



Notice

17 July 2023

Bluewaters Power 1 Pty Ltd

2022 Performance audit – ERL12

The Economic Regulation Authority has published the 2022 [performance audit report](#) and the [post-audit implementation plan](#) for Bluewaters Power 1 Pty Ltd's (Bluewaters) electricity retail licence ERL12.

Bluewaters holds electricity generation licence EGL4 to operate a 229.3 megawatt coal-fired generator located in Collie, 200 kilometres south of Perth.¹ Bluewaters supplies the electricity under ERL12 to two large use customers, Boddington Gold Mine and the Water Corporation, and to Synergy under a bilateral market contract.

The ERA's decision

The ERA considers that Bluewaters achieved a satisfactory level of compliance with its licence. The ERA has decided to maintain the audit period for ERL12 at 60 months. The next audit will cover the period 1 January 2023 to 31 December 2027, with the report due by 31 March 2028.

Audit findings

The audit of 68 licence obligations applicable to Bluewaters found two non-compliances and no controls deficiencies.

One non-compliance was a repeat non-compliance from the 2017 audit because Bluewaters failed to submit required information to the ERA on time and include this non-compliance in its annual report to the ERA.

Bluewaters was also non-compliant with its obligation to nominate a date for Western Power to transfer 10 Water Corporation connection points from the outgoing retailer to Bluewaters in accordance with the timeframes in the *Electricity Industry (Customer Transfer) Code 2016*.

The auditor noted that, in most instances, Bluewaters met the obligation. However, on 10 occasions, Bluewaters nominated a transfer date outside the Customer Transfer Code's required lead time of 15 days for connection points in a non-metropolitan area that require a meter change.

The auditor made two recommendations to address the non-compliances. The post-audit implementation plan states that Bluewaters will address the recommendations by 31 December 2023.

¹ A related company, Bluewaters Power 2 Pty Ltd, operates a second 229.3-megawatt coal-fired generator at Collie under EGL17.

The ERA's assessment of the audit findings

The non-compliance of failing to submit information to the ERA on time and then failing to include this non-compliance in its annual compliance report is considered an administrative non-compliance. However, it is important that Bluewaters has robust processes in place to ensure the integrity of its reporting. Bluewaters has committed to improving its processes by 31 December 2023 to prevent the non-compliance from reoccurring.

The second non-compliance of failing to nominate a date for the transfer of connection points that meet the Customer Transfer Code's timeframes is likely to have had a minimal effect on the Water Corporation. This is because Western Power's web portal rejected the requests, requiring Bluewaters to submit new requests with dates that complied with the Customer Transfer Code.² The connection points will still have transferred to Bluewaters on the dates nominated in Bluewater's subsequent requests.

Bluewaters made process improvements during the audit period to resolve this non-compliance and since 2021 it has complied with the Customer Transfer Code. However, it needs to formally document how it uses Western Power's web portal for customer transfers, rather than rely on the knowledge of staff and informal processes.

The ERA will monitor Bluewaters' progress to implement the proposed actions in its post-audit implementation plan.

Further information

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² Retailers use Western Power's portal to submit requests for metering services and customer transfers for connection points on the South West Interconnected System.