Economic Regulation Authority

Decision on electricity distribution licence (EDL3) amendment application

Southern Cross Energy Partnership

19 October 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 Economic Regulation Authority's decision on the electricity distribution licence amendment application of TEC Desert Pty Ltd and TEC Desert No.2 Pty Ltd trading as Southern Cross Energy Partnership, and the matters it considered in making its decision.

1.1 Decision

Pursuant to sections 9 and 21 of the *Electricity Industry Act 2004* (Electricity Industry Act), the ERA grants an amendment of Southern Cross Energy Partnership's electricity distribution licence EDL3, expanding the licence area. A new licence area map has been published on the Southern Cross Energy Partnership page of the ERA's website. The new map has a second page to depict the expanded licence area near Feysville.

Subject to its terms and conditions, the licence authorises Southern Cross Energy Partnership to provide electricity distribution services in both the Southern and Northern Goldfields areas as set out in revised licence area plan ERA-EL-109F.

The term of the licence remains unchanged at 30 years (the maximum period allowed by section 15(2) of the Electricity Industry Act) from the date the licence was first granted, 30 June 2006. The licence expiry date is 29 June 2036.

As required by section 23(1) of the Electricity Industry Act, the ERA will publish a notice of the amendment of EDL3 in the *Government Gazette* as soon as practicable.

2. Background

On 22 April 2026, Southern Cross Energy Partnership applied to amend the licence area boundary of EDL3 to expand its operations, to facilitate the supply of electricity to the Mount Marion Lithium Mine and its associated infrastructure.

The proposed amendment reflects the intended acquisition of approximately 16.5 kilometres of a 33kV distribution line from Western Power and the construction of a new 132/33kV substation and associated ancillary equipment, to connect Southern Cross Energy Partnership's existing transmission network to the newly acquired distribution line.

The proposed electrical substation will be located at Feysville on freehold land owned by Northern Star Resources, with control of assets maintained via a sublease agreement in relation to the substation and an access deed for the powerline corridor.

Once the infrastructure works are complete, Southern Cross Energy Partnership will continue to supply electricity to BHP Nickel West under an existing Power Purchase Agreement, while BHP Nickel West intends to sell electricity to the Mount Marion Lithium Mine under its retail licence ERL2.[1]

Section 21 of the Electricity Industry Act prescribes the ERA may grant a licence amendment if the licence amendment application has been made in a form approved by the ERA and if the applicant has provided any additional information that the ERA may require for the proper consideration of the application.

2.1 Public consultation

On 7 July 2026, the ERA published a notice seeking public comment on the licence amendment application. No submissions were received during the 15-business day consultation period.

2.2 Assessment of application

Section 19(1) of the Electricity Industry Act requires the ERA to assess the financial and technical resources of an applicant when it grants, renews or transfers a licence. There is no requirement to perform this assessment for a licence amendment application, however there is scope to carry out assessments if the ERA considers it appropriate.

In making its decision, the ERA considered Southern Energy Partnership's financial statements for the past three financial years, and its licence compliance history, including past performance audit and asset management reviews.[2] The ERA is satisfied that Southern Cross Energy Partnership has and is likely to retain, the financial and technical resources to meet its existing and new obligations under the amended licence.

2.3 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 and information provided by Southern

[1] A licensee is permitted to supply electricity under an electricity retail licence (rather than requiring an integrated regional licence) even if there is no SWIS connection.

[2] The ERA publishes performance audit and asset management review reports on its website.

Cross Energy Partnership. The relevant matters set out in the Electricity Industry Act and ERA Act are detailed below in sections 2.3.1 and 2.3.2.

The ERA is satisfied that granting the amendment of EDL3 would not be contrary to the public interest.

2.3.1 Electricity Industry Act 2004

Section 9 of the Electricity 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 8(5) of the Electricity Act, provides that, without limiting the other matters that may be taken into account, matters that are to be taken into account to determine whether the exercise of the power would not be contrary to the public interest 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.

2.3.2 Economic Regulation Authority Act 2003

The ERA must also have regard to the matters set out in section 26(1) of the *Economic Regulation Authority Act 2003*:[3]

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.

[3] 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.