

Decision on Electricity Integrated Regional Licence Application

Alinta Energy Transmission (Roy Hill) Pty Ltd – EIRL6

1 October 2013

Economic Regulation Authority

WESTERN AUSTRALIA

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For further information, contact:

Economic Regulation Authority
Perth, Western Australia
Phone: (08) 6557 7900

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Decision

1. Pursuant to sections 9 and 19 of the *Electricity Industry Act 2004 (Act)*, the Economic Regulation Authority (**Authority**) has approved the grant of an electricity integrated regional licence to Alinta Energy Transmission (Roy Hill) Pty Ltd (**AETR**H).
2. The licence is to generate, transmit, distribute and supply electricity to a single large use customer, subject to, and in accordance with, the terms set out in the licence for a period of 30 years.
3. As required by section 23(1) of the Act, the Authority will publish a notice of the grant of the licence in the Government Gazette as soon as practicable.

Reasons

4. On 3 July 2013 AETR H applied for an electricity integrated regional licence. The application is to construct and operate a 123km power transmission line from the existing Newman Power Station to a new substation to be built at the Roy Hill mine, where electricity will be distributed throughout the mine through a 33kV electricity distribution network.
5. Under section 19(1) of the Act the Authority must grant a licence if it is satisfied that the applicant has and is likely to retain, or will acquire within a reasonable time after the grant, and is then likely to retain, the financial and technical resources to undertake the activities authorised by the licence.
6. The Authority engaged financial and technical consultants to examine the financial and technical capacity of AETR H to undertake the activities authorised by the electricity integrated regional licence.
7. Following the financial assessment of the application submitted by AETR H, the financial consultant concluded that AETR H has and will likely retain the financial resources to undertake the activities authorised by the licence.
8. Following the technical assessment of the application submitted by AETR H, the technical consultant concluded that AETR H will acquire within a reasonable time after the grant of electricity integrated regional licence, and is then likely to retain, the technical resources to undertake the activities to be authorised by the licence.
9. The Authority considered the electricity integrated regional licence application submitted by AETR H along with the consultants' assessments and is satisfied that AETR H meets the requirements of section 19(1) of the Act.
10. Section 9 of the Act requires that the Authority must not grant an electricity licence unless it is satisfied that it would not be contrary to the public interest to do so. Section 8(5) of the Act, without limitation, specifies the matters to be considered by the Authority in this regard.
11. On 24 July 2013, the Authority called for public submissions on the licence application by 15 August 2013. No submissions were received.

12. The Authority has considered the public interest, including all of the matters set out in section 8(5) of the Act as required by section 9(2). The Authority has also considered AETRH's capacity to undertake the activities authorised by the licence as required by section 19 of the Act.
13. The Authority is satisfied that approval of an electricity integrated regional licence to AETRH would not be contrary to the public interest.