

Decision on Electricity Retail Licence Application

Blue Star Energy Pty Ltd

5 March 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 retail licence to Blue Star Energy Pty Ltd (**Blue Star Energy**).
2. The licence is to sell electricity to large use customers subject to, and in accordance with, the terms set out in the licence for a period of 15 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 17 December 2013, Blue Star Energy applied for an electricity retail licence to sell electricity to large use customers (who consume more than 160 MWh per annum) within the approved licence area for Western Power's Electricity Distribution Licence 1.
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 a financial consultant to examine the financial capacity of Blue Star Energy to undertake the activities to be authorised by the retail licence. Following the assessment, the consultant concluded that Blue Star Energy has and is likely to retain the financial resources to undertake the activities to be authorised by the retail licence.
7. The Authority engaged a technical consultant to examine the technical capacity of Blue Star Energy to undertake the activities to be authorised by the retail licence. Following the assessment, the consultant concluded that Blue Star Energy has and is likely to retain the technical resources to undertake the activities to be authorised by the retail licence.
8. The Authority has considered the retail licence application including the consultants' assessments conducted for the purpose of the retail licence application and is satisfied that Blue Star Energy meets the requirements of section 19(1) of the Act.
9. 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.
10. A notice seeking public submissions was published on 23 December 2013 and the submission period closed on 15 January 2014. No submissions were received.
11. In its consideration of the retail licence application, the Authority considered the public interest, including all of the matters set out in section 8(5) of the Act as required by section 9(2) and Blue Star Energy's capacity to undertake the activities authorised by the retail licence as required by section 19 of the Act.
12. The Authority is satisfied that approval of an electricity retail licence to Blue Star Energy would not be contrary to the public interest.