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East Metropolitan Regional Council

**Application
For an Exemption from Being Licensed
As a Generator,
Retail Power Provider and
Distribution Network Operator
In accordance with the
Electrical Industry Act 2004 (WA).**



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INTRODUCTION

EMRC has a direct Power Purchase Agreement (PPA) to sell power from their Waste to Energy Facility in Lakes Road, Hazelmere via a buried cable to the eastern boundary and adjacent substation of the Perth Airport which is owned and operated by Perth Airport Pty Limited (PAPL).

There being no other parties involved in the sale of electricity or consumption of the electricity within this agreement.

This agreement and connection is not part of the Wholesale Electricity Market as defined in the Electrical Industry Act 2004 (The Act).

EMRC are seeking a permanent exemption from The Act for the purposes of the Power Purchase Agreement and the power supply from EMRC to PAPL.

East Metropolitan Regional Council wish to apply for an automatic exemption under Part 2 of The Act for a generation licence, a distribution licence and a retail licence as the generation capacity is less than 30 Mega Watts

EMRC also wish to apply for an exemption under Part 8 of the same act as a distribution network operator and the requirements to provide access.

Construction has started on the Wood Waste to Energy Plant at Lakes Road Hazelmere,

A contract is about to be let for the cable installation between EMTC and PAPL.

Commissioning is expected to commence in December 2016.



Purpose of the Application

INTRODUCTION

Eastern Metropolitan Regional Council (EMRC) proposes to further develop the existing Hazelmere Recycling Centre (located approximately 14 km from Perth, by installing a 3.5 MW Wood Waste to Energy (WWTE) plant located on Part Lot 100 and Lot 301, Lakes Road, Hazelmere.

The site location is presented in Appendix A. EMRC is the owner and operator for the WWTE plant.

An existing operation at the Hazelmere Recycling Centre recycles untreated timber (such as pallets, timber off-cuts and crates) into wood chip for sale and recycles used mattresses into their components for recycling. The WWTE plant would use part of the wood chip as the feed-source for the plant.

The WWTE plant will be based on pyrolysis technology using an indirect-fired pyrolysis kiln to produce synthesis gas (syngas) for use in internal combustion gas engines for power generation. The pyrolysis process involves heating shredded wood at high temperatures in the absence of oxygen.

The waste (fuel) will be shredded clean wood from timber offcuts, shipping pallets, crates and cable reels, etc., that would otherwise be disposed to landfill. CCA treated wood would not be used.

The syngas produced by the wood chip pyrolysis will power eight 500 kW gas engine generator sets.

The resulting products are renewable electricity and bio-char (solid char of carbon and ash).

EMRC went through a review period of possible end users for the generated power and following a review process have negotiated a PPA with Perth Airport as they were capable of taking all the power generated and could do so within the time constraints required by the EMRC project team.

EMRC have Ministerial Approval and Works Approval for the environmental licence for the works at Lakes Road.

POWER SUPPLY AND DISTRIBUTION

Refer to Single Line Drawing 7138-E-001 in Appendix D

There is eight 400 Volt 500kWatt generators on the site and due to the derating required for the syngas fuel the nominal output power from the power generation facilities is 3,600W.

Due to the internal parasitic loads the nominal Declared Sent Out Capacity (DSOC) is 3,000 kW.

The output power is transmitted at 22kilo Volt from the EMRC site in Lakes Road, Hazelmere to the Eastern Fence of the Perth Airport and then onto their "Radar Substation".

The cable between the two sites will be owned and operated by EMRC and installed by a contractor on behalf of EMRC.

The proposed cable route is shown in Appendix B. Approvals for access and easements are in progress with local councils, government departments and other land owners and stakeholders.



Also within the EMRC site which is spread over three lots – Lot 100, Lot 201/301 and Lot 99-2 there will be some power distributed from the power station to other loads located on the site. All three lots are enclosed within a single fence which surrounds the whole site.

POWER CONSUMPTION AT PERTH AIRPORT SITE

The Perth Airport Pty Ltd (PAPL) has two feeders from Western Power which supply power to the Eastern and Western sides of the airport.

The side for the connection from EMRC has a nominal load capacity of 13 to 15 Mega watt. Some of this power is on sold to tenants of the airport while the majority is absorbed within the PAPL facilities.

The Perth Airport internal power distribution network is at 22 kV.

The 3,000 kW of DSOC capability will be absorbed with the existing load base of the Perth Airport and for facilities within the Air Port land.

SMALL CUSTOMERS AND THIRD PARTY ACCESS

There will be no power supplied to small customers or third parties not on the Perth Airport land as part of the PPA or the physical distribution interconnection and as such this installation is not required to meet Part 6 and 8 of The Act.

RISK AND MITIGATION

The ongoing availability of the power supply to the airport or failure of the generating facilities will not place any significant risk to the operation of the airport.

Similarly the EMRC has alternative sources of power available at their site in Hazelmere.

BUSINESS FAILURE

The failure of either the EMRC or PAPL or the physical plant is provided for within the Power Purchase Agreement.

WESTERN POWER TECHNICAL REQUIREMENTS

The EMRC power generation and distribution facilities are indirectly connected to the Western Power South West Interconnected System (SWIS) through the PAPL electrical system.

Consequently the generation facilities and distribution network will connect “behind” the power meter and the existing Customer Main Switch (CMS) of the airport.

As part of the connection process the EMRC will apply for a connection to the SWIS via PAPL and the power generation facilities will meet the requirements of the Western Power Technical Rules.



General Information

PROPOSERS

The two proponents are;

- East Metropolitan Regional Council – the generator and power distribution party located in 226 Great Eastern Highway, Belmont, Western Australia, 6104
- Perth Airport Limited – end user and power consumer located in 2 George Wiencke Drive, Perth Airport, Western Australia, 6105

SITE PROXIMITY

The power generation site is located in Lakes Road Hazelmere.

The load connection point is located at the “Radar Station” substation within the eastern boundary fence of the Perth Airport.

EAST METROPOLITAN REGIONAL COUNCIL SITE

Principal Business

The EMRC site in Lakes Road Hazelmere is primarily a waste materials recycling facility.

The power generation facilities uses syngas generated from waste materials to fuel reciprocating gas engine generators.

The site has a waste feed preparation facility as well as the kiln and other plant to generate the syngas fuel for the generators.

Power Generation Facilities

There is eight containerised generators which generate power at 400 Volts.

The generator engines are nominally 500 kW rated engines but due to the fuel quality will operate at a figure less than that.

The generators are connected to two transformers to step up the voltage to 22kV where it is connected to the power station main switchboard.

From the 22kV main switchboard there is a supply to an auxiliary transformer for the site infrastructure and the main outgoing feeder to the PAPL interconnecting cable.

On the outgoing feeder to PAPL is the custody transfer tariff metering for the sale of power.



PERTH AIRPORT LIMITED SITE

Principal Business

Perth Airport Limited (PAPL) principal business is the operation of the Perth Airport. Part of the land on the airport reserve has been leased to third parties but these are all connected via the Air Port electrical distribution system to the Western Power South West Interconnected System (SWIS)

Connection and Power Consumption

The power consumed by Perth Airport greatly exceeds the power being provide from the EMRC facility and they will continue to use and maintain their two major connections to the SWIS.

Interconnecting Cables and Communications

There is a single 22kV power cable running from the EMRC site to the connection point of the Perth Airport.

There is an optical fibre cable in the same trench between the two sites which will be used for monitoring, control and protection functions.

Power Purchase Agreement

Attached in Appendix C is a copy of the power purchase agreement between EMRC and PAPL.

Appendix B – Overall Location and Interconnecting Cable Route





Appendix C – Power Purchase Agreement

WHOLESALE ELECTRICITY SUPPLY AGREEMENT

PERTH AIRPORT PTY LTD
 ("PAPL")

-and-

EASTERN METROPOLITAN REGIONAL COUNCIL
 ("EMRC")



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WHOLESALE ELECTRICITY SUPPLY AGREEMENT dated 29 JUNE 2015/6

Between:

PERTH AIRPORT PTY LTD (ACN 077 153 130) of 2 George Wiencke Drive, Perth Airport WA 6105 ("PAPL").

AND

EASTERN METROPOLITAN REGIONAL COUNCIL of 226 Great Eastern Highway, Belmont WA 6104 ("EMRC")

RECITALS

- A. PAPL is a corporation incorporated pursuant to the *Corporations Act 2001*.
- B. The EMRC is a Regional Council incorporated pursuant to the *Local Government Act 1995*.
- C. The EMRC will construct and operate the Hazelmere Wood Waste to Energy Plant ("the **WWTE Plant**") which will generate power to be exported to PAPL during the Supply Period.
- D. PAPL produces and distributes electrical energy throughout the PAPL Estate for aeronautical and other purposes. The PAPL 22kV Electrical Distribution System is capable of taking three MW continuously.
- E. PAPL will pay for all Net Sent Out Energy generated by, and Capacity Credit Quantity arising in respect of, the WWTE Plant in accordance with the terms set out in this Agreement.

1. DEFINITION AND INTERPRETATION

"**Agreement**" means this document.

"**Business Day**" means a day that is not a Saturday, Sunday or a public holiday in Perth, Western Australia.

"**Capacity Credit Charge**" has the meaning given in clause 6.2.

"**Capacity Credit Price**" means the Reserve Capacity Price published by the Independent Market Operator for each capacity year, commencing on 1st October of that capacity year.

"**Capacity Credit Quantity**" means the median peak load measured in MW formed from the metered quantities delivered at the Metering Point during the 12 Peak Trading Intervals.

Change in Law means a change in an existing Law, or the imposition of a new Law, which directly or indirectly, results in a material change in EMRC's costs of producing electricity for the purposes of the Agreement or EMRC's costs of otherwise performing its obligations under the Agreement.

"**CPI**" means the Consumer Price Index (Perth), Catalogue No. 6401.0, published each Quarter by the Australian Bureau of Statistics or, if that index ceases to be published, such alternative index as the parties may agree in good faith to be an equivalent index. If the CPI ceases to be published and

the parties cannot agree an equivalent index in good faith within 10 Business Days of first meeting, the dispute resolution will be resolved in accordance with the dispute resolution procedure included in the Agreement.

“**Electricity Charge**” has the meaning given in clause 6.1.

“**End Date**” means the date that is 10 years after the Supply Commencement Date, subject to any extension by exercise of the option referred to in clause 3(d).

“**Facility**” means the WWTE Plant in Hazelmere, Western Australia.

“**Force Majeure Event**” means any event or circumstance or combination of events and circumstances the cause of which is beyond the reasonable control of the affected party, including without limiting the generality of the nature of those events, any of the following events or circumstances (provided that it satisfies the foregoing criteria):

- (a) acts of God, including storms or cyclones, action of the elements, epidemics, landslides, earthquakes, floods, road closures due to washouts or impassability and natural disaster;
- (b) strikes, stoppages, restraints of labour, or other industrial disturbances on State or nationwide basis;
- (c) acts of the public enemy, including wars which are either declared or undeclared, blockades and insurrections;
- (d) riots, malicious damage, sabotage, terrorism and civil disturbance;
- (e) accident, breakage, fire, explosion, radioactive contamination and toxic or dangerous chemical contamination;
- (f) the act of any Government Agency (including refusal or delay in the grant, or revocation, of an Authorisation provided that the EMRC has acted in a timely manner in endeavouring to secure or retain it);
- (g) a curtailment of the rate of, or interruption to, the transmission of electricity to PAPL not resulting from the EMRC's breach of any Law, Authorisation, or agreement with respect to the connection of the Facility to the PAPL Estate or the transmission of electricity through that connection;
- (h) failure by a supplier of the EMRC to supply fuel, materials, equipment, or services required for the operation of the maintenance of, or for consumption in, the Facility as a result of a force majeure event (however described or defined in the EMRC's contract with the relevant supplier) affecting the supplier or the EMRC;

“**Good Electricity Industry Practice**” means the exercise of that degree of skill, diligence, prudence and foresight that reasonably would be expected at that time from a significant proportion of operators of facilities forming part of an interconnected system for the generation, transport and consumption of electricity under conditions comparable to those applicable to the Facility consistent with applicable Laws, Technical Rules, licences, industry codes, reliability, safety and environmental protection.

"Hot Season" means the period commencing at the start of the Trading Day beginning on 1 December and ending at the end of the Trading Day finishing on the following 1 April.

"Initial Charges" shall mean the charges set out in the Schedule to this Agreement (as at the base reference date set out in the Schedule) and applicable from the Supply Commencement Date.

"Law" means common law, principles of equity and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws, codes, bylaws and regulations and any other instruments under them) and includes, for the avoidance of doubt, the rules governing the Wholesale Electricity Market.

"Metering Code" means the Electricity Industry Metering Code 2012 (WA), as approved by the Economic Regulation Authority from time to time in accordance with the Electricity Industry Act 2004 (WA) or regulations under that Act.

"Metering Point" means each of the points specified in Schedule 2.

"Metering Equipment" means equipment which (a) measures and records the rate at which electricity is transferred; and (b) the amount of electricity transferred, at the Metering Point.

"Net Sent Out Energy" means the amount of energy dispatched by the Facility and measured by the Metering Equipment at the Metering Point.

"Off Peak Period" means all other times that are not Peak Periods.

"Off Peak Period Electricity Price" means the rate shown in the Schedule as indexed in accordance with clause 6.4 and as otherwise varied in accordance with this Agreement from time to time.

"Peak Period" means from 8am to 10pm Mondays to Fridays inclusive.

"Peak Period Electricity Price" means the rate shown in the Schedule as indexed in accordance with clause 6.4 and as otherwise varied in accordance with this Agreement from time to time.

"PAPL Estate" means the parcel of land upon which PAPL conducts its aeronautical and other activities.

"PAPL Grid" means the PAPL 22kV Electrical Distribution System.

"REC" means a large-scale generation certificate created under Division 4 Part 2 of the REE Act.

"REE Act" means the Renewable Energy (Electricity) Act 2000 (Cth) and where appropriate includes the Renewable Energy (Electricity) Regulations 2001 (Cth) and the Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000 (Cth).

"Supply Commencement Date" has the meaning given in Clause 3(c).

"Supply Period" has the meaning given in clause 3(b).

"Trading Day" means a period of 24 hours commencing at 8:00 AM on any day, as defined in the Wholesale Electricity Market Rules published under the Electricity Industry Regulations 2004.

"Trading Month" means the from the beginning of a Trading Day commencing on the first day of a calendar month to the end of the Trading Day that finishes on the first day of the following calendar month.

"12 Peak Trading Intervals" means the three highest demand Trading Intervals on each of the four days with the highest daily maximum demand, during the preceding Hot Season, where "demand" refers to total demand in the South West Interconnected System, net of embedded generation, as determined and published by the Independent Market Operator.

"Wholesale Electricity Market" means the market described in section 122 of the Electricity Industry Act 2004 (WA) and established by the Electricity Industry (Wholesale Electricity Market) Regulations 2004 (WA).

2. CONDITIONS PRECEDENT

The Agreement will be subject to:

- (a) The approval of the Council of the EMRC;
- (b) The EMRC obtaining all necessary authorisations in order to perform its obligations under the Agreement, including but not limited to environmental approval from the Western Australian Environmental Protection Authority, Works Approval from the Western Australian Department of Environmental Regulation, Building Permit from the City of Swan and various approvals for the installation of the cable;
- (c) The obtaining of all necessary rights of way from the local governments which are members of the EMRC, relevant government departments and other entities and persons required for the route of the connection from the Facility to the PAPL Estate;
- (d) The construction and commissioning of the Facility and the connection between the Facility and the PAPL Grid in their entirety by the EMRC;
- (e) Approval of the Technical Rules submission for parallel power generation by the regulator "Western Power" for PAPL.

3. TERM AND SUPPLY PERIOD

- (a) The term of the Agreement (**Contract Term**) commences on the date that the last of the conditions precedent as stated in the Agreement is satisfied or waived and ends on the End Date, subject to any earlier termination of the Agreement in accordance with its terms and subject to any extension of the Contract Term by exercise of the option referred to in clause 3(d).
- (b) The Supply Period is the period commencing on the Supply Commencement Date and ending on the End Date, subject to any earlier termination of the Agreement in accordance with its terms.
- (c) The Supply Commencement Date is the date the EMRC notifies PAPL as being the date which the Facility has been fully tested and commissioned, has achieved practical completion as determined by

the EMRC and the connection between the Facility and the PAPL Grid has been completed, tested and commissioned.

- (d) Subject to PAPL being in compliance with the terms and conditions of this Agreement, PAPL has the option to extend the Supply Period for a further period of 10 years commencing from the prevailing End Date, subject to any earlier termination of the Agreement in accordance with its terms and provided that PAPL has given notice of its desire to extend the Supply Period by the exercise of its option to do so, not earlier than 6 months before the End Date and not later than 3 months before the End Date. For clarity, the prevailing End Date is then extended by a further 10 years following the exercise by PAPL of the option to extend this Agreement.

4. CAPACITY

The PAPL must, at all times during the Supply Period, ensure that the capacity of the PAPL Grid is sufficient to enable it to take the supply of electricity at 3MW during the Peak Period and (to the extent that the EMRC is able to do so) the Off Peak Period provided there are no minimum take or pay obligations on PAPL as set out in clause 6.5 below.

5. OPERATION AND MAINTENANCE

- (a) At all times during the Supply Period, the EMRC must operate and maintain the Facility in accordance with Good Electricity Industry Practice.
- (b) At all times during the Supply Period, the EMRC must operate and maintain the cables forming the connection between the Facility and the PAPL Grid in accordance with Good Electricity Industry Practice.

6. CHARGES

6.1 Electricity Charge

PAPL must pay to the EMRC an Electricity Charge in respect of each Trading Month during the Supply Period calculated as follows:

Electricity Charge = (Peak Electricity Price x GP_p) + (Off Peak Electricity Price x GP_o) where:

GP_p will be the Net Sent Out Energy (in MWh) as metered in the Peak Period

GP_o will be the Net Sent Out Energy (in MWh) as metered in the Off Peak Period

6.2 Capacity Credit Charge

PAPL must pay to the EMRC a Capacity Credit Charge in respect of each Trading Month during the Supply Period calculated as follows:

Capacity Credit Charge = (Capacity Credit Quantity x (Capacity Credit Price/12)) x 1.10

The initial Capacity Credit Quantity cannot be established until the IMO has published the 12 Peak Trading Intervals for the first Hot Season following Supply Commencement, and the corresponding Facility median peak load (in MW) has been determined from the metered quantities.

This initial Capacity Credit Quantity (in MW) will be applied from 1 October in the year of the first Hot Season following Supply Commencement. From Supply Commencement until the initial Capacity Credit Quantity is determined and applied, the Capacity Credit Quantity for each Billing Period (n) shall be deemed to be zero.

For clarity, the Capacity Credit Quantity is then recalculated annually following each Hot Season thereafter, and the new value is applied from the following 1 October.

6.3 Terms of Payment

On the first Business Day following the end of each Trading Month, the EMRC will submit to PAPL a tax invoice for the amount due to the EMRC by PAPL in respect of that Trading Month, inclusive of GST, which PAPL must pay within 30 calendar days following receipt of the invoice or notify the EMRC in writing within 30 calendar days of receipt of the relevant invoice that it disputes the whole or any part of the invoice and paying by the due date such portion of the sum shown in the invoice which PAPL admits. Where any sum due and invoiced by the EMRC to PAPL is not paid on the due date, it will bear interest thereon at the rate of 10% per annum.

6.4 Rate Review

Escalation of the Initial Charges over the life of the Supply Period as follows:

On each anniversary of the Supply Commencement Date the Peak and Off-Peak Energy rates shall be adjusted using the following formula:

$$\text{New Energy Charge} = \text{Previous Energy Charge} \times [(0.26 \times L_i / L_b) + (0.66 \times P_i / P_b) + 0.08]$$

Where

L means the Labour Price Index published by the Australian Bureau of Statistics in ABS Catalogue 6345.0 Table 3 (b) for Total Hourly Rates of Pay Excluding Bonuses; All industries-Private-All occupations-Western Australia; L_b is the base Labour Index for the quarter ending 31 December 2014 ;

L_i means with respect to a Billing Period, the Labour Price Index for the most recent quarter ended prior to the commencement of the quarter in which the Review Date occurs;

P means the Materials Index being the Iron and Steel Index for metallic materials used in the fabricated metal products industry (Producer Price Index series 6427.0, Table 28), published by the

Australian Bureau of Statistics. Pb is the base Materials Index for the quarter ending 31 December 2014.

Pi means with respect to a Billing Period, the Material Index for the most recent quarter ended prior to the commencement of the quarter in which the Review Date occurs.

6.5 No Take or Pay

There are no minimum take or pay obligations on PAPL under this Agreement.

7. NATURE OF RELATIONSHIP

This Agreement does not give rise to any partnership, agency or joint venture between the Parties.

8. CHANGE IN LAW

- (a) If, a Change in Law occurs, the EMRC may, if the Change in Law increases the EMRC's costs of producing electricity for the purposes of the Agreement or the EMRC's costs of otherwise performing its obligations under the Agreement (collectively in this clause 8 "relevant costs") and must, if the Change in Law decreases relevant costs, pass through the effects of the Change in Law to PAPL by giving notice to PAPL stating the proposed increase or decrease (as the case may be) in the charges under this Agreement and specifying the nature of the Change in Law.
- (b) The EMRC must provide to PAPL all information necessary to enable PAPL to verify the Change in Law and the effect of that change on the EMRC as stated in the notice given under clause 8(a) (**Price Change Notice**) (which shall not be earlier than the date that the relevant Change in Law takes effect).
- (c) Effective on and from the date specified in the Price Change Notice, the charges will be increased or decreased as specified in the Price Change Notice.
- (d) If PAPL disagrees with an increase or the extent of a decrease in the charges proposed by the EMRC under the Price Change Notice, then PAPL must notify the EMRC within 10 Business Days of receiving the Price Change Notice that it disputes the variation in the charges and the parties must use reasonable endeavours to agree on the variation (if any) of the charges.
- (e) If the parties cannot agree on the variation in the charges within 10 Business Days of notice under clause 8(d), either party may refer to the matter to an independent expert for determination.
- (f) The expert will be appointed by agreement between the parties. If the parties cannot agree on the appointment of an expert, the appointment will be made by the President or Chief Executive Officer of 'Chartered Accountants Australia and New Zealand'.
- (g) The expert will:
 - (i) be a suitably qualified and experienced chartered accountant; and

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- (ii) not have any interest which conflicts or may conflict with his or her appointment as an expert in relation to the matter.
- (h) In the absence of manifest error, the decision of the expert made under this clause 8 will be final and binding on the parties.

9. FORCE MAJEURE

9.1 Consequences of Force Majeure Event

- (a) Subject to clause 9.4, if a party is hindered, prevented or delayed from carrying out, or affected in the performance of, the whole or part of its obligations under this Agreement as a result of the occurrence of a Force Majeure Event:
 - (i) That party must give the other party prompt notice of that fact including:
 - (A) full particulars of the Force Majeure Event;
 - (B) its reasonable estimate of the Force Majeure Event's likely duration;
 - (C) the obligations of the party which is affected by the Force Majeure Event; and
 - (D) the steps taken to overcome it or mitigate its effects.
 - (ii) The affected Party is not liable to the other party for any failure to perform the obligations specified in its notice to the extent and for the period it is hindered, prevented or delayed from carrying out, or affected in the performance of, such obligations as a result of the occurrence of the relevant Force Majeure Event.

9.2 Mitigation

- (a) The affected party must use reasonable endeavours to promptly remove overcome or minimise the effects of the relevant Force Majeure Event and resume performance of its obligations under this Agreement as soon as possible.
- (b) The obligation specified in clause 9.2(a) does not require the affected party to settle any industrial dispute in any way that it considers inappropriate or expend more than reasonable sums of money or to remove, overcome or minimise the effects of the relevant Force Majeure Event if it would be uneconomic to do so.

9.3 End of Force Majeure Event

The affected party must:

- (a) Re-commence performance of all of its obligations under this Agreement promptly upon the cessation of the Force Majeure Event; and
- (b) Promptly notify the other party of the cessation of the Force Majeure Event.



9.4 No payment of money during Force Majeure Event

No charges will be payable by PAPL under clause 6 for any period that EMRC is relieved from its obligations to perform under this Agreement as a result of a Force Majeure Event.

9.5 Termination for Force Majeure

Should a Force Majeure Event prevent the affected party from performing its obligations under this Agreement according to the terms and conditions of the Agreement for a period of 120 business days, then the other party may terminate this Agreement by giving notice to the affected party that this Agreement will be terminated 20 business days after the date the termination notice is received.

10. METERING EQUIPMENT

- (a) EMRC must install, operate and maintain, or procure the operation and maintenance of, the Metering Equipment in accordance with Good Electricity Industry Practices and as required by the Metering Code to measure and record the electricity supplied to the Metering Point under this Agreement.
- (b) The quantity of electricity supplied to PAPL at the Metering Point from the Facility under this Agreement is to be determined from readings registered by the Metering Equipment in accordance with the Metering Code.

11. SUPPLY OF ELECTRICITY

- (a) Title to, risk in relation to, and control of all electricity supplied under this Agreement passes from EMRC to PAPL at the Metering Point. EMRC represents and warrants to PAPL that the electricity is free from any encumbrance or adverse claim which may affect the ability of EMRC to transfer title to that electricity to PAPL at the Metering Point.
- (b) PAPL has no obligations nor liabilities under the REE Act in regards to any RECs created in respect of Net Sent Out Energy generated by the WWTE Plant and supplied to PAPL under this Agreement.
- (c) In the performance of their respective obligations under this Agreement, EMRC and PAPL must comply with the Technical Rules governing the connection and operation of the Facility to the SWIS network (via the PAPL network) as determined by the regulator "Western Power".

12. LIMITATION OF LIABILITY

Neither party is in any circumstances to be liable to the other party for an indirect loss or indirect damage however caused, including any consequential loss or damage, loss of (or loss of anticipated) use, production, revenue, income, profits, business and savings or business interruption whether or not the indirect loss or indirect damage was foreseeable.

13. DEFAULT AND TERMINATION

13.1 Default Notice

If a party (in this clause 13, **Defaulting Party**) has defaulted in the performance of an obligation under this Agreement, the other party (in this clause 13, **Non-defaulting Party**) may serve a notice (in this clause 13, **Default Notice**) on the Defaulting Party which sets out the nature of the default and the period by which the Defaulting Party is required to remedy the default which must not be not less than 21 days from the date of service of the Default Notice.

13.2 Remedies for default

Where, in the circumstances referred to in clause 13.1, the period of time specified in the Default Notice has expired and the default has not been remedied, the Non-Defaulting Party may exercise any of the following powers without prejudice to any of its other rights and remedies:

- (a) where the Non-Defaulting Party is ERMC, ERMC may:
 - (A) interrupt or limit the supply of electricity to PAPL at the Metering Point; or
 - (B) terminate this Agreement by notice to PAPL; and
- (b) where the Non-Defaulting Party is PAPL, PAPL may terminate this Agreement by notice to ERMC.

14. GOVERNING LAW

This agreement will be governed by the laws of Western Australia.

15. COSTS

Each party to pay its own expenses incurred in negotiating and executing the Agreement.

16. GENERAL

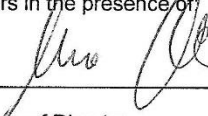
- (a) Each party must keep confidential the terms and conditions of this Agreement, except to the officers, employees and advisors of the party or if disclosure is required by law.
- (b) Notices given under this Agreement must be in writing and sent by post, facsimile or delivery by hand, unless the other party has expressly agreed to receive service of notice by email. Notices given by post will be deemed to have been received within 5 Business Days after mailing.
- (c) If any term or provision of this Agreement is held to be unlawful or unenforceable, the severance of such term or provision will not affect the validity and enforceability of the remaining terms and provision of this Agreement.



- (d) Except where expressly provided in this Agreement, this Agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning such subject matter.
- (e) To the extent necessary for the proper fulfilment of the obligations of the parties under this Agreement, each party undertakes to do such further acts and execute such further documents as may reasonably be required by the other party.
- (f) If disputes or differences arise under or in connection with this Agreement, either party may give the other Notice of Dispute, following which:
 - (i) Within 5 Business Days the parties are to meet and confer in order to resolve the dispute or difference and, should resolution by agreement not be possible within that time, to confer upon an appropriate means to have the dispute resolved;
 - (ii) In the event of the parties deciding to resolve the dispute by mediation, they must agree upon a mediator to mediate the dispute between them and in default of such agreement, refer the appointment of the mediator to the Nominating Authority;
 - (iii) In the event of the parties deciding to refer the dispute to expert determination, the parties are to confer to agree upon the appointment of an expert to determine the dispute, failing which either party may seek the appointment of the expert by the Nominating Authority;
 - (iv) Failing settlement of the dispute by agreement or referral to mediation or expert determination within 20 Business Days of the Notice of Dispute or such longer period which the parties may agree upon, the dispute shall be referred to arbitration by an arbitrator agreed upon in writing by the parties, failing which either party may apply to the Nominating Authority for the nomination of an arbitrator;
 - (v) For the purposes of this sub-clause, the term "Nominating Authority" shall mean the Chairperson for the time being of the Western Australian Chapter of the Institute of Arbitrators & Mediators Australia.

EXECUTED by the parties as set out below.


THE COMMON SEAL OF)
 PERTH AIRPORT PTY LTD)
 was hereunto affixed by authority)
 of a resolution of the Board of)
 Directors in the presence of)



 Signature of Director

CHRIS APPERTON

 Name of Director (Print)



Signature of Director/Secretary
Greg Jacobson
Company Secretary

 Name of Director/Secretary (Print)




THE COMMON SEAL of the)
EASTERN METROPOLITAN)
REGIONAL COUNCIL was)
hereunto affixed by authority of)
its Council in the presence of:)





Signature of Chief Executive Officer



Signature of Chairman

PETER SCHNEIDER
Name of Chief Executive Officer (Print)

D.R. FARDIG
Name of Chairman (Print)

17. SCHEDULE 1: PRICES AND CHARGES

- (a) On Peak Electricity Price equals [redacted] per MWh (expressed at a base date of 31 December 2014);
- (b) Off Peak Electricity Price equals [redacted] per MWh (expressed at a base date of 31 December 2014).

18. SCHEDULE 2: METERING POINT





Appendix D – Single Line Diagram

