

Decision on application to amend Electricity Integrated Regional Licence EIRL2

Regional Power Corporation (t/a Horizon Power)

27 July 2015

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 Horizon Power's Electricity Integrated Regional Licence 2 (**EIRL2**).
2. EIRL2 has been amended to replace Horizon Power's 40 operating areas with a single consolidated area of regional Western Australia (the area not serviced by the South West Interconnected System (**SWIS**)), and to remove generation from the list of activities authorised by the licence.
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 21 May 2015, Horizon Power applied to replace its multiple licence areas with a single consolidated licence area of the regional area of Western Australia not serviced by the SWIS. This is to reduce the administrative and regulatory burden of maintaining multiple licence area maps. On 9 June 2015, the Authority called for public submissions on the licence amendment application by 30 June 2015. No submissions were received.
5. 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. Horizon Power has satisfied these requirements.
6. Horizon Power separately requested that its licence to construct and operate generating works (Schedule 1, clause 1.1(a)) be removed consistent with the decision to remove generating works of less than 30MW from EIRL2 on 8 December 2014. The Authority considered this to be minor amendment and has not sought public comment on this amendment.
7. 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 the proposed amendments would not be contrary to the public interest to do so.
8. 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.
9. The Authority has not found any evidence that granting the proposed amendments would be contrary to the public interest. Accordingly, the Authority has approved the amendments to EIRL2.
10. The Authority notes that Horizon Power's new licence operating area map ERA-EL-143 provides an approximate boundary of the SWIS and identifies the towns that Horizon Power supplies electricity to in the non-SWIS area of Western Australia. Text on the map explains that Horizon Power will provide on request a copy of a map that shows the location of specific infrastructure.
11. The Authority also notes that if, Horizon Power wishes to construct or operate generating works of 30MW or more in the future, it will need to apply for a licence amendment.