



Economic Regulation Authority

Decision on electricity transmission licence application

Strike South Pty Ltd

24 March 2025

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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.

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1. Introduction

In accordance with section 26(1)(g) of the *Economic Regulation Authority Act 2003*, this document sets out the ERA's decision on the electricity transmission licence application from Strike South Pty Ltd and the matters it considered in making its decision.

1.1 Decision

Pursuant to sections 9, 15 and 19 of the *Electricity Industry Act 2004*, the ERA has granted electricity transmission licence ETL9 to Strike for a period of 30 years.

Subject to its terms and conditions, the transmission licence authorises Strike to construct and operate a transmission system in licence area plan ERA-EL-163.

As required by section 23(1) of the *Electricity Act*, the ERA will publish a notice of the grant of ETL9 in the *Government Gazette* as soon as practicable.

2. Background

On 19 December 2024, Strike applied for an electricity transmission licence to construct and operate a transmission system that will transport electricity produced at its soon-to-be constructed South Erregulla peaking gas power station to the South West Interconnected System (SWIS). The power plant will be located approximately 280 kilometres north of Perth and 45 kilometres southeast of Dongara in the Shire of Three Springs.

2.1 Licence

Section 19 of the *Electricity Industry Act 2004* requires a person to hold an electricity transmission licence to construct or operate a transmission system.

2.2 Public consultation

On 16 January 2025, the ERA [sought public comment](#) on the licence application. The period for submissions closed on 6 February 2025. No submissions were received.

2.3 Financial and technical assessment

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

The ERA engaged financial and technical consultants to examine the resources of Strike to undertake the authorised activities. The financial and technical consultants concluded that Strike complies with the financial and technical requirements of section 19(1) of the Electricity Act.

Based on the information provided in its licence application and the assessments by the consultants, the ERA is satisfied that Strike has, and is likely to retain, the financial and technical resources to undertake the activities authorised by the licence.

2.4 Assessment of public interest

The ERA has considered the matters set out in section 8(5) of the Electricity Act, the matters set out in section 26(1) of the ERA Act, the information provided in Strike's application on its resources to undertake the activities authorised by the licence and the reports of the financial and technical consultants.

The ERA is satisfied that granting an electricity transmission licence to Strike would not be contrary to the public interest because:

- Transporting electricity from the South Erregulla peaking gas power station to the SWIS will provide firming power intended to enhance grid stability and reliability by mitigating fluctuations associated with renewable energy generation.
- No submissions were received to the ERA's public consultation on the licence application.

The remainder of this section sets out factors the ERA considered when making its decision.

2.4.1 Electricity Industry Act 2004

Section 9 of the Electricity Act requires that the ERA must not grant 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 take into account the matters referred to in section 8(5) of the Electricity Act when determining whether the grant would not be contrary to the public interest. Those matters are:

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

2.4.2 Economic Regulation Authority Act 2003

When making its decision, the ERA must have regard to the matters set out in section 26(1) of the *Economic Regulation Authority Act*:

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