



Economic Regulation Authority

Decision on electricity generation licence

Electricity Generation and Retail Corporation trading as Synergy

12 May 2025

Acknowledgement of Country

At the ERA we value our cultural diversity and respect the traditional custodians of the land and waters on which we live and work.

We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

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1. Introduction

In accordance with section 26(1)(g) of the *Economic Regulation Authority Act 2003* (ERA Act), this document presents the decision of the Economic Regulation Authority (ERA) regarding the 31 January 2025 electricity generation licence application from Electricity Generation and Retail Corporation trading as Synergy (Synergy).

1.1 Decision

Pursuant to sections 9, 15 and 19 of the *Electricity Industry Act 2004* (Electricity Act), the ERA grants electricity generation licence EGL33 to Synergy for a period of 30 years.

Subject to the licence terms and conditions, Synergy is authorised to construct and operate electricity generation works in licence area plan ERA-EL-164.

As required by section 23(1) of the Electricity Act, the ERA will publish a notice of the grant of the licence in the Government Gazette as soon as practicable.

2. Background

On 31 January 2025, Synergy applied for an electricity generation licence to construct and operate the King Rocks Wind Farm (KRWF) project.

The proposed wind farm will be located approximately 35 kilometres north-east of the Hyden townsite in the Shire of Kondinin. The site consists of two freehold lots and adjacent road reserves covering a total area of approximately 3,120 hectares.

An engineering and procurement contract for construction, and a long-term operations and maintenance contract have been granted to Vestas Australian Wind Services Pty Ltd (Vestas). Synergy's 100% owned subsidiary (via South West Solar Development Holdings Pty Ltd), SynergyRED, will be the asset manager.

KRWF will consist of 17 turbines rated at 6.2 megawatts each with a maximum total declared sent out capacity of 103 megawatts at point of connection with the South West Interconnected System via an existing 132 kilovolt transmission line that crosses the site.

2.1 Licence

Section 7 of the Electricity Act requires a person to hold an electricity generation licence to construct or operate electricity generating works.

2.2 Public Consultation

On 18 February 2025 the ERA sought public comment on a [summary](#) of Synergy's application. No submissions were received during the 15-business day public comment period.

2.3 Assessments

Under section 19(1) of the Electricity Act, the ERA must grant a licence if it is satisfied that the licensee has and is likely to retain, or will acquire within a reasonable time, and is then likely to retain, the financial and technical resources to undertake the activities authorised, or to be authorised, by the licence.

The ERA undertook a financial assessment and engaged a technical consultant to examine the financial and technical abilities of Synergy to undertake the activities authorised by the licence.

Based on the information provided by Synergy and the financial and technical assessments, the ERA considers that Synergy meets the regulatory requirements to be granted an electricity generation licence.

2.3.1 *Financial assessment*

The financial assessment found that Synergy has the financial resources to undertake the activities to be authorised by the licence:

- The Western Australian Government has committed equity finance for the KRWF capital expenditure.

- Once the KRWF capital expenditure has been sunk, the project will have strongly positive market value.

2.3.2 Technical assessment

The technical assessment report found that Synergy, SynergyRED as asset manager, and Vestas as contractor for construction and operations and maintenance:

- Have the technical resources to commence construction of KRWF.
- Have in place some of the technical resources and can be expected to readily obtain the remaining necessary technical resources to complete construction and commence operation of KRWF.

2.4 Assessment of public interest

The ERA has considered the matters set out in section 8(5) of the Electricity Act, the matters set out in section 26(1) of the ERA Act, the information provided in Synergy's application on its resources to undertake the activities authorised by the licence, and the financial and technical assessment reports.

The ERA is satisfied that granting an electricity generation licence to Synergy for KRWF would not be contrary to the public interest because:

- Synergy has consulted with the Shire of Kondinin and landowners over the proposal and submitted its Stakeholder Engagement Plan with its application.
- The ERA's own consultation process generated no submissions.
- Synergy will implement a community benefit scheme during KRWF construction to enable the community to allocate funds to deliver a meaningful program to benefit the wider Hyden community.
- KRWF will increase the level of renewable energy generation in Western Australia and assist meeting the Commonwealth Government Renewable Energy Target.

2.4.1 Electricity Industry Act 2004

Section 9 of the Electricity Act requires that the ERA must not grant a licence unless it is satisfied that it would not be contrary to the public interest to do so. Without limiting the other matters that may be taken into account, section 9(2) of the Electricity Act requires that the ERA take into account the matters referred to in section 8(5) of the Electricity Act when determining whether granting a licence would be contrary to the public interest. Those matters are:

- a. Environmental considerations.
- b. Social welfare and equity considerations, including community service obligations.
- c. Economic and regional development, including employment and investment growth.
- d. The interests of customers generally or of a class of customers.

- e. The interests of any licensee, or applicant for a licence, in respect of the area or areas to which the licence applies.
- f. The importance of competition in electricity industry markets.
- g. The policy objectives of government in relation to the supply of electricity.

2.4.2 *Economic Regulation Authority Act 2003*

When making its decision, the ERA must have regard to the matters set out in section 26(1) of the ERA Act:

- a. The need to promote regulatory outcomes that are in the public interest.
- b. The long-term interests of consumers in relation to the price, quality and reliability of goods and services provided in relevant markets.
- c. The need to encourage investment in relevant markets.
- d. The legitimate business interests of investors and service providers in relevant markets.
- e. The need to promote competitive and fair market conduct.
- f. The need to prevent abuse of monopoly or market power.
- g. The need to promote transparent decision-making processes that involve public consultation.