

20 April 2022

Energy Policy Western Australia  
Sent to: [submissions@energy.wa.gov.au](mailto:submissions@energy.wa.gov.au)

Good afternoon

## **Proposal to increase the capacity threshold for the generation licence exemption**

Perth Energy welcomes the proposal to increase the threshold for holding a generation licence and welcomes the opportunity to provide comment. It is our strong belief that generation licences do not bring any significant benefit to the community and are, therefore, no longer justifiable. The major obligations within these licences are more broadly covered by obligations placed on generators through other mechanisms. In particular, the Market Rules, the technical rules, environmental licences and network access contracts place a set of requirements on generators which meet the generation licence objectives of sound technical, environmental and financial management.

Perth Energy supported the moves to remove generation licence and was disappointed that past legislative change proposals were unable to proceed. The proposed change to the exemption threshold is a sound temporary step as this will reduce the regulatory burden for more generators.

The present exemption level allows all small generators to operate without the burden of licence compliance but continues to place this on all other generators. The proposed change in threshold to 100 MW effectively includes all mid-sized generators within the exemption while leaving the obligation on those entities with substantial capacity, such as Synergy and Alinta Energy, or with large individual generators such as NewGen, Colgar and Bluewaters.

We suggest that it would be more appropriate for the Kwinana Swift power station, which has a capacity of 116 MW, to be grouped with the other exempt mid-sized generators such as Merredin Energy (93 MW) and Merredin Solar (100 MW). This would ensure that Kwinana Swift's cost and obligations are comparable with similar generators. As such, we ask that EPWA consider setting the exemption at 120 MW rather than 100 MW.

Should you have any questions in relation to this submission please contact me on 0437 209 972 or at [p.peake@perthenergy.com.au](mailto:p.peake@perthenergy.com.au).

Kind regards,

Patrick Peake  
Senior Manager, WA EMR