



Economic Regulation Authority

# Decision on electricity integrated regional licence application

APA Pilbara Holdings Pty Ltd

27 August 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.

## Economic Regulation Authority

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# 1. Introduction

In accordance with section 26(1)(g) of the *Economic Regulation Authority Act 2003* (ERA Act), this document sets out the ERA's decision on the electricity integrated regional licence application from APA Pilbara Holdings Pty Ltd (APA Pilbara) and the matters it considered in making its decision.

## 1.1 Decision

Pursuant to sections 9, 15 and 19 of the *Electricity Industry Act 2004* (Electricity Act), the ERA has granted electricity integrated regional licence EIRL12 to APA Pilbara for a period of 30 years.

Subject to its terms and conditions, the integrated regional licence authorises APA Pilbara to construct and operate a transmission system in licence area plan ERA-EL-165.

As required by section 23(1) of the Electricity Act, the ERA will publish a notice of the grant of EIRL12 in the Government Gazette as soon as practicable.

## 2. Background

On 14 March 2025, APA Pilbara, a wholly owned subsidiary of APA Group Limited (APA), applied for an electricity integrated regional licence (EIRL12) to construct and operate an electricity transmission line from APA's Port Hedland Power Station to a future customer's site approximately 65 kilometres south of Port Hedland.

The application is for the construction and operation of either a 132 kilovolt or a 330 kilovolt (upsized option) transmission line. The licence will allow construction and operation of either option.

On 3 December 2024, APA announced that it has been awarded Priority Project status for the development of two corridors under the Western Australian Government's Pilbara Energy Transition (PET) Plan.<sup>1</sup> The PET Plan has identified four priority corridors in the Pilbara for the development of common-use electricity transmission infrastructure to accelerate the transition to renewable energy in the region.<sup>2</sup> If APA Pilbara opt for the upsized option for the EIRL12 transmission line, the project will form the first stage of development of common-use infrastructure for the designated Hamersley Range Corridor.

### 2.1 Licence

Section 7, in combination with section 4, of the Electricity Act requires a person to hold an electricity integrated regional licence to construct or operate a transmission system for the supply of electricity to customers other than through the South West interconnected system.

### 2.2 Public consultation

On 3 April 2025, the ERA [sought public comment](#) on the licence application. The period for submissions closed on 28 April 2025. No submissions were received.

### 2.3 Financial and technical assessment

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

The ERA undertook a financial assessment and engaged a consultant for a technical assessment to examine whether APA Pilbara has the financial and technical resources to undertake the activities authorised by the licence.

Based on the information provided by APA Pilbara and the financial and technical assessments, the ERA is satisfied that APA Pilbara meets the regulatory requirements to be granted an electricity integrated regional licence.

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<sup>1</sup> APA Group, ASX and media releases, Priority Project Status 3 December 2024 ([online](#)).

<sup>2</sup> Government of Western Australia, Energy Policy WA, Designated Priority Corridors July 2025 ([online](#)).

### **2.3.1 Financial assessment**

The financial assessment found that APA Pilbara has, and is likely to retain, the financial resources to undertake the activities authorised by the licence. The financial assessment reviewed the financial viability of the EIRL12 project and the business and financial risk of APA (as 100 percent owner of APA Pilbara).

Based on the cash flow forecasts provided by APA Pilbara, the EIRL12 project is a valuable positive NPV project that is robust to large variations in cash flow forecasts. However, a notable risk to the project is its reliance on a single customer, hence the realisation of the cash flow forecasts depends on the business risk of the customer. APA Pilbara's upside project option would seek to serve additional customers, which will reduce the risk of the project to the extent that the business risks of the different customers are uncorrelated.

### **2.3.2 Technical assessment**

The technical assessment found that APA Pilbara has some of the technical resources, is likely to retain those technical resources, and will acquire within a reasonable time after the licence grant, and is then likely to retain, the remaining required technical resources to undertake the activities authorised, or to be authorised, by the licence.

A detailed Asset Management Plan (AMP) for the EIRL12 project will be developed during construction. As evidence of APA's experience in the management and operation and maintenance (O&M) of similar plant, APA Pilbara provided two draft AMPs with information on existing O&M plans and the asset management systems of similar or related facilities.

## **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 by APA Pilbara, the ERA's financial assessment, and the report of the technical consultant.

The ERA is satisfied that granting an electricity transmission licence to APA Pilbara would not be contrary to the public interest.

- APA Pilbara's environmental and heritage surveys have identified minimal impacts.
- No submissions were received to the ERA's public consultation on the licence application.
- The new transmission assets may form the first stage of development of common-use infrastructure for the Hamersley Range Corridor, under the Western Australian Government's PET Plan.

The remainder of this section sets out factors the ERA considered when making its decision.

### **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 the grant would not 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 *Economic Regulation Authority 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.