

Guideline: Offshore Electricity Infrastructure Licence Administration – Feasibility Licences and Transmission & Infrastructure Licences

In relation to the Offshore Electricity Infrastructure Act 2021

April 2024

This document has been developed as a general guide only. It is subject to, and does not replace or amend the requirements of, the <u>Offshore Electricity Infrastructure Act 2021</u> and associated <u>Regulations</u>, which should be read in conjunction with this guideline.

This guideline is made available by the Australian Government for information only. Before relying on this material, users should carefully evaluate the accuracy, currency, completeness and relevance of the information and obtain independent, legal or other professional advice relevant to their particular circumstances.

This document will be reviewed and updated as required including to add guidance material for commercial licences (Chapter 5) and research and demonstration licences (Chapter 6) in future.

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7. Transmission & Infrastructure Licence Applications

7.1 Purpose of a Transmission & Infrastructure Licence (TIL) (section 58 OEI Act)

- 7.1.1 A TIL is provided to allow the licence holder to carry out an offshore infrastructure project to:
 - (a) Assess the feasibility of storing, transmitting or conveying electricity or a renewable energy product in or through the licence area.
 - (b) Store, transmit or convey electricity or a renewable energy product in or through the licence area
- 7.1.2 A TIL authorises the licence holder to construct, install, commission, operate, maintain and decommission offshore renewable energy infrastructure or offshore electricity transmission infrastructure in the licence area, if the legislative requirements are met (section 59 OEI Act).
 - **Note 1:** 'Offshore renewable energy infrastructure' is defined in section 10 of the OEI Act. 'Offshore electricity transmission infrastructure' is defined in section 11 of the OEI Act.
 - **Note 2:** The Explanatory Memorandum to the *Offshore Electricity Infrastructure Bill 2021* states: "Infrastructure that is either fixed or tethered, but will have the primary purpose of storing, transmitting or otherwise conveying electricity, is OETI for the purposes of the Bill" (cl. 11, at 26).
- 7.1.3 An eligible person may be able to carry out certain activities prior to applying for a TIL where the activity does not breach the prohibition in section 15 of the OEI Act and required approvals are first obtained (e.g. EPBC Act approvals and Director of National Parks (DNP) authorisations). Guidance information can be found on the Offshore Infrastructure Regulator website here.
- 7.1.4 TILs may overlap with each other and other OEI Act licences only if the Minister is satisfied that the activities undertaken under each licence will not interfere with each other and appropriate consultation is undertaken (section 61 OEI Act).

Note: For further detail about overlapping TIL applications, see section 7.8 of this Guideline.

7.2 TIL Associated with a Commercial Project under the OEI Act

7.2.1 If an eligible person intends to transmit electricity generated from an offshore infrastructure project under a commercial licence, the TIL application **should not be submitted** until after a feasibility licence has been granted in relation to the proposed commercial offshore infrastructure project as the TIL applied for may fail the merit criteria (E.g. *likely to be viable*).

7.3 Standalone TIL

7.3.1 If an eligible person does not intend to transmit electricity generated in the Commonwealth offshore area, the TIL application may be submitted at any time. However, the Minister must be satisfied that the licence meets **all of the merit criteria**.

7.4 Other Uses and Users of the Proposed Licence Area

Marine Parks

- 7.4.1 As no area declaration assessment is required for a TIL, an eligible person intending to apply for a TIL should make themselves aware of Australian Marine Parks located in Commonwealth waters established under the EPBC Act and the IUCN zones through which the licence may pass.
- 7.4.2 An eligible person may need to seek **prior authorisation** from DNP before submitting a TIL application to the Registrar. The person should engage with Parks Australia to ascertain the requirements for their circumstances. Applications for the grant of a TIL (or variation of a TIL) should indicate consultation with, and if necessary authorisation from, Parks Australia prior to submission of the licence application to the Registrar.

Shipping, Fishing, Telecommunications, Oil & Gas Etc

7.4.3 An eligible person intending to apply for a TIL should make themselves aware of any relevant existing uses or users of the proposed licence area and have carefully considered these existing rights in relation to the offshore infrastructure project for the TIL before submitting the TIL application to the Registrar.

7.5 Receipt and Screening of TIL Application by the Registrar

7.5.1 Upon receipt of a TIL application, the Registrar will screen the application to check it meets the application submission requirements in the OEI Act and OEI Regulations.

Application Screening	Reference	Assessment
Eligible person (for definition see section 8 OEI Act)	Subsection 61(1) OEI Act	Yes / No
Application made in the approved manner and form	Subsection 21(2) OEI Regulations	Yes / No
Payment of application fee (for fee amount see section 45 of the OEI Regulations)	Section 46 OEI Regulations	Yes / No
Description of the offshore infrastructure project	Subsection 60(2) OEI Act and subsection 21(2) OEI Regulations	Yes / No
Be accompanied by any other information or documents required by the approved form	Subsection 21(2) OEI Regulations	Yes / No
Licence area	Subsection 61(2) OEI Act	Yes / No

Eligible Person (subsection 61(1) OEI Act)

7.5.2 A person must be an eligible person (as defined in section 8 OEI Act). Merit-based considerations regarding the person's suitability to hold a licence are in sections 7.6.4–7.6.10 of this Guideline.

<u>Description of the Offshore Infrastructure Project</u> (subsection 60(2) OEI Act)

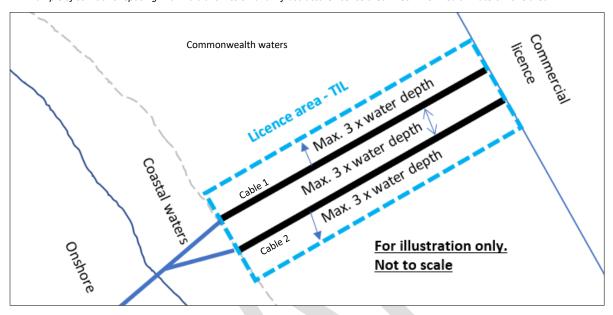
- 7.5.3 The application must describe the offshore infrastructure project to be carried out under the licence (i.e. the TIL project).
 - **Note:** A condition may be placed on the grant of a TIL in relation to the offshore infrastructure project described in the application form (subsection 63(2) OEI Act and section 7.12 of this Guideline).
- 7.5.4 At a minimum, a person should provide the following information in relation to the description of the offshore infrastructure project for the TIL:
 - (a) Design, construction and operating standards to be applied.
 - (b) Capacity in MW or GW.
 - (c) Maximum design voltage (in kV).
 - (d) Transmission system (HVAC or HVDC).
 - (e) Cable system number of cable lines, placement including spacing (see Licence Area below).
 - (f) Nominal outside diameter in mm and cross-sectional area in mm².
 - (g) Structure conductor, screens, insulation, protective sheath, etc.
 - (h) Core design number of cores, design.
 - (i) Burial depth and method.
 - (j) Stability controls, if relevant.
 - (k) Estimated costs of design, construction/installation and operation.
 - (I) Offshore Substation Platforms number, design, capacity, location (if within TIL licence area).
 - (m) Source of electricity to be transmitted through the TIL and discussion of any key interlinkages between the offshore infrastructure project for the TIL and the source project (e.g. capacity, risks, timing).
 - (n) Any other matters the person considers relevant.
- 7.5.5 A person should identify any potential crossings with existing infrastructure and outline their plans to mitigate and manage these activities and risks, including a schedule for consultation.

Licence Area (subsection 61(2) OEI Act)

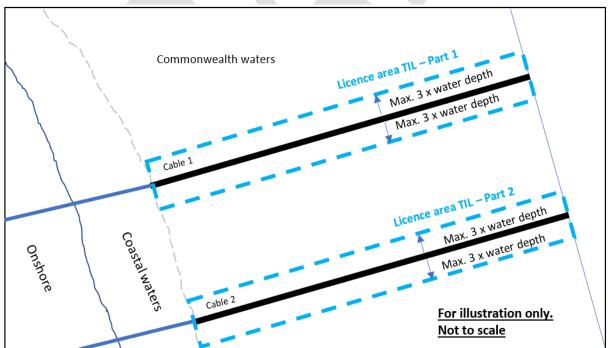
- 7.5.6 The application must specify the proposed licence area for the TIL. This must be entirely within the Commonwealth offshore area at the time the licence is granted.
- 7.5.7 The proposed licence area must include any proposed corridor or spacing around a cable. The corridor or spacing should **not exceed** 3 x water depth on either side of a cable.

Note: Under subsection 61(2) of the OEI Act, a TIL may be granted in respect of one or more areas (which need not be continuous) that are within the Commonwealth offshore area at the time the licence is granted.

Example of corridor or spacing within a transmission and infrastructure licence area in Commonwealth waters – one area:



Example of corridor or spacing within a transmission and infrastructure licence area in Commonwealth waters – more than one area:



7.6 Assessment of TIL Application by the Registrar

7.6.1 Applications are assessed by the Registrar and advice is provided to the Minister for decision.

Assessment Criterion	Reference	Assessment
Undue interference with other OEI licence areas	Subsection 61(1) OEI Act	Yes / No
Merit criteria:		
(a) The eligible person has the technical and financial capability to carry out the offshore infrastructure project that is proposed to be carried out under the licence.	Paragraph 62(1)(a) OEI Act	Merit-based
(b) The offshore infrastructure project is likely to be viable.	Paragraph 62(1)(b) OEI Act	Merit-based
(c) The eligible person is suitable to hold the licence.	Paragraph 62(1)(c) OEI Act	Merit-based
(d) Any criteria prescribed by the licensing scheme are satisfied, including that the proposed project for the licence is in the national interest.	Paragraph 62(1)(d) OEI Act	Merit-based

Undue Interference with Other Offshore Electricity Licence Areas (subsection 61(1) OEI Act)

- 7.6.2 If the TIL would authorise activities in any part of the licence area of another licence granted under the OEI Act, the Minister must be satisfied that activities carried out in accordance with the proposed TIL would not unduly interfere with the activities of the holder of the other licence.
- 7.6.3 This assessment will take into account any consultation with impacted licence holders as evidenced in the TIL application. If consultation with relevant existing licence holders has not been done to an appropriate standard as evidenced in the application, submissions may be invited by the Registrar from existing licence holders as appropriate and considered during the assessment (subsection 21(4) OEI Regulations). This will extend the assessment process by a minimum of 30 days.

Merit Criteria (section 62 OEI Act and sections 25 and 26 OEI Regulations)

- 7.6.4 For a TIL to be granted to an eligible person, the Minister must be satisfied that the licence applied for meets the merit criteria.
- 7.6.5 The assessment of a TIL application against the merit criteria will reflect the transmission and/or infrastructure focus of the proposal. The assessment will consider the full scope of the offshore infrastructure project for the TIL, including scoping/planning and design, final investment decision, construction, commissioning, operation, and decommissioning. A person will be assessed on how their proposal meets the merit criteria and the likelihood that the criterion can be met as demonstrated by the person's project development plan and identification of the activities and risks to be undertaken during scoping, planning, design, construction, commissioning, operation, and decommissioning phases of the offshore infrastructure project.

Technical and Financial Capability (paragraph 62(1)(a) OEI Act and subsection 26(1) OEI Regulations)

7.6.6 The Minister must be satisfied that the eligible person has the technical and financial capability to carry out the offshore infrastructure project that is proposed to be carried out under the licence.

Note: For clarity, the wording of "is likely to have or is likely to be able to arrange to have" in subsection 26(1) Regulations does not apply to the assessment of a TIL application.

- 7.6.7 The merit-based assessment may consider one or more of the following:
 - (a) The technical advice that is available to the person.
 - i. This will be an assessment of the quality of advice or expertise that is available to the person to deliver the offshore infrastructure project for the TIL (full life cycle).
 - ii. The assessment will consider the role of each identified member of the project team in delivering the offshore infrastructure project for the TIL.
 - iii. At a minimum, a person should have a project team in place with demonstrated experience in successfully delivering similar large-scale infrastructure projects of a commensurate scale in a timely manner.

- iv. Proof of a contract of engagement is required where the technical advice is contracted.
- v. A person that has multiple offshore electricity infrastructure project proposals or licences in Australia or internationally will be assessed on its ability to provide resources for each project or licence in a timely manner.
- (b) The financial resources that are available to the person.
 - i. This will be an assessment of the financial resources that are available to the person to finance the offshore infrastructure project for the TIL through planning, construction, installation, commissioning, operation, and decommissioning stages.
- ii. At a minimum, the person should have:
 - Funds in place (in its own accounts) for at least 150% of the estimated cost of the proposed work for the next 12 months of the licence term until a positive FID is taken.
 - **Note 1:** This may include cash or cash equivalents, which are in the person's own name upon grant of a licence.
 - **Note 2:** A guarantee from another entity that the funds will be made available in the name of the person conditional only upon the grant of a licence may be considered.
 - **Note 3:** Proposed work means all the activities required to reach FID and carry out the offshore infrastructure project for the TIL, not just funds for activities that are to be carried out within the proposed TIL licence area.
 - A detailed funding plan for how to arrange the financial resources to carry out the
 offshore infrastructure project showing all funding requirements are likely to be met for
 each phase of the project life cycle.
- (c) The person's ability to carry out the operations and works that will be authorised by the licence.
 - i. This will be an assessment of whether the technical advice and the financial resources that are available to the person are suitable for the person to carry out the operations and works that will be authorised by the licence.
 - ii. The assessment will consider the person's other project interests in Australia and internationally which may impact upon the person's ability to deliver the offshore infrastructure project within a reasonable time.
- (d) The person's ability to discharge the obligations in relation to the licence that will be imposed by the Act, the OEI Regulations or any other instrument made under the Act.
 - i. This will be an assessment of whether the technical advice and the financial resources that are available to the person are sufficient to enable the person to meet all compliance obligations in relation to the licence, including but not limited to, directions issued under the OEI Act or OEI Regulations, reporting, fees and annual licence levies, and financial security obligations.
- ii. At a minimum, a person should have experienced project team members with designated responsibility for licence compliance with the OEI Act, risk management and audit and assurance.
- (e) Any other matters the Minister considers relevant.

Project is Likely to be Viable (paragraph 62(1)(b) OEI Act and subsection 26(2) OEI Regulations)

- 7.6.8 The Minister must be satisfied that the offshore infrastructure project is likely to be viable. The merit-based assessment may consider one or more of the following:
 - (a) The complexity of the project.
 - i. This will be an assessment of the likely viability of taking a positive FID on the offshore infrastructure project for the TIL and delivering the project in a timely manner.
 - ii. The assessment will consider key risks and potential mitigation strategies in relation to the offshore infrastructure project including:
 - Site-specific considerations.

- Source of electricity considerations including the source project, interlinkages, risks, and timing.
- Project capacity considerations.
- Technology and infrastructure considerations such as engineering requirements, potential infrastructure options, required technological advances and installation requirements.
- Supply chain assumptions such as estimated support services for the proposed project during construction, installation and operation including capability and accessibility and the likely source of support services (global and local).
- iii. At a minimum, the person must provide a comprehensive project development plan and risk assessment identifying how the offshore infrastructure project for the TIL will be delivered in a timely manner, providing specific details relevant to each phase of the project life cycle.
- iv. A person should identify the specific complexities relevant to the proposed licence area, rather than providing a general discussion of common project complexities.
- v. The assessment will consider the status, timing, risks and likely viability of the source project which will supply electricity to be transmitted by the TIL.
 - Where there are different ownership/equity interests between the source project and the TIL, evidence of agreements for supply of the source electricity to the TIL project should be provided.
- (b) The potential route-to-market for the project.
 - i. This will be an assessment of the person's identified end user for the electricity to be transmitted under the TIL and the likelihood that the option will be viable to support a positive FID on the offshore infrastructure project and delivery in a timely manner.
 - ii. Where the TIL intends to transmit electricity generated from a proposed commercial offshore infrastructure project in Commonwealth waters, there should be clear links and consistencies between the projects.
- (c) The estimated commercial return to the licence holder.
 - i. This will be an assessment of the likelihood of the offshore infrastructure project for the TIL meeting the person's commercial conditions to deliver the project. As commercial conditions are specific to each person and may differ between entities in the person's corporate structure, there are no standard conditions or threshold values for this assessment.
 - ii. The assessment will consider commercial agreements and milestones that need to be addressed to deliver the offshore infrastructure project for the TIL.
- iii. The assessment will consider the reasonableness of proposed financing methods, project construction schedules, commercial and economic assumptions, cost and price estimates, annual energy production forecasts, and before and after tax cashflows. Base, low and high case scenarios will be assessed; project economics are understood to be preliminary at this stage. Cost and price estimates will be benchmarked with reference to industry standards.
- iv. Likelihood will be assessed as the potential to resolve commercial barriers and refine uncertainty ranges for significant variables, and the appropriateness of the project development plan.
 - **Note:** Uncertainty ranges around estimates of key variables are expected to be refined and commercial agreements are expected to progress towards finalisation as work is undertaken during the licence term. The results of the work and updated project economics should be provided in annual licence reports.
- (d) Any other matters the Minister considers relevant, which might include:
 - i. Consenting requirements and stakeholder consultation: This will be an assessment of the person's plans and schedules to obtain all relevant consents, approvals and stakeholder agreements to deliver the offshore infrastructure project for the TIL.

Suitable to Hold the Licence (paragraph 62(1)(c) OEI Act and subsection 26(3) OEI Regulations)

- 7.6.9 The Minister must be satisfied that the eligible person is suitable to hold the licence. The merit-based assessment may consider one or more of the following:
 - (a) The person's past performance in offshore infrastructure projects, or other large infrastructure projects, in Australia or internationally.
 - i. Past performance and conduct of the person (body corporate and its key officers) refers to compliance matters in similar operating environments in Australia or internationally.
 - ii. The Minister may choose not to not offer a licence to a person if the person's past performance or conduct indicates a history of non-compliance with relevant legislation or the person has been declared bankrupt, insolvent, had their affairs placed in administration, has been disqualified from managing a company, or has been found guilty of certain offences.
 - iii. A disclosure of past misconduct will not necessarily result in an assessment that the eligible person is not suitable to hold a licence. The assessment will have regard to the disclosures in the context of the application in its entirety to determine what relevance they bear to the suitability of the person regarding the particular licence for which they have applied.
 - iv. The assessment of the person's (and any of the entities in its Corporate Structure that it is relying on) past performance will include an assessment of the experience of the person in prior and current offshore infrastructure or large-scale infrastructure projects of a similar size to that proposed in the TIL application.
 - v. The assessment may consider the person's (and any of the entities in its Corporate Structure that it is relying on) experience in reaching a positive FID and successfully delivering prior project(s) in a timely manner.
 - (b) The person's past financial performance.
 - i. A person should meet at least one of the criteria in Table 1 of this Guideline (below). Where appropriate this assessment may consider the financial performance of any entity in the person's corporate structure, or any entity providing financial resources to the person and will apply in aggregate across these entities.

Criteria Previous Three-Year Average	TIL Requirements (USD)
Annual turnover	>\$300 million
Net assets	>\$100 million
Cash at bank	> \$300 million
Assets / funds under management	> \$500 million
Undrawn debt facilities	> \$300 million

Table 1. Financial performance criteria previous three-year average of person or controlling/funding entity.

- ii. Past financial performance of the person (body corporate and its key officers) refers to financial performance in similar operating environments in Australia or internationally. The assessment of the person's (and any of the entities in its Corporate Structure that it is relying on) past financial performance will include an assessment of the experience of the person in prior and current offshore infrastructure or large-scale infrastructure projects of a similar size to that proposed in the TIL application.
- (c) The person's corporate governance structure, including the relevant Board's size, collective skills and experience to operate an offshore infrastructure project.
 - i. Corporate governance arrangement refers to the structure and oversight of the person and may take into account how the person has been established including transparency, chain of command and responsibilities and relevant skills and experience of the Board.
 - ii. At a minimum, a person should be implementing the principles of a recognised corporate governance code and have:

- An appropriately sized Board with the skills, commitment and knowledge of the entity and industry in which it operates.
- Clearly defined roles and responsibility of the Board and Management with a regular audit and review process.
- A sound risk management framework.
- (d) Any other matters the Minister considers relevant.

National Interest (paragraph 62(1)(d) OEI Act and sections 25 and 26(4) OEI Regulations)

- 7.6.10 The Minister must be satisfied that the offshore infrastructure project for the licence is in the national interest. The merit-based assessment may consider one or more of the following:
 - (a) The project's impact on, and contribution to, the Australian economy and local communities, including in relation to regional development, job creation, Australian industries and the use of Australian goods and services.
 - i. This will be an assessment of the forecast socio-economic benefits of the offshore infrastructure project, to assess the potential community benefits that could be provided from the project if it proceeds. It will consider current assumptions and forecasts relating to benefits to the broader economy, potential jobs creation, workforce training, regional development, local content, Gross Value Add, a breakdown of investment across local and foreign content, potential contribution to electricity grid supply, energy security, emissions reduction assumptions and/or benefits to international relations, where relevant.
 - There should be clear links and consistencies between the TIL project and source project.
 Note 1: Local communities means the communities that are located adjacent to or in close proximity to the proposed licence area.
 - **Note 2:** Local content means Australian and New Zealand suppliers producing materials and components or providing services for offshore electricity infrastructure projects, including both construction and operations and maintenance.
 - (b) National security.
 - i. This will be an assessment of whether the offshore infrastructure project for the TIL has the potential to impact negatively on national security.
 - ii. The assessment is separate to any assessment by the Foreign Investment Review Board.
 - (c) Whether the offshore infrastructure project is likely to be delivered within a reasonable time.
 - i. This will be an assessment of how efficiently the person is planning to deliver the offshore infrastructure project for the TIL, supported by the project development plan, project schedule and risk assessment, as the most efficient delivery is preferred.
 - ii. The assessment will consider whether the offshore infrastructure project for the TIL is proposed to be delivered in phases, the timing of the projected phasing and drivers for and likelihood of delivery of each phase.
 - iii. There should be clear links between the TIL project and the source project and risks and mitigations for timely delivery should be clearly identified.
 - iv. A person that has multiple offshore electricity infrastructure project proposals or licences in Australia or internationally will be assessed on its ability to deliver the offshore infrastructure project under the licence taking into account all of the current and proposed projects and licences in the portfolio.
 - (d) Whether the offshore infrastructure project is likely to make efficient use of the licence area.
 - i. This will be an assessment of the proposed licence area against the proposed transmission capacity to ensure the most efficient use of the Commonwealth seabed area.
 - ii. The assessment will consider the person's justification for the proposed operational area.
 - iii. Corridor or spacing should **not exceed** 3 x water depth on either side of a cable.
 - **Note:** Under subsection 61(2) of the OEI Act, a TIL may be granted in respect of one or more areas (which need not be continuous) that are within the Commonwealth offshore area at the time the licence is granted.

- iv. The assessment will consider whether the person has considered factors relevant to infrastructure layout with respect to the characteristics of the proposed licence area as currently understood, and included appropriate activities to confirm their understanding during the licence term.
- (e) Conflicts that might arise with other uses or users of the licence area and the person's proposed measures and actions to mitigate such conflicts.
 - i. This will be an assessment of whether the offshore infrastructure project is likely to be incompatible with other uses or users of the licence area or adjacent marine environment including Defence, shipping, aviation, fishing, native title, local communities, oil and gas, greenhouse gas, other subsea infrastructure, existing cabling (including but not limited to telecommunications) and other offshore electricity infrastructure licences, where relevant.
- ii. The person's proposed measures and actions to investigate and mitigate such conflicts will also be assessed. At a minimum, a person should have identified relevant stakeholders and have a plan and schedule to investigate, manage, and resolve any conflicts.
- (f) Any other matters the Minister considers relevant.

7.7 Request for Further Information from the Registrar (section 41 OEI Regulations)

- 7.7.1 For the purposes of advising the Minister in relation to an application, the Registrar may request additional information or clarify any aspect of the application through a written RFI issued to the person. The RFI will specify the information required and the day on or before which the information must be provided and the manner in which the information must be provided.
- 7.7.2 If the information is not provided on or before the day specified, the Minister may, by written notice given to the person, refuse to consider the application further. The application fee will not be refunded. A person will need to re-apply under the licensing scheme if it wishes to proceed with its proposed project.

7.8 Overlap of TIL Application Licence Areas (sections 22 and 23 OEI Regulations)

- 7.8.1 If TIL applications cover wholly or partly the same area, the Registrar may notify the applicants in writing of the overlap and invite them to revise and resubmit their applications to remove the overlap. The notice and invitation must specify the day on or before which an application, as revised, must be resubmitted.
- 7.8.2 The notice and invitation must set out, for each other applicant whose application overlaps, the area(s) of overlap; the name of the other applicant; and the kind of project the other applicant proposes to carry out. The notice and invitation may include such information as the Registrar considers reasonable about the applications and other applications that cover areas adjacent to, or nearby, the area covered by the applicant's application.
- 7.8.3 A person who revises an application in response to the invitation is not required to pay an additional fee for revising or resubmitting the application.
- 7.8.4 If an applicant revises and resubmits an application in response to the invitation, and the revised application is in accordance with section 23 of the OEI Regulations, the resubmitted application replaces the original application and the original application will be disregarded.
 - **Note 1:** The revised application must be, so far as is reasonably possible, substantially similar to the original application.
 - **Note 2:** In considering the "substantially similar" test, the Registrar may take into account anything it considers relevant, including the location, shape and size of the original and revised proposed licence areas and the details of the original and revised proposed projects.
 - **Note 3:** An applicant may choose not to revise and resubmit its application, in which case the original application remains for the purposes of section 23 of the OEI Regulations.

<u>Overlap with Other Offshore Electricity Infrastructure Licence Areas</u> (subsection 21(4) OEI Regulations)

7.8.5 If an application for a TIL covers an area that is, or is part of, the licence area of an existing licence under the OEI Act, the person should have consulted with the existing licence holder prior

- to applying for the TIL. If this is not done to an appropriate standard as evidenced in the application, the Registrar may invite the holder of the existing licence to make a submission in relation to the potential grant of the TIL (see sections 7.6.2-7.6.3 of this Guideline). This will extend the assessment timeframe.
- 7.8.6 The Registrar may notify the holder of the existing licence of the name of the applicant; the proposed licence area of the TIL; and the kind of project that the applicant proposes to carry out in the proposed licence area.

7.9 Decision-Making (section 42 OEI Regulations)

- 7.9.1 When sufficient information has been provided by the person, the Registrar will prepare advice for the Minister with a recommendation as to whether a TIL should be offered to the person. The advice may recommend conditions to be placed on the licence and reasons for the conditions (see section 7.12 of this Guideline).
- 7.9.2 In considering an application for a licence, the Minister must have regard to any information, assessment, analysis, report, advice or recommendation in relation to the application given to the Minister by the Registrar.
- 7.9.3 The Minister will make a decision and advise the Registrar of the decision.

7.10 Offer to Grant a TIL (section 27 OEI Regulations)

- 7.10.1 If the Minister decides to grant a TIL to a person, a written offer of licence will be given to the person by the Minister or by the Registrar on behalf of the Minister.
- 7.10.2 The offer must specify the licence area for the TIL, the day that the licence would come into force if the offer is accepted, the end day of the licence, the conditions that would apply to the licence, the day on or before which the offer must be accepted and the method for accepting the offer.
- 7.10.3 If the offer is not accepted by the day specified, the person's application for the licence will lapse. The application fee will not be refunded.

7.11 Grant of TIL (section 61 OEI Act and section 28 OEI Regulations)

- 7.11.1 If the offer is accepted by the person in the manner and on or before the day specified in the offer, the licence will be granted to the person.
- 7.11.2 The notice of grant of the licence will be given to the person by the Minister or by the Registrar on behalf of the Minister. A TIL granted as a result of the acceptance of an offer under section 27 of the OEI Regulations must be consistent with the details set out in the offer.
- 7.11.3 The notice of grant must specify the licence area, the start day and end day of the licence, the conditions that are to apply to the licence and any other matters prescribed by the licensing scheme. It must be given in accordance with the licensing scheme.
- 7.11.4 The licence comes into force on the day on which it is granted, or a later day as specified in the notice of grant.
- 7.11.5 A record of the notice of grant must be entered in the Register of Licences (see **Part 9** below). End Day of a TIL
- 7.11.6 The end day will be stated in the notice of grant and may be extended (see Part 8 below).
- 7.11.7 The end day is calculated from the start day of the licence and includes all calendar days.
- 7.11.8 On or after the end day of a TIL, the licence does not authorise the construction, installation, operation or maintenance of offshore renewable energy infrastructure or offshore electricity transmission infrastructure except to the extent necessary to decommission infrastructure.

7.12 Conditions on a TIL (section 63 OEI Act)

- 7.12.1 Licence holders must comply with the conditions of the licence including:
 - (a) Any conditions on the licence as stated in the OEI Act including:
 - i. To pay an amount of offshore electricity infrastructure levy.
 - ii. To comply with any conditions prescribed by the licensing scheme.

- iii. That the licence holder, or any other person carrying out activities on behalf of the licence holder, complies with the management plan for the licence.
- iv. To comply with any conditions imposed on the licence in the notice of grant.
- (b) Any reporting requirements in the OEI Regulations.
- 7.12.2 The Minister may, when granting a TIL, impose such conditions on the licence as the Minister thinks fit (subsection 63(2) OEI Act). Examples of conditions may include:
 - (a) Compliance with the provisions of the OEI Act, OEI Regulations and any other instrument made under the OEI Act.
 - (b) Compliance with the offshore infrastructure project described in the application form.

Example: A condition may be placed on the grant of a TIL requiring the licence holder to deliver in the licence area the offshore infrastructure project as described in the application form. This will enable the Registrar to monitor compliance with the merit criteria; monitor the requirement for the licence holder to commence activities under the licence within a reasonable time; and assess the ability of a future transferee to undertake the obligations of the licence. If a licence holder wishes to change the description of the offshore infrastructure project, a variation of the licence conditions may be required.

7.13 Refusal of TIL Application (sections 43 and 44 OEI Regulations)

- 7.13.1 The grounds the Minister may take into account for refusing to grant a TIL include, but are not limited to:
 - (a) The application does not meet the OEI Act or the OEI Regulations.
 - (b) The application does not meet the application requirements.
 - (c) The Minister is not satisfied the licence applied for meets the merit criteria.
- 7.13.2 Written notice of refusal will be provided to the person by the Minister or by the Registrar on behalf of the Minister.
- 7.13.3 Information on procedural fairness and review of decisions is in Part 8 of this Guideline.