

Decision on Electricity Retail Licence Application

NewRet Pty Ltd

24 March 2015

Economic Regulation Authority

WESTERN AUSTRALIA

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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 retail licence to NewRet Pty Ltd (**NewRet**).
2. The licence is to sell electricity to large use customers subject to, and in accordance with, the terms set out in the licence for a period of 15 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 30 December 2014, NewRet applied for an electricity retail licence to sell electricity to large use customers (customers who consume more than 160 MWh of electricity per year) within the approved licence area for Western Power's Electricity Distribution Licence 1 (EDL1).
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 a financial consultant to examine the financial capacity of NewRet to undertake the activities to be authorised by the retail licence. Following the assessment, the consultant concluded that NewRet has and will likely retain the financial resources necessary to undertake the activities authorised by the licence.
7. The Authority engaged a technical consultant to examine the technical capacity of NewRet to undertake the activities to be authorised by the retail licence. Following the assessment, the consultant concluded that NewRet has, and is likely to retain, the technical resources to undertake the activities authorised, or to be authorised, by the licence, including complying with the relevant Codes.
8. The Authority has considered the retail licence application including the consultants' assessments conducted for the purpose of the retail licence application and is satisfied that NewRet meets the requirements of section 19(1) of the Act.
9. 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.
10. A notice seeking public submissions was published on 27 January 2015 and the submission period closed on 17 February 2015. No submissions were received.
11. In its consideration of the retail licence application, the Authority considered the public interest, including all of the matters set out in section 8(5) of the Act, as required by section 9(2) of the Act, and NewRet's capacity to undertake the activities authorised by the retail licence, as required by section 19 of the Act.
12. The Authority is satisfied that approval of an electricity retail licence to NewRet would not be contrary to the public interest.