

Decision on electricity integrated regional licence application

Alinta Energy Transmission (Chichester) Pty Ltd

16 October 2018

Economic Regulation Authority

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Decision

1. Pursuant to sections 9 and 19 of the *Electricity Industry Act 2004* (Act), the Economic Regulation Authority has granted Electricity Integrated Regional Licence No. 10 (EIRL10) to Alinta Energy Transmission (Chichester) Pty Ltd (AETC).
2. Subject to its terms and conditions, the licence authorises AETC to construct and operate the proposed Chichester transmission line for a period of 30 years (the maximum period allowed by section 15(2) of the Act).
3. As required by section 23(1) of the Act, the ERA will publish a notice of the grant of the licence in the Government Gazette as soon as practicable.

Reasons

4. On 25 May 2018, AETC [applied](#) for an electricity licence to construct and operate a transmission line in the Pilbara region of Western Australia.¹
5. The proposed transmission line will connect the Roy Hill mine to iron ore mines at Christmas Creek and Cloudbreak. The transmission line will supply electricity generated at Newman power station, via the existing transmission line that connects Newman to Roy Hill.²
6. Under section 19(1) of the Act, the ERA must grant a licence if it is satisfied that the applicant has and is likely to retain, or will acquire within a reasonable timeframe, and is then likely to retain, the financial and technical resources to undertake the activities authorised by the licence.
7. The ERA engaged financial and technical consultants to examine the financial and technical capability of AETC to undertake the transmission activities to be authorised by an electricity integrated regional licence.
8. Following the financial assessment of AETC's application, the financial consultant concluded that AETC complies with the financial requirements of section 19(1) of the Act.
9. Following the technical assessment of AETC's application, the technical consultant concluded that AETC complies with the technical requirements of section 19(1) of the Act.
10. Section 9(1) of the 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. Section 8(5) of the Act, without limitation, specifies the matters the ERA must consider in this regard.
11. On 30 July 2018, the ERA published a notice seeking public comment on AETC's licence application. No submissions were received.

¹ The supply area is defined in plan ERA-EL-150, which is part of the licence and available on the ERA's website.

² The existing transmission line is operated by Alinta Energy Transmission (Roy Hill) Pty Ltd under electricity integrated regional licence EIRL6

12. The ERA has considered the public interest, including all of the matters set out in section 8(5) of the Act, as required by section 9(2). Having regard to this, the outcomes of the public consultation process and the assessments of AETC's financial and technical resources to undertake the activities to be authorised by the licence, the ERA is satisfied that granting an electricity integrated regional licence to AETC would not be contrary to the public interest.