
Electricity Distribution Licence

Electricity Industry Act 2004 (WA) LICENCE EDL

Summary for publication

Goldfields Power Pty Ltd
(Licensee)

81 062 186 243

Level 2, Parmelia House
191 St Georges Terrace
PERTH WA 6000



1 Introduction

Goldfields Power Pty Ltd (**GPPL**) own and operate electricity distribution infrastructure at Parkeston Power Station near Kalgoorlie, Western Australia (**GPPL Network**). GPPL already holds an Electricity Generation Licence (EGL11) issued by the Economic Regulation Authority (**ERA**) under the *Electricity Industry Act 2004 (WA)* (**Act**). GPPL also holds an electricity retail licence (ERL4).

The GPPL Network is electrically connected to Western Power's electricity transmission system (**Western Power Network**) at the Parkeston Power Station substation and also connected to Newmont Power Pty Ltd's (**NPPL**) electricity distribution system (**NPPL Network**).

The GPPL Network consists of two busbars operating at 33 kV, three 11/33 kV step-up transformers, five metered, 33kV connection points to the NPPL electricity distribution system and an un-metered 33kV connection point to Western Power's electricity transmission. Metering and 33kV / 132 kV step transformers for this connection point are located at Western Power's side of the connection.

GPPL has recently become aware that it is required by section 7(3) of the Act to obtain and hold an electricity distribution licence to operate the GPPL Network.

2 Corporate information

Item	Information
Entity name	Goldfields Power Pty Ltd
ACN	062 186 243
ABN	81 062 186 243
Registered address	Parmelia House, Level 2, 191 St Georges Terrace, Perth WA 6000
Contact person details	Kristian Myhre, Commercial Manager (Kristian_myhre@transalta.com) / +61 8 9420 0627)
Company profile	Goldfields Power Pty Ltd (GPPL) is a joint venture company owned in equal shares by TEC Kalgoorlie Pty Ltd (TECK - a TransAlta company) and NP Kalgoorlie Pty Ltd (NPK - a Newmont company) and established in 1995 for the purpose of owning and operating the Parkeston Power Station in Kalgoorlie and associated infrastructure. GPPL has continuously operated these assets since 1995 and plans to do so into the future. GPPL does not employ staff and instead contracts operation and maintenance activities to TEC Operations Pty Ltd (TECO), a wholly owned subsidiary of TransAlta Energy (Australia) Pty Ltd.
Type of company	Australian proprietary company limited by shares

3 Financial information

The GPPL Network assets have historically been operated and maintained under the existing generation licence and associated customer activities under the retail licence. Contractual arrangements have been in place since 1995 with both customers and service providers to ensure successful operation of both the Parkeston Power Station and the associated GPPL Network. The operations are ongoing underpinned by long-term customer contracts.

Systems and procedures currently in place, including for asset management already cover both the power station and electricity distribution assets. These arrangements will continue in future and there are therefore no additional costs or investments required to support operations of the electricity distribution assets.

4 Customer information

The following customers are currently supplied via the existing distribution assets that are the subject of this licence application:

- Newmont Power Pty Ltd, and
- Western Power.

The customer arrangement with Newmont Power Pty Ltd is a bilateral contract arrangement for long term power supply. Supply to the Western Power network is traded through the Wholesale Energy Market with no specific end use customer arrangement in place. All customers are currently being provided with services under the existing generation and retail licencing arrangements.

5 Compliance

GPPL has completed several regulatory audits of its performance under the currently held generation and retail licences with a high level of compliance achieved. GPPL will continue to rely on its established systems and procedure to ensure continued compliance with its obligations under the licencing regime, including with any new obligations under an electricity distribution licence.

6 Public interest information

GPPL considers granting an electricity distribution licence would not be contrary to the public interest in any regard. It would be in the public interest to ensure these ongoing electricity distribution activities are conducted under the authorisation of a licence as required under the Act. Remedying the current situation by being granted an electricity distribution licence would be in the public interest.

With regard to the specific considerations, GPPL's views are as follows:

- **Environmental considerations:** There would be no detrimental environmental impacts by granting an electricity distribution licence. GPPL currently holds all required environmental licences and approvals in relation to its overall business associated with the Parkeston Power Station and has in place systems and procedures to ensure compliance with our obligations. Our performance has historically been monitored under the generation and retail licences already held by GPPL with no significant performance issues identified. GPPL takes its compliance obligations very seriously and pro-actively works to identify issues, including self-reporting incidents to ERA and identify ways to improve compliance for future. Our most recent licence audit for the generation and retail licence was finalised in 2018.
- **Social welfare and equity considerations, including community service obligations:** Continued operation of the GPPL Network will facilitate employment and economic activity in the Kalgoorlie area, including in related businesses within the mining industry. The GPPL Network operates exclusively on private land owned and controlled by GPPL. GPPL only serve a large, commercial customer and is not required to administer any community service obligations but endeavours to contribute positively to the communities in which it operates.
- **Economic and regional development factors, including employment and investment growth:** The GPPL network is an essential part of the overall GPPL business and has contributed significantly to economic and regional development bringing about growth in employment and investment in the region. Since the construction of the Parkeston Power Station in 1996 our mining customers have had access to competitive, gas-fired electricity to provide both an increase in reliability of electricity supply and competitive tension for the price of grid-supplied electricity. The Parkeston Power Station is also an important part of supporting the South West Interconnected System (SWIS) in the local Kalgoorlie area at times when Western Power's 220kV line to Muja is on forced or planned outage. The GPPL Network is required in providing these services that benefit our customers directly and the wider local community indirectly through economic activity and grid support.
- **Interests of customers generally or of a class of customers:** Granting an electricity distribution licence for the GPPL Network will not have any detrimental impact on any customer groups. The GPPL Network does not extend beyond currently owned and controlled private land. Operation of the GPPL Network is providing benefits to GPPL's large, commercial customer and customers in general by facilitating participation in the Wholesale Electricity Market by the Parkeston Power Station. This brings additional competitive pressure to the wholesale market for electricity.
- **Interests of any licensee, or applicant for a licence, in respect of the area or areas to which the order, if made, would apply:** GPPL is not aware of any other licence holders or applicants for a licence that could possibly be impacted in a negative way by granting an electricity distribution licence to GPPL. The GPPL Network does not extend beyond currently owned and controlled private land.

- **Competition in electricity and gas industry markets:** Operation of the GPPL Network is essential in delivering electricity from the Parkeston Power Station to the Wholesale Electricity Market and to a large commercial customer. Granting an electricity distribution licence will allow the competitive benefits that flow from operating the Parkeston Power Station to continue, with the additional benefit of doing so without contravening the Act's requirements to hold an electricity distribution licence. Parkeston Power Station is also a significant user of natural gas from the Goldfields Gas Pipeline whilst also having full dual fuel capability. Being a large natural gas customer with ability to switch fuels is likely to provide some level of competitive tension to the provision of natural gas pipeline services to the Kalgoorlie area.
- **Policy objectives of the Government in relation to the supply of electricity and gas:** For the reasons set out in the bullet points in this section, GPPL is of the opinion that granting an electricity distribution licence for the GPPL Network will allow GPPL to continue to operate the GPPL business without being in contravention of the Act and continue to contribute to achieving objectives around economic efficiency, competition and supply security for energy, and in particular for electricity in the Kalgoorlie area.

In summary, GPPL considers that grant of the licence is in the public interest and is not aware of any reasons that grant of a licence would be contrary to the public interest.

7 Licence Supply and Operating Areas

The GPPL Network is located at the Parkeston Power Station at Bulong Road, Kalgoorlie, Western Australia for which GPPL holds a current generation licence (EGL11). GPPL proposes to use the current map for GPPL's generation licence ([ERA-EL-083-A](#)) with the greyed-out area on the map representing the proposed electricity distribution licence area for the GPPL Network.