

# Decision on Electricity Integrated Regional Licence Application

Alinta DEWAP Pty Ltd

25 June 2014

**Economic Regulation Authority**

WESTERN AUSTRALIA

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## Decision

1. Pursuant to sections 9 and 19 of the *Electricity Industry Act 2004* (**Act**), the Economic Regulation Authority (**Authority**) has approved the grant of an electricity integrated regional licence to Alinta DEWAP Pty Ltd (**Alinta DEWAP**).
2. The licence is to generate, transmit and sell electricity to large use customers subject to, and in accordance with, the terms set out in the licence for a period of 30 years.
3. As required by section 23(1) of the Act, the Authority will publish a notice of the grant of licence in the Government Gazette as soon as practicable.

## Reasons

4. On 3 April 2014 Alinta DEWAP applied for an electricity integrated regional licence. The application is to generate, transmit and sell electricity to large use customers in the Pilbara region of Western Australia. Alinta DEWAP will generate electricity at the Port Hedland Power Station.
5. Under section 19(1) of the Act the Authority 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.
6. The Authority engaged financial and technical consultants to examine the financial and technical capacity of Alinta DEWAP to undertake the activities authorised by the electricity integrated regional licence.
7. Following the financial assessment of the application submitted by Alinta DEWAP, the financial consultant concluded that Alinta DEWAP has and will likely retain the financial resources to undertake the activities authorised by the licence.
8. Following the technical assessment of the application submitted by Alinta DEWAP, the technical consultant concluded that Alinta DEWAP has and will likely retain the technical resources to undertake the activities authorised by the licence.
9. The Authority considered the electricity integrated regional licence application submitted by Alinta DEWAP along with the consultants' assessments and is satisfied that Alinta DEWAP meets the requirements of section 19(1) of the Act.
10. Section 9 of the Act requires that the Authority must not grant an electricity 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 to be considered by the Authority in this regard.
11. The Authority published a notice seeking public submissions 24 April 2014 and the submission period closed on 16 May 2014. No submissions were received.
12. The Authority 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). The Authority has also considered Alinta DEWAP's capacity to undertake the activities authorised by the licence as required by section 19 of the Act.
13. The Authority is satisfied that approval of an electricity integrated regional licence to Alinta DEWAP would not be contrary to the public interest.