

ELECTRICITY INDUSTRY ACT 2004 (WA)

Licensee Name: <Licensee Name>

<ABN/ACN Number>

Licensee Address: <Address Line 1>

<Address Line 2>

Description of generating works <description>

Nameplate capacity of generating works <MW>

Description of transmission system <description>

Length of transmission system <km>

Description of distribution system < description>

Length of distribution system <km>

Licence Area: The area set out in the map referred to in

Schedule 1. Licence

Number: <EIRLXX>

Commencement Date: <Commencement Date>

Version Number:<Number>Version Date:<Version Date>Expiry Date:<Expiry Date>

Signed by a delegate;

member; or

the Chairman of the Economic Regulation Authority

DD Month Year

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.

approved scheme means a scheme approved under section 92 of the Act.

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*.

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;
- (a) the Electricity Networks Access Code 2004;
- (b)(c) the Electricity Industry (Metering) Code 201205; and
- (c)(d) the Electricity Industry (Network Quality and Reliability of Supply) Code 2005; and
- (d) a code prepared by the Authority or the Minister pursuant to Section 39 o

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

connection point has the meaning given to that term in regulation 35 of the Electricity Industry (Customer Contracts) Regulations 2005.

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

default supplier has the meaning given to that term in regulation 35 of the Electricity Industry (Customer Contracts) Regulations 2005.

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.

<u>electricity marketing agent</u> has the meaning given to that term in section 78 of the <u>Act</u>

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.

<u>interruption</u> means the temporary unavailability of supply from the <u>distribution</u> system to a customer but does not include disconnection.

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 <Licensee Name>, <ABN/ACN Number>.

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

non-standard contract has the meaning given to that term in section 47 of the Act.

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.

priority restoration register means a register, process or document that determines the order of restoration of power in the event of an unplanned interruption.

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:

- (c) Electricity Industry (Access Code Enforcement) Regulations 2005;
- (d) Electricity Industry (Arbitrator and Board Funding) Regulations 2009;
- (a) Economic Regulation Authority (Licensing Funding) Regulations 2014;
- (a)(b) Electricity Industry (Code of Conduct) Regulations 2005;
- (b)(c) Electricity Industry (Customer Contracts) Regulations 2005;
- (c) Electricity Industry (Independent Market Operator) Regulations 2004;
- (d) Electricity Industry (Licence Conditions) Regulations 2005;
- (e) Electricity Industry (Licensing Fees) Regulations 2005;
- (f)(e) Electricity Industry (Obligation to Connect) Regulations 2005; and
- (g)(f) Electricity Industry (Ombudsman Scheme) Regulations 2005.;
- (h) Electricity Industry (Tariff Equalisation) Regulations 2006;
- (i) Electricity Industry (Wholesale Electricity Market) Regulations 2004; and
- (i) 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 17.1;
- (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*.

standard form contract has the meaning given to that term in section 47 of the Act.

supplier of last resort has the meaning given to that term in section 69(1) 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 <u>and charges</u> in accordance with the *Regulations*.

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 *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;
 - (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; or
 - (iii) licensee's address,;
 - (iv) description of generating works;
 - (v) nameplate capacity of generating works;
 - (vi) description of the transmission system;
 - (vii) length of the transmission system;
 - (viii) description of the distribution system; or
 - (ix) length of the distribution system,

changes, within 10 business days of the change occurring.

16. Provision of Information

The licensee must provide to the Authority, in the manner and form prescribed by the Authority, specified any information on any matter relevant to the operation or enforcement of the licence, the operation of the licensing scheme provided for in Part 2 of the Act, or the performance of the Authority's functions under that Part. 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 <u>17.3</u>, the *licensee* must *publish* the information referred to in clause <u>47.1</u>.

Formatted: Font:

- 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 1919.1.
 - 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

17.4

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

21. Approved Scheme

- 21.1 The licensee must not supply electricity to small use customers unless the licensee is:
 - (a) a member of an approved scheme; and
 - (b) bound by, and compliant with, any decision or direction of the electricity ombudsman under the *approved scheme*.

21.2 In this clause:

(a) approved scheme means a scheme approved under section 92 of the Act

(b) **small use customer** has the same meaning as the meaning given to "customer" in section 90 of the Act.

22. Determination of Default Supplier

22.1 The *licensee* must determine, from time to time, the *default supplier* for each connection point that connects to a *distribution system* operated by the *licensee*.

22.2 In this clause

- (a) connection point has the meaning given to that term in regulation 35 of the Electricity Industry (Customer Contracts) Regulations 2005.
- (b) **default supplier** has the meaning given to that term in regulation 35 of the *Electricity Industry (Customer Contracts) Regulations* 2005.

23. Marketers

- 23.1 The *licensee* must ensure that an *electricity marketing agent* of the *licensee* complies with the *Code of Conduct for the Supply of Electricity to Small Use Customers*.
- 23.2 The licensee must report a breach by the electricity marketing agent of the applicable conditions of the Code of Conduct for the Supply of Electricity to Small Use Customers to the Authority within 3 business days of becoming aware of the breach.
- 23.3 In this clause, *electricity marketing agent* has the meaning given to that term in section 78 of the Act.

24. Customer Contracts

- 24.1 Subject to the *Regulations*, the *licensee must* not *supply electricity to* a *small use customer* otherwise than under:
 - (a) a standard form contract, or
 - (b) a non-standard contract that complies with the Act.
- 24.2 The *licensee* must, if directed by the *Authority*, review the *standard form contract* and submit to the *Authority* the results of that review within the time specified by the *Authority*.
- 24.3 The *licensee* must comply with any direction given by the *Authority* in relation to the scope, process or methodology of the review referred to in clause 24.2.

24.4 In this clause:

- (a) non-standard contract has the meaning given to that term in section 47 of the Act.
- (b) standard form contract has the meaning given to that term in section 47 of the Act.
- (c) **small use customer** has the same meaning as the meaning given to "customer" in section 47 of the Act.

25. Amending the Standard Form Contract

- 25.1 The *licensee* may only amend the *standard form contract* with the *Authority*'s approval.
- 25.2 The *licensee* may amend the *standard form contract* at any time by submitting to the *Authority*:
 - (a) a proposed amendment to the standard form contract; or
 - (b) a proposed substituted standard form contract.
- 25.3 The Authority may:
 - (a) approve the amendment to the *standard form contract* or substituted *standard form contract*. or
 - (b) specify the amendments the *licensee* must make to the amended or substituted standard form contract before the Authority will amend the standard form contract,

and notify the licensee of its decision within a reasonable time.

- 25.4 The *Authority* may, at any time, by *notice* in writing, direct the *licensee* to amend the *standard form contract* by specifying:
 - (a) the amendments to be made to the standard form contract, and
 - (b) the latest date at which the amendments will come into force
- 25.5 In this clause, standard form contract has the meaning given to that term in section 47 of the Act.

26. Directions by the Authority

26.1 The *licensee* must comply with any direction given by the *Authority* pursuant to section 53 of the *Act*.

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

28.1 Where the *licensee* becomes aware of a <u>small use</u> <u>customer</u> taking a supply of electricity that is deemed to be supplied under the *licensee*'s standard form contract in accordance with the <u>Electricity Industry</u> (Customer Contracts) Regulations 2005, the <u>licensee</u> must, within 5 days after becoming aware, notify the <u>small use</u> customer in writing:

	Economi	ic Reau	lation A	Authority
--	---------	---------	----------	-----------

(a) that the licensee is the default supplier for that connection point, and

- (b) the effect of regulation 37 of the Electricity Industry (Customer Contracts) Regulations 2005.
- 29. Priority Restoration Register
- 29.1 The licensee must create and maintain a priority registration register.
- 29.2 The *priority restoration register* must relate to all *customers* of the *licensee* including but not limited to *small use customers*.
- 29.3 The *priority registration register* must comply with any criteria determined by the Minister.
- 29.4 In this clause:
 - (a) priority restoration register means a register that determines the order of restoration of power in the event of an unplanned interruption.
 - (b) interruption means the temporary unavailability of supply from the distribution network to a customer but does not include disconnection

Commented [ERA1]: This clause will be removed from EIRLs where there is only one customer on the distribution system covered by the licence. For those licences, this clause will be replaced by clause 2 in Schedule 2.

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) construct and operate a new *transmission system* or operate an existing *transmission system*;
 - (c) construct and operate a new distribution system or operate an existing distribution system; and
 - (d) supply_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-<XXX>

- 3. Commencement Date
- 3.1 <Commencement Date>
- 4. Expiry Date
 - <Expiry Date>

Commented [ERA2]: This wording will be included in EIRLs that authorise a retail service and have been granted to sell electricity to large use customers only.

Schedule 2 - Additional Licence Clauses

1. Supply to Small Use Customers

1.1 Where the licensee intends 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.

2. Compliance with the Electricity Customer Transfer Code 2004

- 2.1 Despite clause 5.1 of the licence, where this licence authorises the licensee to sell electricity to customers, the licensee is not required to comply with the Electricity Industry Customer Transfer Code 2004 so long as there is only one retailer selling electricity transported through the distribution system or transmission system (as the case may be).
- 2.2 Despite clause 5.1 of the *licence*, where this *licence* authorises the *licensee* to operate a *distribution system*, the *licensee* is not required to comply with the *Electricity Industry Customer Transfer Code 2004* so long as there is only one retailer selling *electricity* transported through the *distribution system* covered by this *licence*.
- 2.3 Despite clause 5.1 of the licence, where this licence authorises the licensee to operate a transmission system, the licensee is not required to comply with the Electricity Industry Customer Transfer Code 2004 so long as there is only one retailer selling electricity transported through the transmission system covered by this licence.
- 2.4 The licensee must notify the Authority within 10 business days of the licensee becoming aware that:
 - (a) there is more than one retailer selling electricity transported through the distribution system covered by this licence;
 - (b) there is more than one retailer selling electricity transported through the transmission system covered by this licence;
 - (c) there is more than one retailer selling electricity transported through the transmission system that is also being used by the licensee;
 - (d) there is more than one retailer selling *electricity* transported through the *distribution system* that is also being used by the *licensee*.

Despite clause 5.1 of the licence, the licensee is not required to comply with the Electricity Industry Customer Transfer Code 2004 in the event that there is only one electricity retailer supplying electricity through the distribution system covered by this licence.

The licensee must notify the Authority within 10 business days in the event that the number of electricity retailers supplying electricity through the distribution system exceeds one:

Commented [ERA3]: This clause will be included in EIRLs that authorise a retail service that have been granted on the basis that the licensee will sell electricity to large use customers only.

Commented [ERA4]: This clause will be inserted in EIRLs that authorise a retail service and where the licensee is the only retailer selling electricity transported through the distribution system or transmission system.

Commented [ERA5]: This clause will be inserted in EIRLs that authorise a distribution service and where there is only one retailer selling electricity transported through the distribution service.

Commented [ERA6]: This clause will be inserted in EIRLs that authorise a transmission service and where there is only one retailer selling electricity transported through the transmission system.

Commented [ERA7]: This clause will be inserted in EIRLs that authorise a distribution service where there is only one retailer selling electricity transported through the distribution system.

Commented [ERA8]: This clause will be inserted in EIRLs that authorise a transmission service where there is only one retailer selling electricity transported through the transmission system.

Commented [ERA9]: This clause will be inserted in EIRLs where there is retail through a transmission system but the transmission system is not covered by the licence (i.e. the licensee is the only retailer on the transmission system and does not operate the transmission system).

Commented [ERA10]: This clause will be inserted in EIRLs where there is retail through a distribution system but the distribution system is not covered by the licence (i.e. the licensee is the only retailer on the distribution system and does not operate the distribution system).

3. Compliance with the requirement to maintain a Priority Restoration Register

- 3.1 Despite clause 29 of the *licence*, the *licensee* is not required to maintain a *priority* restoration register where the distribution system covered by this *licence* transports electricity to one customer only.
- 3.2 The licensee must notify the Authority within 10 business days of the licensee becoming aware that the distribution system covered by this licence transports electricity to more than one customer.

Commented [ERA11]: These clauses will be inserted in EIRLs with a distribution service where there is only one customer on the distribution system covered by the licence.

Schedule 3 - Licence Area Maps

Amendment Record Sheet

Version Date	Description of Amendment
<dd month="" year=""></dd>	<amendment details=""></amendment>