



# Notice

16 June 2023

## Alinta Energy (Chichester) Pty Ltd

### 2022 performance audit and asset management system review

The Economic Regulation Authority has published the 2022 [performance audit](#) and [asset management system review reports](#) and the [post-review implementation plan](#) for Alinta Energy (Chichester) Pty Ltd's electricity integrated regional licence EIRL11.

Alinta holds an electricity integrated regional licence to operate a 60MW solar farm located at Christmas Creek, approximately 100km north of Newman in the Pilbara. The solar farm is connected to a transmission line operated by Alinta under electricity integrated regional licence EIRL10.

Under the licence, Alinta sells electricity generated from the solar farm to one large use customer, Fortescue Metals Group, at its iron ore mines at Christmas Creek and Cloudbreak.<sup>1</sup>

#### The ERA's decision

The ERA considers that Alinta has achieved a good level of compliance with its licence and has an effective asset management system.

The ERA has decided to maintain the audit and review period at 36 months. The next audit and review will cover the period 1 October 2022 to 30 September 2025, with the report due to be provided by 30 December 2025.

#### Audit and review findings

##### Audit

The auditor's assessment of the 42 licence obligations applicable to Alinta found one non-compliance.

The non-compliance was because Alinta paid its 2018/19 annual licence fee after the due date. As the non-compliance was resolved during the audit period, no recommendation was made by the auditor.

##### Review

The assessment of the 12 asset management system processes prescribed in the ERA's *2019 Audit and Review Guidelines: Electricity and Gas Licences* found no asset management system deficiencies.

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<sup>1</sup> A 'large use customer' is a customer who consumes more than 160 megawatt-hours of electricity per year.

The 12 processes are broken down into 58 effectiveness criteria and the auditor found two deficiencies from the 58 criteria, which were in environmental analysis and asset operations. The deficiencies relate to staff training and awareness of emergency response requirements. The review found some training for site emergency response was overdue for staff assigned to operations managed from the Newman Power Station, which includes Alinta's solar farm.

The auditor made one recommendation, which was for Alinta to schedule staff training, with special emphasis on site specific emergency response drills and ensuring sufficient resources are allocated to maintain training requirements and emergency response drills.

The post-review implementation plan states Alinta will address the recommendation by 31 December 2023.

## **The ERA's assessment of the audit and review findings**

### **Audit**

Overall, Alinta has achieved a good level of compliance with its licence. Accordingly, the Secretariat has decided to maintain the audit period at 36 months.

### **Review**

The auditor found that, overall, Alinta had an effective asset management system during the review period and has improved the system. While only two deficiencies from 58 effectiveness criteria is a good outcome, Alinta needs to improve its staff training and it has committed in its post-review implementation plan to reviewing its asset maintenance practices relating to staff resources and training.

The ERA considers that the actions proposed by Alinta in the post-review implementation plan will address the deficiencies.

## **Further information**

### **General enquiries**

Alex Kroon  
Ph: 08 6557 7989  
[info@erawa.com.au](mailto:info@erawa.com.au)

### **Media enquiries**

Danielle Asarpota  
Ph: +61 428 859 826  
[media@erawa.com.au](mailto:media@erawa.com.au)