



Economic Regulation Authority

# Decision to renew electricity retail licence ERL13

Newmont AP Power Pty Ltd

22 May 2024

## Acknowledgement of Country

At the ERA we value our cultural diversity and respect the traditional custodians of the land and waters on which we live and work.

We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

## Economic Regulation Authority

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# 1. Decision

Pursuant to sections 9 and 19 of the *Electricity Industry Act 2004*, the Economic Regulation Authority has renewed Newmont AP Pty Ltd's electricity retail licence ERL13.

Subject to its terms and conditions, the licence authorises Newmont AP to sell electricity to large use customers in the South West Interconnected System.<sup>1</sup>

The term of the renewed licence is 10 years, from 2 June 2024.<sup>2</sup>

As required by section 23(1) of the Electricity Act, the ERA will publish a notice of the licence renewal in the Government Gazette as soon as practicable.

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<sup>1</sup> A large use customer is a customer who consumes more than 160 megawatt hours of electricity per year.

<sup>2</sup> Newmont AP requested for the licence to be renewed for 10 years.

## 2. Reasons

### 2.1 Licence

Section 7(4) of the Electricity Act requires a person to hold an electricity retail licence to sell electricity to customers.

The ERA first granted ERL13 to Newmont AP on 2 June 2009 for a period of 15 years, with an expiry date of 1 June 2024.

On 1 April 2024, Newmont AP applied to the ERA to renew ERL13.

### 2.2 Public consultation

On 10 April 2024, the ERA sought [public comment](#) on the licence renewal application. The period for submissions closed on 1 May 2024.

The ERA did not receive any submissions.

### 2.3 Financial and technical assessments

Under section 19(1) of the Electricity Act, the ERA must renew a licence if it is satisfied that the licensee has and is likely to retain, or will acquire within a reasonable time after the renewal, and is then likely to retain, the financial and technical resources to undertake the activities authorised by the licence.

As part of its renewal application, Newmont AP provided audited financial statements for the past three financial years and a written declaration from the Head of Finance that it has, and will retain, the financial resources to continue to undertake the activities authorised by the licence.

Based on the information provided, the ERA is satisfied that Newmont AP has, and is likely to retain, the financial resources to undertake the activities authorised by the licence.

The ERA used Newmont AP's compliance history to determine whether it has, and is likely to retain, the technical resources to undertake the activities authorised by the licence.

Based on its licence compliance history, the ERA considers that Newmont AP has, and is likely to retain, the technical resources to undertake the activities authorised by ERL13.

### 2.4 Assessment of public interest

#### 2.4.1 *Electricity Industry Act 2004*

Section 9 of the Electricity Act requires that the ERA must not renew a licence unless it is satisfied that it would not be contrary to the public interest to do so. Without limiting the other matters that may be taken into account, section 9(2) of the Electricity Act requires that the ERA is to take into account the matters referred to in section 8(5) of the Electricity Act when determining whether the renewal would not be contrary to the public interest.

Those matters are:

- Environmental considerations.
- Social welfare and equity considerations, including community service obligations.
- Economic and regional development, including employment and investment growth.
- The interests of customers generally or of a class of customers.
- The interests of any licensee, or applicant for a licence, in respect of the area or areas to which the licence in respect of which the power exercised is exercised would apply.
- The importance of competition in electricity industry markets.
- The policy objectives of government in relation to the supply of electricity.

### **2.4.2 Economic Regulation Authority Act 2003**

When making a decision on whether or not to renew a licence, the ERA must also have regard to the matters set out in section 26(1) on the *Economic Regulation Authority Act 2003*.<sup>3</sup>

- The need to promote regulatory outcomes that are in the public interest.
- The long-term interests of consumers in relation to the price, quality and reliability of goods and services provided in relevant markets.
- The need to encourage investment in relevant markets.
- The legitimate business interests of investors and service providers in relevant markets.
- The need to promote competitive and fair market conduct.
- The need to prevent abuse of monopoly or market power.
- The need to promote transparent decision-making processes that involve public consultation.

### **2.4.3 ERA Assessment of public interest**

The ERA has considered the:

- Matters set out in section 26(1) of the ERA Act.
- Public interest test in section 8(5) of the Electricity Act, as required by section 9(1) of the Electricity Act.
- Newmont AP's licence compliance history.
- Newmont AP's financial reports for the past three financial years.
- Written declaration from Newmont AP's Head of Finance.
- Outcome of the public consultation (no submissions received).

Renewing Newmont AP's licence will allow Newmont AP to supply electricity (section 8(5)(d) of the Electricity Act and sections 26(1)(a) and (b) of the ERA Act). The ERA also considered that Newmont AP does not supply small use customers, including residential customers.

<sup>3</sup> The ERA has discretion to decide the weight it gives to each of the matters listed in section 26 of the ERA Act in making its decision.

Newmont AP's participation in the electricity market for customers who consume more than 160 megawatts hours of electricity per year may enhance competition and provide customers with a choice of retailer (section 8(5)(f) of the Electricity Act and sections 26(1)(e) and (f) of the ERA Act).

The ERA conducted public consultation on the licence renewal application and has stated in this decision the reasons for renewing ERL13 (section 26(1)(g) of the ERA Act).

In all circumstances, after taking into account the matters in section 8(5) of the Electricity Act and section 26(1) of the ERA Act, the ERA is satisfied that renewing ERL13 would not be contrary to the public interest.