

22 January 2016

Mr Alex Kroon
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RESPONSE TO CONSULTATION PAPER – AMENDMENT TO ELECTRICITY INDUSTRY ACT 2004: REMOVAL OF ELECTRICITY GENERATION LICENSING

Dear Mr Kroon

1. Introduction

NewGen Power Kwinana (NPK) thanks the Public Utilities Office (PUO) for providing the opportunity to comment on the Consultation Paper *“Amendment to Electricity Industry Act 2004: Removal of electricity generation licensing”*.

NPK participates in the WEM by owning and operating a combined cycle plant (167.8MW GT & 160MW ST) located in Kwinana. These assets are owned through a joint venture partnership of Sumitomo Corporation and Infrastructure Capital Group (ICG).

2. NewGen Power Kwinana’s position

NPK is supportive of the Consultation Paper’s proposal to remove section 7(1) from the *Electricity Industry Act 2004 (Act)*, which requires persons who construct or operate electricity generating works to hold a licence, and the associated provisions.

NPK agrees that there are already sufficient regulatory and commercial arrangements in place to effectively manage the operation of generating works without the additional need to licence generators. This implies the generator licensing provisions are redundant.

Removal of the redundant provisions also means the Economic Regulatory Authority (Authority) will no longer be obliged to allocate resources to manage the generator licensing regime. This is likely to enable the Authority to focus on managing the other classes of licenses (namely transmission, distribution and retail licenses).

Removal of the provisions will reduce generator’s administrative burden of complying with the generator licensing requirements. Any reduction in compliance activity and costs, where the integrity of the service in question is not compromised, will contribute towards minimising the long-term cost of electricity supplied to customers in the SWIS.



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As Agent for NewGen Power Kwinana Partnership

NewGen thanks the Public Utilities Office for considering our comments. Please feel free to contact us if you have any queries or wish to discuss further.

Yours Sincerely

Andrew Sutherland
CEO