

# Decision on Generation Licence Application for Griffin Power 2 Pty Ltd ABN 57 122 896 968

20 June 2007

Economic Regulation Authority



WESTERN AUSTRALIA

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Economic Regulation Authority web site at [www.era.wa.gov.au](http://www.era.wa.gov.au).

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## DECISION

1. On 13<sup>th</sup> March 2007 Griffin Power 2 Pty Ltd ABN 57 122 896 968 (**Applicant**) submitted an application to the Economic Regulation Authority (**Authority**) for a Generation Licence to operate the proposed coal fired Bluewaters 2 Power Station in the Coolangatta Industrial Estate (Lot 8 on Plan 20710 being (part of) the land comprised in Certificate of Title Volume 2206 Folio 576) 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 McGill Engineering Services Pty Ltd (McGill Engineering) to examine the technical capacity of the Applicant to undertake activities authorised by the Generation Licence. Following the assessment McGill Engineering concluded that the Applicant has or 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 19 March 2007. The Authority received one confidential submission relating to green house gas emissions concerning the grant of a generation licence to the Applicant.
6. The Authority understands that the issue of greenhouse gas emissions was considered by the Environmental Protection Authority (EPA) in its assessment of the Bluewaters 2 power station in 2005. The EPA recommended approval of the project subject to a range of conditions, which the Minister has accepted and which the Applicant is accountable to meet. Given that the EPA has already addressed the issues of greenhouse gas emissions by the environmental conditions imposed in the EPA's approval, the Authority concludes it would be

inappropriate for the Authority to also consider these matters in its deliberations or in setting any additional licence conditions.

7. 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.
8. The Authority has therefore decided to grant a generation licence to Griffin Power 2 Pty Ltd ABN 57 122 896 968 for the operation of generation facilities in the Coolangatta Industrial Estate (Lot 8 on Plan 20710 being (part of) the land comprised in Certificate of Title Volume 2206 Folio 576) in the State of Western Australia. The term of the Generation Licence is 30 years.
9. 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**