Economic Regulation Authority

Decision on electricity retail licence renewal application

Bluewaters Power 1 Pty Ltd

13 August 2026

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Acknowledgement of Country

At the ERA we value our cultural diversity and respect the traditional custodians of the land and waters on which we live and work.

We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

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1. Introduction

In accordance with section 26(1)(g) of the *Economic Regulation Authority Act 2003* (ERA Act), this document sets out the ERA's decision on Bluewaters Power 1 Pty Ltd's electricity retail licence renewal application and the matters it considered in making its decision.

1.1 Decision

Pursuant to sections 9 and 19 of the *Electricity Industry Act 2004* (Electricity Industry Act), the ERA has renewed Bluewaters' electricity retail licence ERL12.

Subject to its terms and conditions, the licence authorises Bluewaters to sell electricity to large use customers in the South West Interconnected System.[1] Bluewaters currently supplies one customer, Boddington Gold Mine, and sells surplus energy in the Wholesale Electricity Market.[2]

The term of the renewed licence is 3 years, commencing 14 August 2026.

In accordance with section 23(1) of the Electricity Industry Act, the ERA will publish a notice of the renewal in the Government Gazette, as soon as practicable.

1 A large use customer consumes more than 160 megawatt hours of electricity per year.

2 The Wholesale Electricity Market, located in the South West Interconnected System, consists of a capacity market where electricity providers are paid for the capacity they make available, and a wholesale market where market participants interact to supply and purchase electricity.

2. Background

On 30 April 2026, Bluewaters applied for renewal of its electricity retail licence ERL12. The ERA considered the information provided and determined to renew the licence for a term of 3 years, for the reasons set out below.

2.1 Licence

Section 7(4) of the Electricity Industry Act requires a person to hold an electricity retail licence to sell electricity to customers.

The ERA first granted ERL12 on 14 August 2006, for a term of 15 years, which is the maximum period permitted for grant or renewal of an electricity retail licence under the Electricity Industry Act.

On 4 July 2025, the ERA renewed ERL12 for a 12-month term expiring on 13 August 2026, due to insufficient certainty about coal supply to justify renewing the licence for a longer period.[3]

In July 2022, the ERA renewed ERL12 for 36 months rather than for a longer term, due to uncertainty about Bluewaters' coal supply and customer supply contracts.

In August 2021, the ERA renewed ERL12 for 12 months to give Bluewaters time to negotiate with its senior secured lenders to extend a loan that was past due for repayment.

2.2 Public consultation

On 14 May 2026, the ERA published a notice on its website, inviting submissions from interested parties on the renewal application. No submissions were received during the 15 business day consultation period.

2.3 Assessment of application

The licence application guidelines on the ERA's website explain that the renewal of a licence is subject to the same financial, technical and public interest tests as the grant of a licence.

2.3.1 Financial assessment

Under section 19(1) of the Electricity Industry Act, the ERA must renew a licence if it is satisfied that the licensee has and is likely to retain, or will acquire within a reasonable time after the renewal, and is then likely to retain, the financial resources to undertake the activities authorised, or to be authorised, by the licence.

As part of its renewal application, Bluewaters provided audited financial statements for the financial year to 31 March 2026 and a written declaration from its Chief Financial Officer that Bluewaters has and will retain the financial resources to continue to undertake the activities authorised by its licence.

3 Electricity licensing reports and decisions are available on the ERA's website (online).

The ERA considered the financial information available and concluded that Bluewaters has and will retain the financial resources to continue to undertake the activities authorised by ERL12 for a period of 3 years, for the following reasons:

- The financial statements provided by Bluewaters show improved profit after tax and net cash flows compared to the previous two years.
- Bluewaters has been repaying its borrowings as and when they fall due.
- Its senior secured lenders have agreed an extension of its loan terms to September 2029.

2.3.2 Technical assessment

Under section 19(1) of the Electricity Industry Act, the ERA must renew a licence if it is satisfied that the licensee has and is likely to retain, or will acquire within a reasonable time after the renewal, and is then likely to retain, the technical resources to undertake the activities authorised, or to be authorised, by the licence.

The ERA considered Bluewaters' licence compliance history, including its performance audits, to determine whether it has the technical resources to continue to provide the licensed services.[4]

Based on its compliance history, the ERA considers that Bluewaters has, and is likely to retain, the technical resources to continue to undertake the activities authorised by ERL12.

2.3.3 Assessment of public interest

In its assessment of public interest, the ERA has considered the matters set out in section 8(5) of the Electricity Industry Act, the matters set out in section 26(1) of the ERA Act, the outcome of the public consultation process and information provided by Bluewaters. The relevant matters set out in the Electricity Industry Act and ERA Act are detailed below in sections 2.3.4 and 2.3.5.

The interests of Bluewaters as a service provider and Bluewaters' large use customer as a consumer are served by Bluewaters continuing to be licensed, so it can maintain supply to its customer (section 8(5)(d) of the Electricity Industry Act and sections 26(a), (b) and (d) of the ERA Act).

The continued operation of Bluewaters may support competition in the electricity market (section 8(5)(f) of the Electricity Industry Act and sections 26(2)(e) and (f) of the ERA Act).

The ERA conducted public consultation on the licence renewal application and has stated in this decision the reasons for renewing ERL12 (section 26(2)(g) of the ERA Act).

The ERA is satisfied that renewal of ERL12, for a term of 3 years, would not be contrary to the public interest.

2.3.4 Electricity Industry Act 2004

Section 9 of the Electricity Industry Act requires that the ERA must not renew a licence unless it is satisfied that it would not be contrary to the public interest to do so. Section 9(2) of the Electricity Industry Act provides that, without limiting the other matters that may be taken into

[4] Performance audit reports and post-audit implementation plans for electricity licensees are available on the ERA's website (online).

account, the ERA must take into account the matters referred to in section 8(5) of the Electricity Industry Act when determining whether the renewal would be contrary to the public interest. Those matters are:

a. Environmental considerations.

b. Social welfare and equity considerations, including community service obligations.

c. Economic and regional development, including employment and investment growth.

d. The interests of customers generally or of a class of customers.

e. The interests of any licensee, or applicant for a licence, in respect of the area or areas to which the licence in respect of which the power exercised is exercised would apply.

f. The importance of competition in electricity industry markets.

g. The policy objectives of government in relation to the supply of electricity.

2.3.5 Economic Regulation Authority Act 2003

In making its decision, the ERA must also have regard to the matters set out in section 26(1) of the *Economic Regulation Authority Act 2003*:[5]

a. The need to promote regulatory outcomes that are in the public interest.

b. The long-term interests of consumers in relation to the price, quality and reliability of goods and services provided in relevant markets.

c. The need to encourage investment in relevant markets.

d. The legitimate business interests of investors and service providers in relevant markets

e. The need to promote competitive and fair market conduct.

f. The need to prevent abuse or monopoly or market power.

g. The need to promote transparent decision-making processes that involve public consultation.

2.4 Licence duration

The ERA has decided to renew ERL12 for 3 years.

Renewing ERL12 for 3 years will enable Bluewaters to continue to meet its contractual commitments to its customer, and will allow the ERA to review Bluewaters' financial position on the expiry of its current lending agreement.

5 The ERA has discretion to decide the weight it gives to each of the matters listed in section 26 of the ERA Act in making its decision.