

Decision on Generation Licence Application for ATCO Power Australia (Karratha) Pty Ltd

19 December 2008

Economic Regulation Authority



WESTERN AUSTRALIA

A full copy of this document is available from the
Economic Regulation Authority web site at www.era.wa.gov.au.

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

© Economic Regulation Authority 2008

The copying of this document in whole or part for non-commercial purposes is permitted provided that appropriate acknowledgment is made of the Economic Regulation Authority and the State of Western Australia. Any other copying of this document is not permitted without the express written consent of the Authority.

DECISION

1. On 3 October 2008, ATCO Power Australia (Karratha) Pty Ltd ACN: 132 830 043 (Applicant) submitted a licence application to generate electricity from a natural gas fired plant, located at Lot 1996, Stovehill Road, Stovehill, Karratha. The output capacity of the Power Station is 86 MW and the plate capacity is 96MW.
2. The Generation Licence Application was made pursuant to section 10 of the *Electricity Industry Act 2004* (Act).
3. Pursuant to sections 9 and 19 of the Act, the Authority approves the grant of a generation licence to the Applicant to generate electricity subject to, and in accordance with, the terms set out in the Generation Licence for a period of 30 years.

REASONS

1. The Authority engaged consultants Stamfords to examine the financial capacity of the Applicant to undertake the activities authorised by the generation licence. Following the assessment, Stamfords concluded that the Applicant has and will likely retain the financial resources to undertake the activities to be authorised by the licence.
2. The Authority engaged consultants McGill Engineering Services Pty Ltd to examine the technical capacity of the Applicant to undertake activities authorised by the generation licence. Following the assessment, McGill Engineering Services Pty Ltd concluded that the Applicant has 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 including the advisors' assessments conducted for the purpose of the Generation Licence Application 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. A notice seeking public submissions on the Generation and Transmission Licence Applications was published on the Authority's web site on 10 October 2008. The Authority did not receive any comments or objections to the grant of a generation licence to the Applicant.
6. In its consideration of the 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). 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 the Applicant for the generation of electricity in the North West Interconnected System (NWIS) for a period of 30 years.

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

LYNDON ROWE
CHAIRMAN