

Decision on Electricity Integrated Regional Licence Application

TEC Hedland Pty Ltd

15 October 2014

Economic Regulation Authority

WESTERN AUSTRALIA

© Economic Regulation Authority 2014

This document is available from the Economic Regulation Authority's website at www.erawa.com.au. For further information, contact:

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

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 TEC Hedland Pty Ltd (**TEC Hedland**).
2. The licence authorises TEC Hedland to generate and sell electricity to large use customers 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 licence in the Government Gazette as soon as practicable.

Reasons

4. On 5 August 2014, TEC Hedland applied for an electricity integrated regional licence. The application is to generate, and sell electricity to large use customers in the Pilbara region of Western Australia. TEC Hedland will generate electricity within the Boodarie Resource Processing Estate, approximately 13km south of Port Hedland and 6km west of South Hedland.
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 timeframe, 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 TEC Hedland to undertake the activities authorised by the electricity integrated regional licence.
7. Following the financial assessment of the application submitted by TEC Hedland, the financial consultant concluded that TEC Hedland complies with the financial requirements under section 19(1) of the Act.
8. Following the technical assessment of the application submitted by TEC Hedland, the technical consultant concluded that TEC Hedland complies with the technical requirements under section 19(1) of the Act.
9. The Authority considered the electricity integrated regional licence application submitted by TEC Hedland along with the consultants' assessments and is satisfied that TEC Hedland 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 28 August 2014, the Authority published a notice seeking public submissions on the application submitted by TEC Hedland. The submission period closed on 18 September 2014. 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). Having regard to this, and the assessments of TEC Hedland's resources to undertake the activities to be authorised by the licence under section 19(1) of the Act, the Authority is satisfied that granting an electricity integrated regional licence to TEC Hedland would not be contrary to the public interest.