

Decision on Generation Licence Application for Worsley Alumina Pty Ltd ABN 58 008 905 155

30 June 2006

Economic Regulation Authority



WESTERN AUSTRALIA

A full copy of this document is available from the
Economic Regulation Authority website at www.era.wa.gov.au.

For further information, contact:

Mr Paul Kelly
Executive Director
Licensing, Monitoring and Customer Protection Division
Economic Regulation Authority
Perth, Western Australia
Phone: (08) 9213 1900

© Economic Regulation Authority 2006

The copying of this document in whole or part for non-commercial purposes is permitted provided that appropriate acknowledgment is made of the Economic Regulation Authority and the State of Western Australia. Any other copying of this document is not permitted without the express written consent of the Authority.

DECISION

1. On 19th December 2005 Worsley Alumina Pty Ltd ABN 58 008 905 155 (**Applicant**) submitted an application to the Economic Regulation Authority (**Authority**) for a Generation Licence to operate a cogeneration facility located on land within the Worsley Alumina Pty Ltd ABN 58 008 905 155 alumina refinery site in Worsley Western Australia.
2. The Generation Licence Application was made pursuant to section 10 of the *Electricity Industry Act 2004* (**Act**).
3. Pursuant to section 9 and section 19 of the Act, the Authority approves the grant of a Generation Licence to the Applicant to generate the supply of electricity subject to, and in accordance with, the terms set out in the Generation Licence. The term of the Generation Licence is 30 years.

REASONS

1. The Authority engaged 2020 Global Business Consultants Pty Ltd (**2020 Global**) to examine the financial capacity of the Applicant to undertake the activities authorised by the Generation Licence. Following the assessment, 2020 Global concluded that the Applicant has and will likely retain the financial resources to undertake the activities to be authorised by the Generation Licence.
2. The Authority engaged ETSA Utilities Pty Ltd (**ETSA Utilities**) to examine the technical capacity of the Applicant to undertake activities authorised by the Generation Licence. Following the assessment ETSA Utilities concluded that the Applicant has and is likely retain the technical resources to carry out the functions authorised by a Generation Licence.
3. The Authority has considered the Generation Licence Application and the advisers' reports and is satisfied that the Applicant meets the requirements of section 19(1) of the Act.
4. Section 9 of the Act states that the Authority must not exercise a power conferred by 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.
5. Following receipt of the Generation Licence Application, a notice regarding receipt of the Generation Licence Application was published on the Authority's website in January 2006. The Authority did not receive any objection to the grant of a Generation Licence to the Applicant.
6. In its consideration of the Generation Licence 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) of the Act. The Authority is satisfied that approval of a Generation Licence to the Applicant would not be contrary to the public interest.
7. The Authority has therefore decided to grant a Generation Licence to Worsley Alumina Pty Ltd ABN 58 008 905 155 for the operation of the cogeneration facility located on land within the Worsley Alumina Pty Ltd ABN 58 008 905 155 alumina refinery site at Worsley in the State of Western Australia. The term of the Generation Licence is 30 years.

8. As required by section 23(1) of the Act, the Authority will publish a notice of its approval of the Generation Licence application in the *Government Gazette* as soon as is practicable.