



# Electricity Integrated Regional Licence

TEC Hedland Pty Ltd

EIRL9, Version 1, 15 October 2014

**Economic Regulation Authority**

WESTERN AUSTRALIA

***ELECTRICITY INDUSTRY ACT 2004 (WA)***

Licensee Name:	TEC Hedland Pty Ltd ACN 169 777 404
Licensee Address	Parmelia House, Level 14 191 St Georges Terrace Perth WA 6000
Description of generating works	Port Hedland power station (three gas turbines)
Nameplate capacity of generating works	149 MW
Licence area	The area set out in the maps referred to in Schedule 1
Licence Number:	EIRL9
Commencement Date:	15 October 2014
Version Number:	1
Version Date	15 October 2014
Expiry Date	14 October 2044

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Signed by a delegate;

member; or

the Chairman of the Economic Regulation Authority

15 October 2014

## INTEGRATED REGIONAL LICENCE

### 1. Definitions and interpretation

1.1 In this licence, the following definitions apply unless the context otherwise requires:

**Act** means the *Electricity Industry Act 2004 (WA)*.

**applicable legislation** means:

- (a) the *Act*; and
- (b) the *Regulations* and the *Codes* that apply to the *licensee*.

**Authority** means the Economic Regulation Authority.

**business day** means a day which is not a Saturday, Sunday or a Public Holiday in Western Australia.

**Code** means:

- (a) the *Code of Conduct for the Supply of Electricity to Small Use Customers* or any such replacement Code approved pursuant to section 79 of the *Act*;
- (b) the *Electricity Industry Customer Transfer Code 2004*;
- (c) the *Electricity Networks Access Code 2004*;
- (d) the *Electricity Industry Metering Code 2005*;
- (e) the *Electricity Industry (Network Quality and Reliability of Supply) Code 2005*; and
- (f) a code prepared by the Authority or the Minister pursuant to Section 39 of the *Act*.

**commencement date** means the date the *licence* was first granted by the *Authority* being the date specified in Schedule 1.

**customer** has the meaning given to that term in section 3 of the *Act*.

**distribution system** has the meaning given to that term in section 3 of the *Act*.

**electricity** has the meaning given to that term in section 3 of the *Act*.

**electronic means** means:

- (a) the internet;
- (b) email, being:
  - (i) in relation to the *Authority*, the *Authority's* email address as notified to the *licensee*; and

- (ii) in relation to the *licensee*, the email address specified in the licence application or other such email address as notified in writing to the *Authority*; or
- (c) any other similar means,  
but does not include facsimile or telephone.

**expiry date** means the date specified in Schedule 1.

**generating works** has the meaning given to that term in section 3 of the *Act*.

**individual performance standards** mean any standards prescribed by the *Authority* for an individual *licensee* pursuant to clause 13 of the *licence*.

**licence** means:

- (a) this document (excluding the title page and the second page of this document);
- (b) any Schedules to this document; and
- (c) any *individual performance standards* approved by the *Authority* pursuant to clause 13.

**licence area** is the area stated in Schedule 1 of this *licence*.

**licensee** means TEC Hedland Pty Ltd, ACN 169 777 404.

**notice** means a written notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to, or in connection with, this *licence*.

**operate** has the meaning given to that term in section 3 of the *Act*.

**performance audit** means an audit of the effectiveness of measures taken by the *licensee* to meet the *performance criteria* in this *licence*.

**performance criteria** means:

- (a) the terms and conditions of the licence; and
- (b) any other relevant matter in connection with the *applicable legislation* that the *Authority* determines should form part of the *performance audit*.

**publish** in relation to a report or information means either:

- (a) posting the report or information on the *licensee's* website; or
- (b) sending the report or information to the *Authority* to be published on the *Authority's* website.

**Regulations** means:

- (a) *Electricity Industry (Access Code Enforcement) Regulations 2005*;
- (b) *Electricity Industry (Arbitrator and Board Funding) Regulations 2009*;

- (c) *Electricity Industry (Code of Conduct) Regulations 2005*;
- (d) *Electricity Industry (Customer Contracts) Regulations 2005*;
- (e) *Electricity Industry (Independent Market Operator) Regulations 2004*;
- (f) *Electricity Industry (Licence Conditions) Regulations 2005*;
- (g) *Electricity Industry (Licensing Fees) Regulations 2005*;
- (h) *Electricity Industry (Obligation to Connect) Regulations 2005*;
- (i) *Electricity Industry (Ombudsman Scheme) Regulations 2005*;
- (j) *Electricity Industry (Tariff Equalisation) Regulations 2006*;
- (k) *Electricity Industry (Wholesale Electricity Market) Regulations 2004*; and
- (l) any regulations in force from time to time made pursuant to the *Act*.

**related body corporate** has the meaning given to that term in section 50 of the *Corporations Act 2001 (Cwth)*.

**reviewable decision** means a decision by the *Authority* pursuant to:

- (a) clause 13.2;
- (b) clause 14.2;
- (c) clause 14.4;
- (d) clause 17.31;
- (e) clause 20.5; or
- (f) clause 20.7,

of this *licence*.

**small use customer** has the same meaning as the meaning given to “customer” in section 47 of the *Act*.

**South West Interconnected System** has the meaning given to that term in section 3 of the *Act*.

**supply** has the meaning given to that term in section 3 of the *Act*.

**transmission system** has the meaning given to that term in section 3 of the *Act*.

**version date** means the date on which the *licence* was last amended pursuant to clause 10 or clause 11.

- 1.2 A reference in this *licence* to any *applicable legislation* includes, unless the context otherwise requires, any statutory modification, amendment or re-enactment of that *applicable legislation*.

## **2. Grant of Licence**

2.1 The *licensee* is granted a *licence* for the *licence area* to carry out the activities described in Schedule 1 in accordance with the *terms and conditions* of this *licence*.

## **3. Term**

3.1 This *licence* commences on the *commencement date* and continues until the earlier of:

- (a) the cancellation of the *licence* pursuant to clause 7 of this *licence*;
- (b) the surrender of the *licence* pursuant to clause 8 of this *licence*; or
- (c) the *expiry date*.

## **4. Fees**

4.1 The *licensee* must pay the applicable fees in accordance with the *Regulations*.

## **5. Compliance**

5.1 Subject to any modifications or exemptions granted pursuant to the *Act*, the *licensee* must comply with any *applicable legislation*.

## **6. Transfer of Licence**

6.1 This *licence* may be transferred only in accordance with the *Act*.

## **7. Cancellation of Licence**

7.1 This *licence* may be cancelled only in accordance with the *Act*.

## **8. Surrender of Licence**

8.1 The *licensee* may only surrender the *licence* pursuant to this clause 8.

8.2 If the *licensee* intends to surrender the *licence* the *licensee* must, by *notice* in writing to the *Authority*:

- (a) set out the date that the *licensee* wishes the surrender of the *licence* to be effective; and
- (b) set out the reasons why the *licensee* wishes to surrender the *licence*, including the reasons why it would not be contrary to the public interest for the surrender of the *licence* to be effective on the date set out in the *notice*.

8.3 Upon receipt of the *notice* from the *licensee* pursuant to clause 8.2, the *Authority* will publish the *notice*.

8.4 Notwithstanding clause 8.2, the surrender of the *licence* will only take effect on the later of the day that:

- (a) the *Authority* publishes a notice of the surrender in the Western Australian Government Gazette, such date to be at the discretion of the *Authority*; and

(b) the *licensee* hands back the *licence* to the *Authority*.

8.5 The *licensee* will not be entitled to a refund of any fees by the *Authority*.

## **9. Renewal of Licence**

9.1 This *licence* may be renewed only in accordance with the *Act*.

## **10. Amendment of Licence on Application of the Licensee**

10.1 The *licensee* may apply to the *Authority* to amend the *licence* in accordance with the *Act*.

## **11. Amendment of Licence by the Authority**

11.1 Subject to any *applicable legislation*, the *Authority* may amend the *licence* at any time in accordance with this clause.

11.2 Before amending the *licence* under clause 11.1, the *Authority* must:

(a) provide the *licensee* with written *notice* of the proposed amendments under consideration by the *Authority*;

(b) allow 15 *business days* for the *licensee* to make submissions on the proposed amendments; and

(c) take into consideration those submissions.

11.3 This clause also applies to the substitution of the existing *licence*.

11.4 For avoidance of doubt, the *licensee* will not have to pay a fee for amendments under clause 11.

## **12. Accounting Records**

12.1 The *licensee* and any *related body corporate* must maintain accounting records that comply with standards issued by the Australian Accounting Standards Board or equivalent International Accounting Standards.

## **13. Individual Performance Standards**

13.1 Performance standards are contained in *applicable legislation*

13.2 The *Authority* may prescribe *individual performance standards* applying to the *licensee* in respect of the *licensee's* obligations under this *licence* or the *applicable legislation*.

13.3 Before approving any *individual performance standards* under this clause, the *Authority* will:

(a) provide the *licensee* with a copy of the proposed *individual performance standards*;

(b) allow 15 *business days* for the *licensee* to make submissions on the proposed *individual performance standards*; and

(c) take into consideration those submissions.

13.4 Once approved by the *Authority*, the *individual performance standards* are included as additional *terms and conditions* to this *licence*.

#### **14. Performance Audit**

14.1 The *licensee* must, unless otherwise notified in writing by the *Authority*, provide the *Authority* with a *performance audit* within 24 months after the *commencement date*, and every 24 months thereafter.

14.2 The *licensee* must comply, and must require the *licensee's* auditor to comply, with the *Authority's* standard audit guidelines.

14.3 The *licensee* may seek a review of any of the requirements of the *Authority's* standard audit guidelines in accordance with clause 19.1.

14.4 The *performance audit* must be conducted by an independent auditor approved by the *Authority*. If the *licensee* fails to nominate an auditor within one month of the date that the *performance audit* was due, or the auditor nominated by the *licensee* is rejected on two successive occasions by the *Authority*, the *Authority* may choose an independent auditor to conduct the *performance audit*.

#### **15. Reporting a Change in Circumstances**

15.1 The *licensee* must report to the *Authority*:

(a) if the *licensee* is under external administration as defined by the *Corporations Act 2001 (Cwth)* within 2 *business days* of such external administration occurring; or

(b) if the *licensee*:

(i) experiences a change in the *licensee's* corporate, financial or technical circumstances upon which this *licence* was granted; and

(ii) the change may materially affect the *licensee's* ability to perform its obligations under this *licence*,

within 10 *business days* of the change occurring; or

(c) if the:

(i) licensee's name;

(ii) licensee's ABN;

(iii) licensee's address;

(iii) not used;

(iv) not used

(v) description of the *generating works*; or

(vi) nameplate capacity of the *generating works*; or



- (vii) nameplate capacity of the generating works;
- changes, within 10 *business days* of the change occurring;

## **16. Provision of Information**

- 16.1 The *licensee* must provide to the *Authority* any information that the *Authority* may require in connection with its functions under the *Act* in the time, manner and form specified by the *Authority*.

## **17. Publishing Information**

- 17.1 The *Authority* may direct the *licensee* to *publish*, within a specified timeframe, any information it considers relevant in connection with the *licensee* or the performance by the *licensee* of its obligations under this *licence*.

- 17.2 Subject to clause 17.3, the *licensee* must *publish* the information referred to in clause 17.1.

- 17.3 If the *licensee* considers that the information is confidential it must:

- (a) immediately notify the *Authority*; and
- (b) seek a review of the *Authority's* decision in accordance with clause 19.1.

- 17.4 Once it has reviewed the decision, the *Authority* will direct the *licensee* in accordance with the review to:

- (a) *publish* the information;
- (b) *publish* the information with the confidential information removed or modified; or
- (c) not *publish* the information.

## **18. Notices**

- 18.1 Unless otherwise specified, all *notices* must be in writing.

- 18.2 A *notice* will be regarded as having been sent and received:

- (a) when delivered in person to the addressee; or
- (b) 3 *business days* after the date of posting if the *notice* is posted in Western Australia; or
- (c) 5 *business days* after the date of posting if the *notice* is posted outside Western Australia; or
- (d) if sent by facsimile when, according to the sender's transmission report, the *notice* has been successfully received by the addressee; or
- (e) if sent by *electronic means* when, according to the sender's electronic record, the *notice* has been successfully sent to the addressee.

## 19. Review of the Authority's Decisions

- 19.1 The *licensee* may seek a review of a *reviewable decision* by the *Authority* pursuant to this *licence* in accordance with the following procedure:
- (a) the *licensee* shall make a submission on the subject of the *reviewable decision* within 10 *business days* (or other period as approved by the *Authority*) of the decision; and
  - (b) the *Authority* will consider the submission and provide the *licensee* with a written response within 20 *business days*.
- 19.2 For avoidance of doubt, this clause does not apply to a decision of the *Authority* pursuant to the *Act*, nor does it restrict the *licensee's* right to have a decision of the *Authority* reviewed in accordance with the *Act*.

## 20. Asset Management System

- 20.1 The *licensee* must provide for an *asset management system* in respect of the *licensee's assets*.
- 20.2 The *licensee* must notify the *Authority* of the details of the *asset management system* within 5 *business days* from the later of:
- (a) the *commencement date*; and
  - (b) the completion of construction of the *licensee's assets*.
- 20.3 The *licensee* must notify the *Authority* of any substantial change to the *asset management system* within 10 *business days* of such change.
- 20.4 The *licensee* must provide the *Authority* with a report by an independent expert, acceptable to the *Authority*, as to the effectiveness of the *asset management system* not less than once in every period of 24 months calculated from the *commencement date* (or any longer period that the *Authority* allows by *notice* in writing).
- 20.5 The *licensee* must comply, and must require the *licensee's* expert to comply, with the *Authority's* standard audit guidelines.
- 20.6 The *licensee* may seek a review of any of the requirements of the *Authority's* standard audit guidelines dealing with the *asset management system* in accordance with clause 19.1.
- 20.7 The review of the *asset management system* must be conducted by an independent expert approved by the *Authority*. If the *licensee* fails to nominate an independent expert within one month of the date that the review of the *asset management system* was due, or the independent expert nominated by the *licensee* is rejected on two successive occasions by the *Authority*, the *Authority* may choose an independent expert to conduct the review of the *asset management system*.
- 20.8 In this clause:
- (a) ***asset management system*** means the measures that are to be taken by the *licensee* for the proper maintenance, expansion or reduction of the *licensee's assets*.

(b) **licensee's assets** means the *licensee's generating works, transmission system or distribution system* (as the case may be).

**21. Approved Scheme**

NOT USED

**22. Determination of Default Supplier**

NOT USED

**23. Marketers**

NOT USED

**24. Customer Contracts**

NOT USED

**25. Amending the Standard Form Contract**

NOT USED

**26. Directions by the Authority**

NOT USED

**27. Supplier of Last Resort**

27.1 If the *licensee* is designated a *supplier* of last resort under the *Act*, the *licensee* must perform the functions of the *supplier of last resort*.

27.2 In this clause, **supplier of last resort** has the meaning given to that term in section 69(1) of the *Act*.

**28. Notification of Default Supply**

NOT USED

**29. Priority Restoration Register**

NOT USED

# Schedule 1 – Licence Details

## 1. Activities authorised by this Licence

1.1 In accordance with clause 2, the *licensee* is authorised by this *licence* to:

- (a) construct and *operate generating works* or *operate existing generating works*;
- (b) NOT USED
- (c) NOT USED
- (d) sell electricity to *customers* excluding *small use customers*;

for the purpose of *supplying electricity* to *customers* otherwise than through the *South West Interconnected System*.

## 2. Licence Area

2.1 The *licence area* is set out in Plan Number:

ERA-EL-140 and ERA-EL-141

## 3. Commencement Date

3.1 15 October 2014

## 4. Expiry Date

4.1 14 October 2044

## Schedule 2 – Additional Licence Clauses

### 1. Supply to Small Use Customers

- 1.1 Should the *licensee* wish to sell electricity to *small use customers* after the commencement of this *licence*, the *licensee* must apply to the *Authority* to amend the *licence* and submit with that application a proposed standard form contract for the *Authority's* approval.

## Amendment Record Sheet

Version Date	Description of Amendment
15 October 2014	Grant of EIRL9 to: <ul style="list-style-type: none"><li data-bbox="528 371 1107 405">• construct and operate generating works; and</li><li data-bbox="528 416 1270 450">• sell electricity to customers excluding small use customers</li></ul>