

Decision on Generation Licence Application for Eneabba Energy Pty Ltd ABN 23 114 452 863

9th March 2007

Economic Regulation Authority



WESTERN AUSTRALIA

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For further information, contact:

Mr Paul Kelly
Executive Director
Licensing, Monitoring and Customer Protection Division
Economic Regulation Authority
Perth, Western Australia
Phone: (08) 9213 1900

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DECISION

1. On 11th December 2006 Eneabba Energy Pty Ltd ABN 23 114 452 863 (**Applicant**) submitted an application to the Economic Regulation Authority (**Authority**) for a Generation Licence to operate the proposed gas fired Centauri 1 Power Station near Dongara (Victoria location M353) in the State of Western Australia.
2. The Generation Licence 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 generate the supply of electricity subject to, and in accordance with, the terms set out in the Generation Licence. The term of the Generation Licence is 30 years.

REASONS

1. The Authority engaged consultants 2020 Global to examine the financial capacity of the Applicant to undertake the activities authorised by the Generation Licence. Following the assessment, 2020 Global concluded that the Applicant has and will likely retain the financial resources to undertake the activities to be authorised by the Generation Licence.
2. The Authority engaged consultants Parsons Brinckerhoff International (Aust) Pty Ltd (PB Associates) to examine the technical capacity of the Applicant to undertake activities authorised by the Generation Licence. Following the assessment PB Associates concluded that the Applicant will acquire within a reasonable time after the grant, and is likely to retain the technical resources to undertake the activities authorised by the licence.
3. The Authority has considered the Generation Licence Application and the advisers' reports and is satisfied that the Applicant meets the requirements of section 19(1) of the Act.
4. 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. Following receipt of the Generation Licence Application, a notice regarding receipt of the Generation Licence Application was published on the Authority's website in December 2006. The Authority did not receive any submissions concerning the grant of a generation licence to the Applicant.
6. In its consideration of the Generation Licence Application, the Authority considered the public interest, including the matters set out in section 8(5) of the Act as required by section 9(2) of the Act. The Authority is satisfied that approval of a Generation Licence to the Applicant would not be contrary to the public interest.
7. The Authority has therefore decided to grant a generation licence to Eneabba Energy Pty Ltd ABN 23 114 452 863 for the operation of generation facilities on land owned by the Applicant and located near Dongara (Victoria location M353) in the State of Western Australia. The term of the Generation Licence is 30 years.

8. As required by section 23(1) of the Act, the Authority will publish a notice of its approval of the Generation Licence application in the *Government Gazette* as soon as is practicable.

LYNDON ROWE
CHAIRMAN