

# Decision on Generation Licence and Retail Licence Application for CSBP Limited ABN 81 008 668 371

26 June 2006

Economic Regulation Authority

 WESTERN AUSTRALIA

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For further information, contact:

Mr Paul Kelly  
Executive Director  
Licensing, Monitoring and Customer Protection Division  
Economic Regulation Authority  
Perth, Western Australia  
Phone: (08) 9213 1900

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## DECISION

1. On 28 December 2006, CSBP Limited ABN 81 008 668 371 (**Applicant**) submitted an application to the Economic Regulation Authority (**Authority**) for a Generation Licence to operate generation facilities on the Applicant's chemical plants at Kwinana in Western Australia and a Retail Licence to sell electricity to commercial and industrial customers within the South West Interconnected System (**Application**).
2. The Application was made pursuant to section 10 of the *Electricity Industry Act 2004 (Act)*.
3. Pursuant to sections 9 and 19 of the Act, the Authority approves the grant of a Generation Licence to the Applicant to generate electricity subject to, and in accordance with, the terms set out in the Generation Licence for a period of 30 years.
4. Pursuant to sections 9 and 19 of the Act, the Authority approves the grant of a Retail Licence to the Applicant to sell electricity subject to, and in accordance with, the terms set out in the Retail Licence for a period of 15 years.

## REASONS

1. The Authority engaged Stamfords Business Consultants Pty Ltd (**Stamfords**) to examine the financial capacity of the Applicant to undertake the activities authorised by the Generation Licence and Retail Licence. Following the assessment, Stamfords concluded that the Applicant has and is likely to retain the financial capacity and resources to undertake the activities to be authorised by a Generation Licence and a Retail Licence.
2. The Authority engaged ETSA Utilities (**ETSA**) to examine the technical capacity of the Applicant to undertake activities authorised by the Generation Licence and Retail Licence. Following the assessment ETSA concluded that the Applicant has and is likely to retain the technical resources necessary to carry out the functions authorised by a Generation Licence and a Retail Licence.
3. The Authority has considered the Application and the advisers' reports and is satisfied that the Applicant meets the requirements of section 19(1) of the Act.
4. Section 9 of the Act states that the Authority must not exercise a power conferred by Division 3 of the Act (general licensing provisions) unless the Authority is satisfied that it would not be contrary to the public interest to do so.
5. Following receipt of the Application, a notice was published on the Authority's website in January 2006. The Authority did not receive any objection to the grant of a Generation Licence or a Retail Licence to the Applicant.
6. In its consideration of the Application, the Authority considered the public interest, including the matters set out in section 8(5) of the Act as required by section 9(2) of the Act. The Authority is satisfied that approval of a Generation Licence and a Retail Licence to the Applicant would not be contrary to the public interest.
7. The Authority has therefore decided to grant a Generation Licence and a Retail Licence to the Applicant for a period of 30 years and 15 years respectively.

8. As required by section 23(1) of the Act, the Authority will publish a notice of its approval of the Generation Licence application in the *Government Gazette* as soon as is practicable.