

Decision on application to amend Electricity Integrated Regional Licence EIRL10

Alinta Energy Transmission (Chichester) Pty Ltd

12 August 2019

Economic Regulation Authority

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Decision

1. Pursuant to sections 9 and 19 of the *Electricity Industry Act 2004*, the Economic Regulation Authority approves the amendment of Alinta Energy Transmission (Chichester) Pty Ltd's (AETC) electricity integrated regional licence [EIRL10](#).
2. Subject to its terms and conditions, the licence authorises AETC to construct and operate the proposed Chichester distribution line for a period of 29 years (the maximum period allowed by section 15(2) of the Act).¹
3. As required by section 23(1) of the Act, the ERA will publish a notice of the amendment of EIRL10 in the Government Gazette as soon as practicable.

Reasons

4. On 5 June 2019, AETC [applied](#) for an amendment to EIRL10 to construct and operate a distribution system in the Pilbara region of Western Australia.²
5. The proposed 1.5 kilometre, 33 kilovolt distribution system will connect the existing substation to the proposed new substation at Christmas Creek.³
6. Under section 21 of the Act, the ERA may amend a licence in accordance with the application if it is satisfied that the application for the amendment of the licence has been made in a form approved by the ERA, and if the applicant has provided any additional information that the ERA may require for the proper consideration of the application.
7. There is no requirement to perform a technical and financial assessment for a licence amendment application. If the ERA considers a licence amendment will result in a substantial change to a licensee's business, there is scope for it to require financial and technical assessments as part of the public interest test. The ERA does not consider this amendment to be a substantial change to the licensee's business.⁴
8. Section 9(1) of the Act requires that the ERA must not approve the amendment of a licence unless it is satisfied it will not be contrary to the public interest to do so. Section 8(5) of the Act, without limitation, specifies the matters the ERA must consider in this regard.
9. On 17 June 2019, the ERA undertook [public consultation](#) on the proposed application to amend EIRL10. The ERA did not receive any submissions.

¹ EIRL10 was granted for transmission services on 11 October 2018 for a period of 30 years. Distribution services will be added to this licence.

² The supply area is defined in plan ERA-EL-150(A), available on the [ERA's website](#).

³ AETC also plan to build a 0.5 kilometre, 33 kilovolt distribution system between the proposed and existing substations at Cloudbreak. This system does not need to be covered by the licence because distribution systems of less than 1 kilometre in length are exempt under clause 16 of the *Electricity Industry Exemption Order 2005*.

⁴ AETC informed the ERA that the cost of the distribution assets were included in the budget for the original application for EIRL10.

10. The ERA has considered the public interest, including all the matters set out in section 8(5) of the Act, as required by section 9(2) of the Act. Having regard to this and the outcomes of the public consultation process, the ERA is satisfied that approving an amendment of EIRL10 to include distribution services would not be contrary to the public interest.