

Decision on amendment of Electricity Integrated Regional Licence 2 (EIRL2)

Horizon Power

8 December 2014

Economic Regulation Authority

WESTERN AUSTRALIA

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Decision

1. In accordance with sections 9 and 21 of the *Electricity Industry Act 2004* (**Act**), the Economic Regulation Authority (**Authority**) has approved an amendment to Regional Power Corporation's (t/a **Horizon Power**) Electricity Integrated Regional Licence 2 (**EIRL2**).
2. The amendment to EIRL2 expands Horizon Power's South Hedland, Carnarvon and Onslow licence areas. In addition, EIRL2 has been amended to remove reference to the following generating works:
 - Carnarvon Power Station (21 **megawatts** (MW));
 - Marble Bar Power Station (1.28 MW);
 - Nullagine Power Station (0.96MW);
 - Kunnurra (Standby) Power Station (21MW);
 - Wyndham (Standby) Power Station (3.8MW);
 - Onslow (Standby) Power Station (3.12MW).
3. As required by section 23(1) of the Act, the Authority will publish a notice of its approval of the amendments in the Government Gazette as soon as is practicable.

Reasons

4. On 28 October 2014 Horizon Power applied to have the South Hedland, Carnarvon and Onslow licence areas extended to allow for the expansion of its distribution network in these areas. In addition, Horizon Power applied to have the following generating works removed from EIRL2:
 - Carnarvon Power Station (21 MW);
 - Marble Bar Power Station (1.28 MW);
 - Nullagine Power Station (0.96MW);
 - Kunnurra (Standby) Power Station (21MW);
 - Wyndham (Standby) Power Station (3.8MW);
 - Onslow (Standby) Power Station (3.12MW).
5. Horizon Power made the application for removal of the above generating works having regard to section 3 of the *Electricity Industry Exemption Order 2005* (**Exemption Order**). The Exemption Order exempts a person from the requirement for a generation licence under the Act, if the generation capacity of the generating works concerned is less than 30 MW at each connection point.
6. The Authority notes that each of the generating works is below the 30 MW threshold in accordance with the requirements of section 3 of the Exemption Order.
7. Horizon Power has also sought to expand the licence areas in South Hedland, Carnarvon and Onslow to allow for extension of its distribution network in those areas. The extensions allow for supply to new customers.

8. On 4 November 2014, the Authority sought public submissions on the proposed amendments. No submissions were received.
9. Pursuant to section 21 of the Act, the Authority may amend a licence if the applicant has made the application in a form approved by the Authority and paid the prescribed application fee. Horizon Power has satisfied these requirements.
10. Section 9(1) of the Act states that the Authority must not exercise a power conferred by Part 2, Division 3 of the Act (general licensing provisions) unless the Authority is satisfied that it would not be contrary to the public interest to do so.
11. Section 9(2) of the Act provides that, when determining whether the exercise of the power would not be contrary to the public interest, the Authority must, without limiting the other matters that may be taken into account, take into account the matters referred to in section 8(5) of the Act.
12. The Authority has not found any evidence that granting the amendment would be contrary to the public interest. Accordingly, the Authority has approved the amendment to EIRL2.