





19 November 2021

Gas licence review 2020

Final decision

The Economic Regulation Authority has published the gas licence review 2020 <u>final decision</u> and the amended gas distribution licence and gas trading licence templates.¹

The ERA has made substantive amendments to the gas licence templates, including:

- Removing the *Compendium of Gas Customer Licence Obligations* from Schedule 2. It is unnecessary to include a copy of the Compendium in the licence because an electronic version of the Compendium is available on the ERA website.
- Amending the licence surrender clause to require a licensee that intends to surrender their licence to provide notice to the ERA not less than 10 business days before the date the surrender is to take effect.
- Restructuring the licences to make them easier to navigate and more accessible to the reader.

The ERA has also made administrative amendments to the gas licence templates.²

The ERA will amend all gas licences by substitution. Each licence will be replaced by a new version incorporating the amendments to the licence templates. The new licences will take effect on 25 November 2021.

Background

The *Energy Coordination Act 1994* governs the operation of the gas licensing regime in Western Australia and defines the ERA's functions and powers with regards to administering licences and monitoring and enforcing compliance.

There are currently 12 gas licences: nine trading and three distribution licences.³

While there is no specific statutory requirement for the ERA to review its licences, the ERA aims to review its licence templates regularly to ensure that they remain effective. The last review of the gas licence templates took place in 2014.

The objective of the 2020 gas licence review was to ensure that gas licences:

¹ The amended gas distribution and gas trading licence templates are in Appendix 1 and Appendix 2 of the final decision, respectively.

² Details of the administrative amendments to the distribution licence template and trading licence template are in Appendix 3 and Appendix 4 of the final decision, respectively.

³ A list of current gas licensees can be found on the <u>ERA website</u>.

- are consistent with applicable legislation
- minimise licensees' regulatory burden and compliance costs
- have clear and consistent terms and conditions
- are consistent with electricity and water licences where possible.

The ERA released an <u>issues paper</u> on 29 April 2021 seeking public comment on the proposed amendments to the gas licence templates. The ERA received three <u>submissions</u> in response to the issues paper from AGL, Alinta Energy and Perth Energy.⁴

Further information

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⁴ The submissions are discussed in paragraphs 13 to 15 of the final decision.