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To whom this may concern

Application for amendment of Integrated Regional Licence

1 Background

- (a) Regional Power Corporation ABN 57 955 011 697 (**Horizon Power**) is the holder of Integrated Regional Licence EILR2 (**IRL**).
- (b) The State Government (through the Department of Communities) is currently responsible for providing essential services, including electricity, to remote Aboriginal communities in Western Australia.
- (c) For some time, the Department of Communities and Horizon Power have been working collaboratively on a proposal to transfer responsibility for electricity services in around 117 remote Aboriginal communities to Horizon Power (**RESP Project**), and in 2022 the McGowan Government approved the transfer.
- (d) The long-term goals of the RESP Project include the regularisation of electricity service delivery over time and improved strategic asset management of electricity assets, with the aim of ultimately improving the safety, efficiency and reliability of essential services and therein delivering better health and environmental outcomes of the residents of the remote communities.
- (e) A significant program of works and reforms will be required to realise the long-term the goals of the RESP Project. These works and reforms will take several years to implement given the large number of remote Aboriginal communities in question, and the significant remoteness of these communities.
- (f) While the works and reforms needed to regularise the electricity services and improve strategic asset management are being undertaken by Horizon Power, Horizon Power requires the benefit of the same exemption relied on by the Department of Communities under the *Electricity Industry Exemption Order 2005 (WA)*, namely clause 7 (Exemption for supply to Aboriginal communities) (**Relevant Exemption**).
- (g) An amendment is to be made to the Relevant Exemption to extend clause 7 to Horizon Power in relation to the remote Aboriginal communities (namely, the addition of a clause 7A). In order to give effect to new clause 7A of the amended exemption order, an amendment to Horizon Power's IRL is required.
- (h) The purpose of this letter is to apply to the Economic Regulation Authority (**Authority**) for the required amendment to Horizon Power's IRL.

2 Requested amendment

Horizon Power request the following amendments to its IRL:

- (a) the preamble in clause 2.1.1 of the IRL is deleted and replaced with:

“Subject to clause 2.1.2 of this *licence*, the *licensee* is granted a *licence* for the *licence area* to.”;
- (b) a new clause 2.1.2 is inserted as follows:

“For so long as the *licensee* has the benefit of the exemption for supply to certain Aboriginal communities set out in clause 7A of the *Electricity Industry Exemption Order 2005 (WA)* (as amended or replaced from time to time):

 - (a) this *licence* does not cover or have effect in the *RESP Communities*; and
 - (b) the *licensee* will not be considered a licence holder in respect of the *RESP Communities*.”
- (c) a new clause 2.1.3 of the IRL is inserted as follows:

“To the extent of any inconsistency between clause 2.1.2 of this *licence* and the other provisions of this *licence* (including the definition of *licence area*), clause 2.1.2 of this *licence* will prevail.”; and
- (d) a new definition is included in clause 1.1.1 of the IRL as follows:

“**RESP Communities** means the communities listed in Schedule 3 of the *Electricity Industry Exemption Order 2005 (WA)* (as amended or replaced from time to time).”;

(together, the **Requested Amendment**).

3 Public interest

- (a) Horizon Power is not aware of any detriments to the public interest that may arise from the Requested Amendment.
- (b) The RESP Project is clearly for the public interest, and the Requested Amendment is an important part of ensuring that the long-term goals of the RESP Project are able to be realised.

Yours sincerely



Melanie Graetz

Manager Remote Communities