

Decision on the Surrender of Electricity Transmission Licences ETL1 and ETL3

Alinta Cogeneration Wagerup Pty Ltd and
Alinta Cogeneration Pinjarra Pty Ltd

15 January 2010

Economic Regulation Authority



WESTERN AUSTRALIA

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DECISION

1. The Authority notes the surrender of Alinta Cogeneration Wagerup Pty Ltd's Electricity Transmission Licence ETL1 and Alinta Cogeneration Pinjarra Pty Ltd's Electricity Transmission Licence ETL3.
2. As required by clause 8.2 of both ETL1 and ETL3, the Authority will publish a notice in the *Government Gazette* as soon as is practicable.

BACKGROUND

The *Electricity Industry Exemption Amendment Order 2009* (2009 Order) was published on 9 October 2009 and amends the *Electricity Industry Exemption Order 2005*. Clause 17 of the 2009 Order is as follows:

17. Exemptions for holders of generation licence connecting to SWIS

- (a) The holder of a generation licence is exempt from the *Electricity Industry Act 2004* section 7(2) if the transmission system concerned is used solely for the transportation of electricity from generating works to which the licence applies to the SWIS.
- (b) The holder of a generation licence is exempt from the *Electricity Industry Act 2004* section 7(3) if the distribution system concerned is used solely for the transportation of electricity from generating works to which the licence applies to the SWIS.
- (c) The exemptions provided for in subclauses (1) and (2) are subject to the condition that the connection of the distribution or transmission system to the SWIS complies with the relevant technical rules, as amended from time to time, published under the *Electricity Networks Access Code 2004* established under the *Electricity Industry Act 2004* section 104(1).

Clause 7(2) of the *Electricity Industry Act 2004* (Act) is as follows:

7. Requirement for licence

- 2) A person must not construct or operate a transmission system except under the authority of a transmission licence or an integrated regional licence.

Subsection 11(1) of the Act states that a licence is subject to any terms and conditions that are determined by the Authority.

Subsection 11(2) of the Act states that any terms and conditions determined under subsection 11(1) may include provisions relating to any matter provided for by Schedule 1 of the Act. Schedule 1, subsection (l) of the Act provides for licences to be surrendered and includes procedures for the surrender.

Pursuant to Schedule 1, subsection (l) of the Act, clause 8 of ETL1 and ETL3 states:

8. Surrender of Licence

8.1 The *licensee* may surrender the *licence* at any time by written *notice* to the *Authority*

8.2 The surrender of the *licence* will take effect on the day that the *Authority* publishes a *notice* of the surrender in the Gazette.

8.3 The *licensee* will not be entitled to a refund of any fees by the *Authority*.

On the 14 October 2009, Alinta Cogeneration Wagerup Pty Ltd and Alinta Cogeneration Pinjarra Pty Ltd wrote to the Authority notifying of their wish to surrender their electricity transmission licences, ETL1 and ETL3 respectively. Alinta Cogeneration Wagerup Pty Ltd and Alinta Cogeneration Pinjarra Pty Ltd made reference to clause 17 of the 2009 Order in their letters.

REASONS

1. Alinta Cogeneration Wagerup Pty Ltd and Alinta Cogeneration Pinjarra Pty Ltd notified the Authority in writing of the surrender of their Electricity Transmission Licences ETL1 and ETL3 respectively, pursuant to clause 8.1 of their licences.
2. The Authority is satisfied that Alinta Cogeneration Wagerup Pty Ltd's and Alinta Cogeneration Pinjarra Pty Ltd's transmission assets that are subject to ETL1 and ETL3 are covered by clause 17 of the *Electricity Industry Exemption Amendment Order 2009*.

LYNDON ROWE
CHAIRMAN