

Decision on Generation Licence Application for
Electricity Generation Corporation
ABN 58 673 830 106 and Origin Energy SWC Ltd
ABN 48 079 764 391
Trading as South West Cogeneration Joint Venture

22 June 2006

Economic Regulation Authority

 WESTERN AUSTRALIA

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

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DECISION

1. On 6 January 2006 Electricity Generation Corporation ABN 58 673 830 106 and Origin Energy SWC Limited ABN 48 079 764 391 trading as South West Cogeneration Joint Venture (**Applicant**) submitted an application to the Economic Regulation Authority (**Authority**) for a Generation Licence to operate a cogeneration facility located on land within the Worsley Alumina Pty Ltd Joint Venture ABN 58 008 905 155 alumina refinery site at Worsley, Western Australia.
2. The Generation Licence Application was made pursuant to section 10 of the *Electricity Industry Act 2004 (Act)*.
3. Pursuant to section 9 and section 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. The term of the Generation Licence is 20 years.

REASONS

1. The Authority engaged Stamfords Advisors & Consultants Pty Ltd (**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 the financial resources to undertake the activities authorised by the Licence under the Act.
2. The Authority engaged 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 and will retain the technical resources to undertake the activities authorised by the Licence under the Act.
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 was published on the Authority's website in January 2006. The Authority did not receive any objection to 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). 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 Electricity Generation Corporation ABN 58 673 830 106 and Origin Energy SWC Limited ABN 48 079 764 391 trading as South West Cogeneration Joint Venture for the operation of the cogeneration facility located on land within the Worsley Alumina Pty Ltd Joint Venture ABN 58 008 905 155 alumina refinery site at Worsley Western Australia. The term of the Generation Licence is 20 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.