

Decision on Electricity Retail Licence Application – EDL Pilbara Pty Ltd

27 August 2011

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 Authority approves the grant of a electricity retail licence to EDL Pilbara Pty Ltd (**Applicant**) to sell electricity, subject to, and in accordance with, the terms set out in the retail licence for a period of 15 years.
2. 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

3. On 18 January 2011, the Applicant submitted a licence application to retail electricity to one customer in Maitland, Western Australia.
4. The Applicant is currently a wholly owned subsidiary of Energy Developments Limited (**EDL**). EDL currently own and operate a liquefied natural gas facility on the North West Coastal Highway at the Maitland Industrial Estate, Maitland. The Applicant intends to sell electricity to a large use customer sub-lease tenant in Maitland.
5. The Applicant is not deemed an existing operator and therefore under section 7 of the Act requires a retail licence in order to sell electricity in Western Australia.
6. The Authority engaged the Paxon Group (**Paxon**) to examine the financial capacity of the Applicant to undertake the activities authorised by the retail licence. Following the assessment, Paxon concluded that the Applicant has and will likely retain the financial resources to undertake the activities authorised by the licence.
7. The Authority engaged Qualeng to examine the technical capacity of the Applicant to undertake activities authorised by the retail licence. Following the assessment, Qualeng concluded that the Applicant has and is likely to retain the technical resources to undertake the activities authorised by the licence.
8. The Authority has considered the retail licence application including the advisors' assessments conducted for the purpose of the retail licence application and is satisfied that the Applicant meets the requirements of section 19(1) of the Act.
9. Section 9 of the Act, amongst other matters, 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 June 2011 and the submission period closed on 14 July 2011. No public comment was received on the application for the retail licence.

11. In its consideration of the 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 retail licence to the Applicant would not be contrary to the public interest.

LYNDON ROWE
CHAIRMAN