



Notice

29 January 2025

Merredin Project Company Pty Ltd

2024 performance audit and asset management system review

The Economic Regulation Authority has published the [2024 performance audit](#) and [asset management system review reports](#) and the [post-audit and post-review implementation plans](#) for Merredin Project Company's electricity generation licence EGL28.

Merredin Project Company operates the 132-megawatt Merredin Solar Farm located approximately 260 kilometres east of Perth. The solar farm delivers electricity into the South West Interconnected System via the Western Power Merredin Terminal Substation.

Merredin Project Company acquired the solar farm in 2022 from Merredin Solar Farm Nominee Pty Ltd and EGL28 was transferred to Merredin Project Company as part of that process on 31 August 2022.

The ERA's decision

The ERA considers that Merredin Project Company has achieved a high level of compliance with its licence and has an effective asset management system.

The ERA has decided to increase the audit and review period from 24 months to 60 months. The next audit and review will cover the period 31 August 2024 to 31 August 2029, with the report due to be provided by 30 November 2029.

Audit and review findings

Audit

The audit of the 36 licence obligations applicable to Merredin Project Company found two minor non-compliances and four control deficiencies.

The non-compliances were due to paying licence fees and submitting standing data late to the ERA and submitting an incomplete annual compliance report.

The control deficiencies were because Merredin Project Company did not have an effective mechanism, such as a register, to notify it of licence obligations that must be met within a prescribed timeframe or when an event is triggered.

The auditor made one combined recommendation to address the non-compliances and control deficiencies. The post-audit implementation plan states that Merredin Project Company will address the recommendation by 30 June 2025.

Review

The assessment of the 58 effectiveness criteria prescribed in the ERA's *2019 Audit and Review Guidelines: Electricity and Gas Licences* found four asset management system deficiencies:

- While the asset management plan and asset management system were reviewed in April 2024, the auditor found that they should be reviewed more regularly to ensure they remain current, and the asset management plan requires updating to include more detailed information about asset planning.
- The asset management system was not subject to independent internal review during the review period.

The auditor found that since it purchased the solar farm, Merredin Project Company has improved the asset management system in asset operations, asset maintenance, risk management and contingency planning.

The auditor made two recommendations to address the deficiencies. The post-review implementation plan states that Merredin Project Company will address the recommendations by 30 June 2025.

The ERA's assessment of the audit and review findings

Audit

The non-compliances and control deficiencies apply to minor administrative obligations, which did not affect Merredin Project Company's ability to generate and supply electricity.

Review

Since taking over the licence in 2022, Merredin Project Company has improved the asset management system overall, despite the four deficiencies. It has maintained appropriate procedures and controls for the effective operation and maintenance of the solar farm.

The non-compliances, control deficiencies and asset management system deficiencies found by the auditor are administrative and can be easily addressed, which Merredin Project Company has committed to in its post-audit and post-review implementation plans. For these reasons, the ERA has increased the audit and review period to 60 months.

Further information

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