



Western
Australia

Economic Regulation Authority

Generation Licence

Electricity Industry Act 2004 (WA)

Licence <number>

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Applicant Name

(Licensee)

ABN/ACN

Applicant Address

Generation Licence

1 Definitions

Act means the *Electricity Industry Act 2004* (WA).

applicable legislation includes:

- (a) the *Act*;
- (b) the *Regulations*; and
- (c) the *Codes*.

asset management system means the measures that are to be taken by the licensee for the proper maintenance of the *generation works*.

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 2004*;
- (b) the *Electricity Industry Customer Transfer Code 2004*;
- (c) the *Electricity Networks Access Code 2004*; or
- (d) a code prepared by the Authority or the Minister pursuant to section 39 of the Act.

commencement date means the date specified in Schedule 2.

customer means a person to whom electricity is sold for the purpose of consumption.

electricity includes electrical energy of any kind however produced, stored, transported or consumed.

electricity licensing email address means:

- (a) in relation to the *Authority*, the addressee's authorised *Authority* email address or other such email address as notified in writing to the *licensee*; and
- (b) 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*.

expiry date means the date specified in Schedule 2.

generating works are described in Schedule 2 and means the apparatus, equipment, plant or buildings used, or to be used, for, or in connection with, the generation of electricity.

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individual performance standards means any standards prescribed by the *Authority* for an individual *licensee* pursuant to Schedule 1, clause 2 of the *licence*.

licence means:

- (a) this licence;
- (b) Schedule 1;
- (c) Schedule 2; and
- (d) any *individual performance standards* approved by the *Authority* pursuant to Schedule 1, clause 2.

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 or **operation** in relation to the *generating works* includes —

- (a) to maintain the works; and
- (b) to make any modifications necessary or desirable for the operation of the works.

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*, acting reasonably, determines should form part of the *performance audit*.

publish in relation to a report or information means either:

- (c) posting the report or information on the *licensee's* website; or
- (d) sending the report or information to the *Authority* to be published on the *Authority's* website.

Regulations means any regulations in force from time to time made pursuant to the *Act*.

related body corporate has the meaning in section 50 of the *Corporations Act 2001* (Cth).

2 Purpose of Licence

2.1 The *licensee* is granted a licence to:

- (a) construct and *operate generating works*; and.
- (b) provide electricity to a person who is not a *customer*,

in accordance with the terms and conditions of this *licence* and any *applicable legislation*.

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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 6 of this *licence*;
 - (b) the surrender of the *licence* pursuant to clause 7 of this *licence*; or
 - (c) the *expiry date*.

4 Fees

- 4.1 The *licensee* must pay the applicable fees in accordance with the *Regulations*.

5 Transfer of Licence

- 5.1 This *licence* may be transferred only in accordance with the *Act*.

6 Cancellation of Licence

- 6.1 This *licence* may be cancelled only in accordance with the *Act*.

7 Surrender of licence

- 7.1 The *licensee* may surrender the licence at any time by written notice to the *Authority*.
- 7.2 The surrender of the *licence* will take effect on the day that the *Authority* publishes a notice of the surrender in the *Gazette*.
- 7.3 The *licensee* will not be entitled to a refund of any fees by the *Authority*.

8 Renewal of licence

- 8.1 This *licence* may be renewed only in accordance with the *Act*.

9 Amendment of licence on application of the licensee

- 9.1 The *licensee* may apply to the *Authority* to amend the *licence* in accordance with the *Act*.

10 Amendment of the licence by the Authority

- 10.1 Subject to any *applicable legislation*, the *Authority* may amend the *licence* at any time in accordance with this clause.
- 10.2 Before amending the *licence* under clause 10.1, the *Authority* must:
- (a) provide the *licensee* with written notice of the proposed amendments under consideration by the *Authority*;
 - (b) allow the period of time specified in Schedule 2 for the *licensee* to make submissions on the proposed amendments; and

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(c) take into consideration those submissions.

10.3 This clause also applies to the substitution of the existing *licence*.

10.4 For avoidance of doubt, the licensee will not have to pay an associated application fee or licence fee for the purpose of clause 10.1.

11 Compliance

11.1 Subject to any modifications or exemptions determined by the *Authority* or Minister (as the case may be) the *licensee* must comply with any *applicable legislation*.

11.2 Subject to the provisions of any *applicable legislation*, the *licensee* must notify the *Authority* of any breach of any *applicable legislation* within the time specified in Schedule 2.

11.3 Subject to the provisions of any *applicable legislation*, the *licensee* must notify the *Authority* of the strategies to correct (including timeframes) the breach and preventative measures to ensure the breach does not occur again within the time specified in Schedule 2.

11.4 Notwithstanding clause 11.3, and subject to the provisions of any *applicable legislation*, the *Authority* may direct the licensee in writing to do any measure necessary to:

(a) correct the breach; or

(b) prevent the breach occurring again,

and specify the time limit by which such action must be taken.

12 Performance Audit

12.1 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 thereafter be conducted every 24 months.

12.2 Before arranging the *performance audit*, the *licensee* must provide the *Authority* with the name, contact details and details of the independent expert proposed to conduct the *performance audit*.

12.3 The *Authority* will consider the details of the proposed independent expert and provide the *licensee* with:

(a) written approval or disapproval of the proposed independent expert;

(b) the proposed scope of work; and

(c) the proposed *performance criteria* that the independent expert should use for the *performance audit*,

within 5 *business days* of receipt of the information in clause 12.2.

12.4 The *licensee* may make submissions on the proposed scope of work and proposed *performance criteria* within the time specified in Schedule 2.

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- 12.5 The *Authority* will consider the submissions by the *licensee* pursuant to clause 12.4 and provide the *licensee* with:
- (a) the scope of work; and
 - (b) the *performance criteria* that the independent expert should use for the *performance audit*,
- within 20 *business days* of receipt of the information in clause 12.2.
- 12.6 If the *Authority* disapproves of the proposed independent expert, pursuant to clause 12.3, the *licensee* may submit another proposed independent expert to be considered by the *Authority* within the time specified in Schedule 2.
- 12.7 If the *Authority* rejects the proposed independent expert submitted pursuant to clause 12.6, the *Authority* may choose the independent expert.

13 Asset Management System

- 13.1 The *licensee* must provide for, and notify the *Authority* of, an *asset management system* in respect of the *generation works*.
- 13.2 The *licensee* must notify the *Authority* of any material changes to the *asset management system* within the time specified in Schedule 2.
- 13.3 The *licensee* must, unless otherwise notified in writing by the *Authority*, provide the *Authority* with a report as to the effectiveness of the *asset management system* within 24 months after the *commencement date*, and thereafter be conducted every 24 months.
- 13.4 Before arranging the *asset management system* review, the *licensee* must provide the *Authority* with the name, contact details and details of the independent expert proposed to conduct the *asset management system* review.
- 13.5 The *Authority* will consider the details of the proposed independent expert and provide the *licensee* with:
- (a) written approval or disapproval of the proposed independent expert; and
 - (b) the proposed scope of work,
- within 20 *business days* of receipt of the information in clause 13.4.
- 13.6 The *licensee* may make submissions on the proposed scope of work within the time specified in Schedule 2.
- 13.7 The *Authority* will consider the submissions by the *licensee* pursuant to clause 13.6 and provide the *licensee* with the scope of work within 20 *business days* of receipt of the information in clause 13.2.
- 13.8 If the *Authority* disapproves of the proposed independent expert, the *licensee* may submit another proposed independent expert to be considered by the *Authority* within the time specified in Schedule 2.
- 13.9 If the *Authority* rejects the proposed independent expert submitted pursuant to clause 13.8, the *Authority* may choose the independent expert.

14 Reporting

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- 14.1 The *licensee* must report to the *Authority*:
- (a) if the *licensee* is under external administration as defined by the *Corporations Act 2001* (Cth); or
 - (b) if the *licensee* experiences a significant change in its circumstances which may affect the *licensee's* ability to meet its obligations under this *licence*,
- within the time specified in Schedule 2.

15 Notices

- 15.1 Unless otherwise specified, all *notices* must be in writing.
- 15.2 A *notice* will be regarded as having been sent and received:
- (a) when delivered in person to the addressee;
 - (b) 3 *business days* after the date of posting if the *notice* is posted in Western Australia; and
 - (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 email, when according to the sender's electronic record, the *notice* has been successfully sent to the addressee's *electricity licensing email address*.

Schedule 1 – Additional Terms and Conditions

1 Accounting records

- 1.1 The *licensee* and any *related body corporate* must maintain accounting records that comply with the Australian Accounting Standards Board Standards.

2 Individual performance standards

- 2.1 Performance standards are contained in *applicable legislation*.
- 2.2 The *Authority* may prescribe *individual performance standards* in relation to the construction and *operation* of the *generation works*.
- 2.3 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 the period of time specified in Schedule 2 for the *licensee* to make submissions on the proposed *individual performance standards*; and
 - (c) take into consideration those submissions.
- 2.4 Once approved by the *Authority*, the *performance standards* are included as additional terms and conditions to this *licence*.

3 Safety and technical information

- 3.1 The *licensee* must notify the *Authority* of any breach required by law of a plan or document relating to the quality of supply and safety standards of the *generating works* after becoming aware of the breach within the time specified in Schedule 2.

4 Provision of additional information

- 4.1 The *licensee* must provide to the *Authority* any information that the *Authority* may require in connection with its functions under the *Act* in the time, manner and form specified by the *Authority*.

5 Expansion or reduction of Generation Works

- 5.1 The *licensee* may expand or reduce the *generation works*:
- (a) if the relevant expansion or reduction is provided for in the *asset management system* and if necessary, material changes to the *asset management system* are made; and
 - (b) if the *licensee* pays the applicable fees in accordance with the *Regulations*.

6 Publishing information

- 6.1 The *Authority* may direct the *licensee* to *publish* any information within a specified timeframe it considers relevant in connection with the *licensee* or the performance by the *licensee* of its obligations under this *licence*.
- 6.2 Subject to clause 6.4, the *licensee* must *publish* the information referred to in clause 6.1 unless it considers the information is confidential.
- 6.3 If the *licensee* considers that the information is confidential it must:
- (a) immediately notify the *Authority*; and
 - (b) provide the *Authority* with submissions on the matter within the time specified in Schedule 2.
- 6.4 Once it has considered the *licensee*'s submissions, the *Authority* must decide whether to direct the *licensee* to:
- (a) *publish* the information;
 - (b) *publish* the information with the confidential information removed or modified; or
 - (c) not *publish* the information,
- and notify the *licensee* of its decision within a reasonable time.

Schedule 2 – Licensee Details and Timeframes

1 Name and address of licensee

2 Generation Works

2.1 Physical description:

2.2 Installed Capacity:

3 Commencement Date

4 Expiry Date

5 Other time periods

- 5.1 Pursuant to clause 10 of this *licence* and subject to the *applicable legislation*, the *Authority* may change the time periods of this clause to such reasonable period as the *Authority* determines.
- 5.2 The *licensee* has 15 *business days* to make submissions on amendments of the *licence* by the *Authority* (clause 10.2(b)).
- 5.3 The *licensee* has 1 *business day* to notify the *Authority* of a breach of *applicable legislation* (clause 11.2).
- 5.4 The *licensee* has 15 *business days* to make submissions on the proposed scope of work and proposed *performance criteria* (clause 12.4 and 13.6)
- 5.5 The *licensee* has 10 *business days* to resubmit a proposed independent expert (clause 12.6 and 13.8).
- 5.6 The *licensee* has 10 *business days* to report material changes to the *asset management system* (clause 13.2).
- 5.7 The *licensee* has 2 *business days* to notify the *Authority* if the *licensee* is under external administration as defined by the *Corporations Act 2001* (Cth) (clause 14.1(a)).
- 5.8 The *licensee* has 2 *business days* to notify the *Authority* if the *licensee* experiences significant change in its circumstances (clause 14.1(b)).
- 5.9 The *licensee* has 5 *business days* to notify the *Authority* of strategies to correct the breach (clause 11.3).
- 5.10 The *licensee* has 15 *business days* to make submissions on proposed *individual performance standards* (schedule 1, clause 2.3(b)).
- 5.11 The *licensee* has 2 *business days* to notify the *Authority* of a breach of documents or plans relating to the quality of supply and safety standards (schedule 1, clause 3.1).
- 5.12 The *licensee* has 5 *business days* to make submissions on confidentiality of information to be *published* (schedule 1, clause 6.3(b)).