

Decision on Generation Licence Application for Walkaway Wind Power Pty Ltd

27 January 2006

Economic Regulation Authority

 WESTERN AUSTRALIA

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DECISION

1. On 23 September 2005, Walkaway Wind Power Pty Ltd (**Applicant**) submitted an application to the Economic Regulation Authority (**Authority**) for a Generation Licence to construct and operate of the Alinta Wind Farm for a term of 30 years (**Application**). The Wind Farm is located approximately 30 km South East of Geraldton in the Shire of Greenough.
2. The Application was made pursuant to section 10 of the *Electricity Industry Act 2004* (**Act**).
3. Pursuant to section 19 and section 9 of the Act, the Authority approves the grant of a Generation Licence to the Applicant to supply electricity subject to, and in accordance with, the terms set out in the Licence. The term of the licence is 30 years.

REASONS

4. Section 19 of the Act sets out the factors governing the Authority's decision to grant, renew, or transfer an electricity supply licence. Subsections (1) and (2) are reproduced below:

(1) Subject to section 9, the Authority must grant, renew or approve the transfer of a licence if it is satisfied that the applicant –

(a) has, and is likely to retain; or

(b) will acquire within a reasonable time after the grant, renewal or transfer, and is then likely to retain,

the financial and technical resources to undertake the activities authorised, or to be authorised by the licence.

(2) The Authority must take reasonable steps to make a decision in respect of an application for –

(a) the grant or renewal of a licence; or

(b) approval to transfer a licence,

within 90 days after the application is made.

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. The Authority engaged Stamfords to examine the financial capacity of the Applicant to undertake the activities authorised by the licence. Following the assessment Stamfords concluded that the Applicant has the financial resources to undertake the activities authorised by the Generation Licence under the Act.
6. The Authority engaged McGill Engineering Services Pty Ltd (**McGill Engineering**) to examine the technical capacity of the Applicant to undertake activities authorised by the licence. Following the assessment McGill Engineering concluded that the Applicant has, or will acquire soon after approval, the technical

resources to undertake the activities authorised by the Generation Licence under the Act.

7. The Authority also sought advice from the Energy Safety Division of the Department of Employment and Consumer Protection (*EnergySafety*) regarding the technical capability of the Applicant. *EnergySafety* has no objection to the Authority granting a Generation Licence under the Act to the Applicant provided that all electrical work associated with the project will be performed in accordance with the *Electricity Act 1945* and the supporting regulations and codes of practice.
8. Following consideration of the advice received the Authority is satisfied that the Applicant is likely to retain, or acquire within a reasonable time, the financial and technical resources in accordance with section 19(1) of the Act.
9. The Authority consulted the Office of Energy on the Application under section 9 of the Act. The Office of Energy advised that in its opinion it would not be contrary to the public interest to grant a Generation Licence to the Applicant.
10. Following consideration of the advice received the Authority is satisfied that approval of the Application would not be contrary to the public interest in accordance with section 9 of the Act.
11. The Authority has considered the Application and the advisers' reports and is satisfied that the Applicant meets the requirements of sections 9 and 19(1) of the Act.
12. The Authority has therefore decided to grant a Generation Licence to Walkaway Wind Power Pty Ltd for the construction and operation of the Alinta Wind Farm in the Shire of Greenough. The term of the licence is 30 years.
13. As required by section 23(1) of the Act, the Authority will publish notice of its approval of the Application in the *Government Gazette* as soon as is practicable.