Distribution Authority Guidance



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Purpose of guidance

This guidance contains information designed to assist prospective applicants with preparing and applying for a distribution authority and includes information on:

- Applications for a new distribution authority.
- Amending or transferring an existing distribution authority.
- Surrendering a distribution authority.

Process flowchart



What is a Distribution Authority

A distribution authority authorises its holder to supply electricity using a supply network within its distribution area.

The requirement to obtain a distribution authority is separate from any distribution registration processes required by the Australian Energy Market Operator (AEMO) and Australian Energy Regulator (AER).

A distribution authority does not relieve its holder or anyone else from complying with laws applying to the development, building, operation or maintenance of a supply network.

How to apply

All applications must be submitted electronically to energy.regulation@epw.qld.gov.au.

To apply for a new distribution authority or to transfer an existing authority you must use the <u>approved</u> <u>form</u>. For amendments to an existing authority please see "Application requirements" below.

When to apply

Common application scenarios are provided in the table below.

| Application reason | New | Transfer | Amend | Surrender |
|---|-----|----------|-------|-----------|
| New distribution supply network project | ✓ | | | |
| Change of operator (ABN will change) | | ✓ | | |
| Extension of term | | | ✓ | |
| Change of operator name (no ABN change) | | | ✓ | |
| Changes to distribution network | | | ✓ | |
| Any other changes to distribution authority | | | ✓ | |
| Project did not proceed | | | | ✓ |
| Early plant closure | | | | ✓ |

As a guide, applicants for a new distribution authority should apply after the project has reached financial close. In order to issue a distribution authority the Regulator must be satisfied that the applicant will operate the distribution supply network, financial close provides sufficient certainty that the supply network will operate.

Applications for transfers should be submitted as soon as the new proposed operator is confirmed.

All amendments must be submitted at least four (4) months prior to the authority expiring.

Timeframes

Applicants should allow around four (4) months for the assessment of new applications, amendments and transfers, following receipt of all required documentation. For more complex assessments, additional time may be required.

Application requirements

The approved forms contain a full guideline of what must be provided to support your application for a new distribution authority or transfer. A summary of key documents to support an application are included in the approved forms. Additional supporting documentation may be included as required.

When applying for an amendment include details on:

- what requires amendment
- why and when the amendment is required
- any supporting documentation.

Applicants can refer to Sections 195 – 202 of the *Electricity Act 1994* for the specific legislative requirements the Regulator considers for new applications, transfers, amendments and surrender.

Application fees

Application fees are required to apply for a new distribution authority and to apply for a transfer of an existing distribution authority. There are no application fees to amend or surrender an existing distribution authority. Fee amounts are available on <u>our website</u>.

The Department will issue an invoice for the applicable fee after receiving the full application. Please provide proof of payment as soon as possible via email.

An application is not deemed complete until the application fee has been paid.

Application assessment

The Regulator will consider the relevant legislative requirements during an application assessment, including the "objects of the Act', in order to determine whether to approve or refuse an application. Throughout the assessment process the Department may contact you to request additional information.

Consideration of the application includes assessments of:

- Technical capability
- Financial capability
- Honesty and integrity
- Environmental effects
- Projects compatibility with the Objects of the Electricity Act 1994

- Projects compatibility with relevant government policies about environmental and energy issues
- Certainty the applicant will operate the supply network stated in the application
- Confidence the supply network has the technical capabilities to provide for supply of electricity of a quality likely to be needed to be distributed through the supply network and the proposed supply of electricity will be adequate, safe and reliable.

As part of the application process for a new distribution authority, the Regulator will publish a notification in a State-wide newspaper inviting submissions on the proposed distribution authority. This will include an information paper, published on the Department's website, which you will have an opportunity to review prior to publication. You will have the opportunity to respond to any issues raised in submissions. The Regulator must consider any submissions received when making the decision to approve or refuse an application.

Issuing a Distribution Authority

The Regulator may include specific conditions when issuing a distribution authority and in cases where an application is refused, the reasons for the refusal will be provided to the applicant.

Before a distribution authority is issued, you will have an opportunity to review the draft authority, including all terms and conditions.

A distribution authority proforma is available on the Department's website.

Note: the proforma should be read in conjunction with the *Electricity Act 1994* and the *Electricity Regulation 2006*, which contain conditions applicable to distribution authorities.

Request to surrender a Distribution Authority

A distribution entity may only surrender its authority with the regulator's agreement. Requests to surrender a distribution authority must be submitted via email to <u>energy.regulation@epw.qld.gov.au.</u>

Contact the Department

The Department suggests potential applicants contact us with a completed draft application to discuss any further requirements prior to submitting a final application.

| Electricity Licencing Enquiries | | |
|---------------------------------|----------------------------------|--|
| Email | energy.regulation@epw.qld.gov.au | |
| Telephone | 13 43 87 | |