

# Decision on Integrated Regional Licence Application for EDL NGD (WA) Pty Ltd

**ECONOMIC REGULATION AUTHORITY**

**12 August 2005**

**DECISION**

1. On 20 May 2005, EDL NGD (WA) Pty Ltd (**the Applicant**) made an application to the Economic Regulation Authority (**Authority**) for an Integrated Regional Licence in relation to a proposed construction of five power stations in the West Kimberley region (**the Application**). The power stations will be located in Broome, Derby, Fitzroy Crossing, Halls Creek and Looma.
2. The Application was made pursuant to section 10 of the *Electricity Industry Act 2004* (Act).
3. The Authority consulted upon the proposed grant of the licence in accordance with the "Electricity Industry Guideline: Information for Licence Applicants".
4. Pursuant to section 19 of the Act, the Authority approves the grant of an Integrated Regional Licence to the Applicant to supply electricity subject to, and in accordance with, the terms set out in the Licence.

**STATEMENT OF REASONS**

5. 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 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.*

Further section 9 of the Act states 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.

6. The Authority engaged consultant Hall Chadwick to examine the financial capacity of the Applicant to undertake activities authorised by the licence and sought advice from the Director of Energy Safety regarding the technical capability of the Applicant. Following consideration of the advice received, the Authority believes that the

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Applicant is likely to retain, or acquire within a reasonable time, the financial and technical resources as required under section 19(1) of the Act.

7. Office of Energy was also consulted on the Application and was asked to determine if the granting of a Licence to the Applicant is contrary to the public interest. Advice received has indicated that the application was not contrary to the public interest and the office is supportive of the granting of a licence.
8. Advice was sought regarding the environmental assessment on the Applicant's project. For each of the facility, the Environmental Protection Authority had made the decision on the basis that the likely environmental impacts were not severe as to warrant formal environmental assessment. Nonetheless, each site was advertised for public appeal and no objections had been received to the level of assessments set.
9. The Authority has considered the Application, the advisers' reports and is satisfied that the requirements of sections 9(1) and 19(1) of the Act have been met by the Applicant. It has therefore decided to issue a decision to grant an Integrated Regional Licence to EDL NGD (WA) Pty Ltd in relation to the proposed construction of five power stations in the West Kimberley region.
10. 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.