



REGULATOR FOR
ENERGY & WATER
SERVICES

Our Ref: MRA/ENE/42/2014/1

8th March 2017

Mr Sheng Baojie
D3 Power Generation Ltd
Enemalta Building, Triq Belt il-Hazna
MarsaMRS1571

Dear Mr Baojie,

Subject: Transfer of Licence to D3 Power Generation Ltd for the operation of Delimara D3 plant

Reference is being made to the joint declaration of Enemalta plc and D3 Power Generation Ltd, dated 10th February 2017, submitted to the Regulator for Energy and Water Services in relation to the transfer of the electricity generation licence with respect to part of the D3 plant.

The Regulator notes from the above mentioned joint declaration that:

1. Enemalta plc has handed over the engines DE45, DE46, DE47, DE48 (phase 1) to D3 Power Generation Ltd after their conversion to natural gas.
2. Enemalta plc has requested the transfer of the generation licence issued by the Regulator to Enemalta plc with respect to the D3 plant comprising DE45, DE46, DE47, DE 48 (phase 1) to D3 Power Generation Ltd with effect from 1st March 2017.
3. D3 Power Generation Ltd has agreed to the transfer of the D3 plant DE45, DE46, DE47, DE 48 (phase 1) with effect from 1st March 2017.
4. Enemalta plc will in the meantime retain the licence to generate electricity with respect to D3 plant comprising engines DE 41, DE42, DE43, DE44 until such time that these are also converted to natural gas. The future transfer of the licence with respect to these engines will be subject to the specific approval of the Regulator after the submission of a joint declaration by the parties to this effect.
5. The effective date for the transfer referred to in point 4 above has to be submitted to the Regulator for approval at least 14 working days in advance of date of the intended transfer.
6. It is understood that both parties will be jointly responsible for the common steam turbine generator unit forming part of the D3 plant as licensed by the Regulator until

the future transfer of the licence with respect to engines DE41, DE42, DE43, DE44 to D3 Power Generation Ltd takes place.

7. D3 Power Generation Ltd has confirmed that no material changes have occurred with respect to the information submitted by D3 Power Generation Ltd at the time of the submittal of the application for the licence.

The Regulator notes also that D3 Power Generation Ltd has on the 23 February 2017 submitted the IPPC permit issued by the Environment and Resources Authority with respect to the D3 plant.

The Regulator notes that the conditions imposed on D3 Power Generation Ltd for the coming into effect of the licence to generate electricity communicated by letter dated 21 April 2016 are satisfied.

In view of the above, the Regulator is pleased to inform you that the "Commencement date" mentioned in licence document (copy attached) **"Licence issued by the Regulator for Energy and Water Services to D3 Power Generation Ltd to carry out the activity of Generation of electricity (excluding supply to final customer)"** will be 1st March 2017.

The licence will expire on the 12th December 2032 as established in the aforementioned Licence document.

The licence relates to the part of the D3 plant handed over to D3 Power Generation Ltd as described above and is subject to the conditions in the Licence document. The Licence document shall be deemed to include the Licence Monitoring Reporting Schedules which will be provided by email by the Regulator.

The annual licence fee of Euros 75,000 as established in clause 5.2 of the licence document is payable annually in advance as at 1st January of each year. The first payment of the licence fee shall be of Euros 62,877 representing the *pro rata* licence fee for the period starting from 1st March 2017 and ending 31 December 2017.

Yours sincerely,



Ing Marjohn Abela
Chief Executive Officer

Enc. *Copy of Licence conditions*