retail licence for retailing to both large and small use customers in the SWIS.

## **OPERATIONAL INFORMATION**

Griffin's team, experienced in the West Australian electricity retailing industry, will facilitate the development of the retail business for GP2. Griffin has significant existing retail and wholesale supply contracts in place and is responsible for supplying around 20% of all energy consumed in the SWIS. Griffin also has access to a suite of custom software applications developed for the purpose of trading energy within the WEM.



GP2 intends to develop a retail sales portfolio by targeting contestable industrial and business customers consuming > 160MWh per annum.

GP2's estimated customer numbers are:

<b>Year</b>	<b>Estimated number of customers</b>	<b>Customer category</b>
2011/12	1 - 10	Business/industrial
2012/13	10 - 20	Business/industrial
2013/14	20 - 40	Business/industrial
2014/15	50+	Business/industrial
2015/16	50+	Business/industrial

Griffin has been wholesaling, retailing and trading electricity in the WEM since the start of the market. We have developed extensive IT expertise for interacting with the market, and have leveraged off experience in the previously owned coal mining business to build capability in Customer Relationship Management (CRM) and customer billing systems. This capability include IT systems development, customer account management, invoicing, collection and general customer service provisions..

Griffin has a contractual relationship with Western Power Networks for the provision of appropriate network access and metering services. Western Power Networks will act as Griffin's default Metering Agent.

Griffin has a history of meeting regulatory requirements and obligations in the energy supply industry, including those associated with construction of the Emu Downs Wind Farm and the Bluewaters Power Station, and it's previously owned coal mining business. GP2's management team also has experience of regulatory obligations in the Western Australian electricity market and the National Electricity Market. In the WEM, Griffin holds several retail and generation





licences, all of which have been through recent audits and performance reports to the Economic Regulation Authority.

## **LICENCE TERM**

GP2 requests a Licence Term of 15 years.