

# Attachment 12.3

## Applications Queuing Policy (AQP) Change Summary - REDACTED

Application Arrangement Information

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# 1. Introduction

The Applications and Queuing Policy (AQP) is a requirement of Chapter 5 of the *Electricity Networks Access Code 2004* (the Code), and provides the framework for commencing, progressing and finalising the provision of access to covered services on the network.

The AQP was updated significantly as part of the AA3 submission process, including introducing the objectives of the AQP, which are:

- a. To provide an equitable, transparent and efficient process for assessing the suitability of plant and equipment to connect to Western Power's *network* and to make *access offers* based on that assessment; and
- b. To undertake assessments and to provide shared *network access offers* that facilitate access by *generators* and loads to the WA Electricity Market (WEM) on an economically efficient and non-discriminatory basis that is consistent with WEM requirements, and uses a process that is equitable, transparent and efficient; and
- c. Where feasible and cost-effective, to facilitate joint solutions for *connection applications*.

This document summarises the proposed changes to the AQP for AA4 and the rationale for each of these proposed changes. The proposed amendments are designed to improve the functionality and applicability of the policy in line with the objectives, and have been developed based on Western Power's experience of applying the AQP to date, as well as feedback from stakeholders.

This summary document is supported by the proposed AQP (submission document number 1590 and 1566), which details proposed changes in both "tracked change" mode and as an unmarked version. Additionally, a detailed Stakeholder Engagement report is provided as submission document number 1585.

## 2. Proposed Amendments

Western Power has identified 31 proposed amendments to the AQP, which are summarised in the tables below. A number of additional administrative amendments are also proposed.

Western Power originally proposed 20 amendments to Stakeholders via the stakeholder engagement activities outlined in section 3 of this report. Following stakeholder consultation and legal drafting:

- item number 3 regarding removing the timeframe for the provision of an access offer following responses to a preliminary access offer was removed as a proposed change,
- item number 17 regarding amending clause 9.1(c) to qualify Western Power's obligation to process a customer transfer request such that the incoming retailer receives the same covered service at the same contracted capacity as the previous retailer, *unless that same covered service cannot be provided at the connection point*, was removed as a proposed change, and
- the following 8 items (number 8A, 15A, 21, 22, 23, 23A, 23B and 24) were identified and added to the list of proposed amendments.

As part of Western Power's final review of documentation to support the AA4 proposal, it was identified that 5 additional amendments to the AQP were required to support the proposed introduction of 'Time of Use' network tariffs and advanced metering infrastructure during AA4. These proposed AQP amendments have not been specifically included in stakeholder engagement activities regarding the AQP, however, have been the subject of stakeholder engagement as part of the broader AA4 proposal. The changes have been allocated a change identification number and are summarised in the tables below:

1. Connection Applications
2. Transfer applications
3. Common Provisions
4. Minor amendments
5. Amendments to support 'Time of Use' tariffs and advanced metering

**Table 2.1: Proposed amendments to the Applications and Queuing Policy**

ID	AQP clause	Summary of Issue	Summary of proposed change
Connection applications			
1	24.8, 24.1(a)	<p>Where there are competing applications, the AQP allows capacity to be provided to those applicants where that capacity has been developed by shared works in response to the connection applications via the competing applications group (<b>CAG</b>) mechanism.</p> <p>Occasionally, spare capacity becomes available without any applicant-funded shared works e.g. through growth driven network augmentation or through a reduction in existing contracted load/generation capacity. As the formation of a CAG relates to the identification of shared works, the CAG mechanism is not fit-for-purpose to release this capacity to competing applicants.</p> <p>Western Power should be able to allocate this spare capacity on a priority date basis (i.e. first come, first served) until no spare capacity remains without having to form a CAG and comply with the process in the AQP for making access offers to CAG members.</p> <p>Such an amendment will provide Western Power and applicants with clarity as to how such spare capacity may be allocated, streamline the process for making such capacity available to applicants and allow access to be granted in a timely and cost efficient manner, and in accordance with Western Power’s obligation to process applications expeditiously. Allocating the capacity based on priority date is a fair, logical and transparent approach and does not rely upon the exercise of discretion.</p>	<p>New clause 24.8(b) is inserted to enable spare capacity which becomes available other than by shared works to be offered to applicants on a priority date (i.e. first come, first served) basis until no spare capacity remains. This capacity may be offered to applicants who are members of a CAG and applicants who are not members of a CAG.</p> <p>A consequential amendment is made to clause 24.1(a) to confirm that Western Power’s obligation to form a competing applications group is subject to clause 24.8(b).</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
2	3.14, new clause 22	<p>The AQP does not contain provisions regarding termination of dormant applications. Applicants can remain in the process indefinitely although no action is being taken to progress their connection applications. This is because clause 3.14 provides that applications do not expire due to the passage of time. In some cases, applicants have had no contact with Western Power for many years.</p> <p>Inactive applications remaining on foot indefinitely has a number of adverse impacts, as set out below:</p> <ol style="list-style-type: none"> <li>it impacts the priority date mechanism and the release of spare capacity to applicants ready, willing and able to proceed to a connection but whose applications have a later priority date,</li> <li>it also impacts Western Power’s network planning as Western Power must take pending applications into account, and make assessments regarding the likelihood of those applications progressing to access offers, when undertaking such planning,</li> <li>it also impacts the objections process for applicant-specific solutions as Western Power must provide competing applicants an opportunity to object to an applicant-specific solution, even if their application is not currently being progressed, and</li> <li>monitoring and overseeing dormant applications involves the use of Western Power’s resources on applications which may not proceed to an access offer.</li> </ol> <p>Western Power has considered the feedback of [redacted] and [redacted] on this item in preparing the proposed amendments. See [redacted] C 5’, [redacted] C 9’ and [redacted] B 2’ in the ‘Stakeholder Engagement Summary’ section of this document.</p>	<p>New clause 22 and a definition of ‘dormant application’ are inserted to set out a process and criteria for Western Power to determine that an application is dormant and should be progressed or be taken to have been withdrawn.</p> <p>A ‘dormant application’ is defined as a connection application in respect of which:</p> <ol style="list-style-type: none"> <li>no processing work has been undertaken by Western Power, or</li> <li>no processing work has been agreed by Western Power and the applicant to be undertaken by Western Power,</li> </ol> <p>to progress the application for a period of 12 continuous months calculated retrospectively from the date that the assessment as to dormancy is made.</p> <p>So long as the failure to undertake processing work during the relevant 12 month period is not solely due to Western Power’s gross negligence or wilful default, Western Power may give written notice to the applicant in respect of a dormant application to show cause why Western Power should continue to process the dormant application. That notice should also set out the work required to process the application.</p> <p>If the applicant does not respond or responds but advises that it does not wish to progress its connection application to an access offer, the dormant application and any associated electricity transfer application is deemed to have been withdrawn.</p> <p>If the applicant responds to Western Power contending that Western Power should continue to process the application, Western Power must issue a processing proposal under clause</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
4	24.3 and 24.5(a)	<p>In responding to a notice of intention to prepare a preliminary access offer (<b>NOI</b>) or a PAO, there is no option for a CAG member to elect to opt out of that CAG but still maintain the priority date of its application and be able to participate in another CAG already in existence or to be formed in the future.</p> <p>If a CAG member does not want to accept the NOI or PAO, the available options are only, in effect, to progress its application as an applicant-specific solution or have its application taken to be withdrawn. The lack of an option to opt out of the CAG but remain eligible for inclusion in another CAG may force applicants to accept a NOI or PAO to avoid paying for a costly applicant-specific solution or have their connection application taken to be withdrawn.</p>	<p>20.2, 20.3 or 24 to the applicant as soon as possible. If an access contract has not been entered into within 12 months of the date on which the 'show cause' notice was issued to the applicant, Western Power may issue a further notice to the applicant and upon the giving of this notice, the application and any associated electricity transfer application will be deemed to have been withdrawn.</p> <p>In exercising its discretion under clause 22(e)(ii) to give such a notice, Western Power must have regard to the objectives of the AQP, the likelihood of the application progressing to an access offer and the existence of any competing applications.</p> <p>Clause 3.14 is also amended so that its statement that applications do not expire due to the passage of time is subject to any express provisions to the contrary in the AQP.</p> <p>New clause 24.3(c) is inserted to provide another option for responding to a NOI. This option involves the applicant advising Western Power that it does not want its application to be considered as part of the CAG to which the NOI relates, but that it wants its application to maintain its priority date and be considered for inclusion in other CAGs. Exercising this option is similar in effect to providing written notice to Western Power under clause 24.1(b2) prior to the issue of the NOI.</p> <p>New clause 24.5(a)(ii)(B) is inserted to provide an equivalent option for responding to a PAO.</p> <p>An additional qualification is inserted within proposed new clause 24.5(a)(ii)(C) such that an application will not be deemed to have been withdrawn if the failure to agree on an amended</p>



ID	AQP clause	Summary of Issue	Summary of proposed change
5	24.1(d), 20.1(a)(ii)	<p>Western Power has taken into account [REDACTED] feedback on this item in preparing the proposed amendments, in particular the proposed qualification to clause 24.5(a)(ii)(C). See [REDACTED] C 26' and [REDACTED] C 27' in the 'Stakeholder Engagement Summary' section of this document.</p> <p>The AQP does not specifically set out mechanisms for Western Power to require studies to be performed before preparing a NOI and for those studies to be funded by CAG members.</p> <p>Such studies may be required to provide a reasonable level of information to CAG members so that they can make an informed decision about accepting a NOI, funding the subsequent CAG solution development, opting for an applicant-specific solution or not progressing its application in a CAG. Undertaking studies at this early stage can encourage an early understanding by applicants and Western Power of issues affecting applicants' applications.</p>	<p>form of PAO is due to Western Power acting in bad faith. In such circumstances, Western Power and the applicant must engage in a further period of negotiations for 30 business days.</p> <p>New clause 24.1(d) is inserted to confirm (for the avoidance of doubt) that if Western Power considers that studies are necessary to prepare a NOI, Western Power can issue a processing proposal to CAG members in accordance with clause 20.2.</p> <p>A consequential amendment is made to clause 20.1(a)(ii) to include a reference to clause 24.1(d) confirming that an applicant must fund studies under that clause which it has agreed to Western Power performing.</p>
6	3.15, 24.8 and 2.1	<p>Western Power considers that it is able, acting in accordance with good electricity industry practice and the Code objective, to take into account matters such as forecast natural load growth in determining available spare capacity and in undertaking network planning. Forecast natural load growth highlights Western Power taking into account its obligations under the <i>Electricity (Obligation to Connect) Regulations 2006</i>, anticipated augmentations to the network, contracts likely to be entered into prior to the applicant, the technical and safety constraints applicable to the network and general network planning.</p> <p>Despite the above, forecast natural load growth is not clearly expressed as a relevant consideration that is taken into account by Western</p>	<p>Clause 3.15(d) regarding network planning is amended to refer to forecast natural load growth as a relevant consideration, amongst other considerations.</p> <p>Clause 24.8(a) and the definition of 'spare capacity' are amended to confirm that Western Power has regard to forecast natural load growth in determining spare capacity, amongst other considerations.</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
		<p>Power when determining spare capacity or undertaking network planning.</p> <p>As forecast natural load growth can affect Western Power's decisions regarding spare capacity and network planning, and must be taken into account by Western Power in making such assessments, it should be clearly expressed as a relevant consideration for transparency.</p>	
7	24A.2, 2.1 and 3.7(a)	<p>The AQP allows a successful tenderer to be given the same priority date as the unsuccessful tenderer with the earliest priority date.</p> <p>This approach is inconsistent with, and difficult to implement within, the CAG regime. It can also produce inequities as it can result in a successful tenderer with a later priority date receiving access ahead of applicants who lodged their applications before the successful tenderer. This issue is particularly problematic where a CAG is oversubscribed at the access offer stage as the successful tenderer may receive access ahead of an applicant with an earlier priority date but not involved in the tender process.</p> <p>Western Power wishes to avoid giving preference to an applicant who is successful in a tender process over other applicants. Western Power should not be influenced by whether a connection application relates to a tender process, with the parties to that process being responsible for managing any issues presented by tenderers' applications having different priority dates.</p>	<p>Clause 24A.2 is deleted. Related and consequential amendments are made to delete the definition of 'project' and to delete clause 3.7(a) as these provisions are no longer necessary.</p>
8	20.3(b)(ii), (c), (d) and (e), and 16.5	<p>The AQP does not require Western Power to give notice of an applicant-specific solution to all applicants who may be impeded by the applicant-specific solution. Western Power is only obliged to provide competing applicants that were 'within the same competing applications group', and existing users who may be impeded by the</p>	<p>New clause 16.5(b) is inserted to provide that where an applicant requests an applicant-specific solution, clause 20.3 shall apply and the applicant will be deemed to have requested a study concerning an applicant-specific solution.</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
8A	24.1(c), 24.3(b), 24.5(a)(ii)(A)	<p>applicant-specific solution, an opportunity to object to that solution being provided.</p> <p>An applicant may elect under clause 16.5 for an applicant-specific solution before being grouped within a CAG although that applicant's application is competing with other applications. This can create technical problems for Western Power and inequities where applicants who may be impeded by the applicant-specific solution do not have a right to object.</p> <p>For equity and transparency purposes, all applicants who may be impeded by an applicant-specific solution should have the right to object to that solution being provided. However, in order to ensure that the applicant who has funded works to develop an applicant-specific solution is not unfairly subjected to potential objections from competing applicants with later priority dates, only competing applicants with earlier priority dates are proposed to be given the opportunity to object to the proposed applicant-specific solution.</p> <p>Western Power has taken into account [REDACTED] feedback regarding this item. See [REDACTED] C 22' in the 'Stakeholder Engagement Summary' section of this document.</p>	<p>Clause 20.3(b)(iii) is amended to remove the qualification "that was within the same <i>competing applications group</i>" and to insert the qualification "with an earlier <i>priority date</i>". As a result, Western Power must provide <i>any</i> competing applicant with an earlier priority date with an opportunity to object to the applicant-specific solution after completion of the relevant study. Consequential amendments are made to clauses 20.3(c), (d) and (e).</p>
8A	24.1(c), 24.3(b), 24.5(a)(ii)(A)	<p>These clauses state that where an applicant opts for an applicant-specific solution, the application will be processed in accordance with clauses 20.2 and 20.3. A study relating to the applicant-specific solution is always necessary to investigate the potential applicant-specific solution and to support the objections process under clause 20.3. There is a potential ambiguity in the AQP as to whether an applicant who has opted for an applicant-specific solution under these clauses <i>must</i> request a study under clause 20.3(a).</p>	<p>Additional wording is added to clauses 24.1(c), 24.3(b) and 24.5(a)(ii)(A) to confirm that where an applicant opts for an applicant-specific solution under these clauses, it is deemed to have made a request for a study under clause 20.3(a).</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
9	18.1, 19.1(a)(i), 19.3	<p>In practice, a preliminary assessment is always required, although its nature and scope may vary depending on the nature and constraints affecting a connection application. However, the effect of clauses 18 and 19.1(a) is that a preliminary assessment is optional at the discretion of the applicant. An applicant 'may' request a preliminary assessment when lodging a request for an enquiry under clause 18. Western Power must advise the applicant of the expected completion date of a preliminary assessment if such an assessment has been requested by the applicant under clause 19.1(a).</p> <p>A preliminary assessment typically provides an assessment of network connection options, and indicative costs and timeframes. Such an assessment is important in the context of an increasingly constrained network as it encourages the early identification of issues that may affect the progression of the applicant's application.</p>	<p>Clause 19.3 is amended to confirm that a preliminary assessment is mandatory, unless otherwise agreed by Western Power.</p> <p>Related amendments are made to clauses 18.1(a) and clause 19.1(a)(i) to provide that an applicant may elect for the preliminary assessment to be undertaken at the enquiry stage (i.e. before lodging a connection application) or after the connection application has been lodged.</p>
10	24.5	<p>A CAG member who has received a PAO may not respond to Western Power at all in relation to the PAO within the stated timeframe for its response. Clause 24.5 sets out how an applicant may reject or accept that PAO, but not the consequences if an applicant provides no response to the PAO at all.</p> <p>Western Power and applicants will benefit from a clear and unambiguous explanation of the consequences of an applicant failing to respond to a PAO within the stated timeframe. An applicant failing to respond to a PAO can create difficulties for Western Power in progressing the applications of other CAG applicants. Western Power cannot compel an applicant to respond. Deemed withdrawal of an application enables Western Power to progress the applications of CAG members who have accepted a PAO without delays caused by</p>	<p>Clause 24.5(c) is inserted to confirm that an application will be taken to have been withdrawn if the applicant does not respond to the PAO to Western Power by one of the methods set out in clause 24.5(a) within 30 business days of receipt of the PAO.</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
11	NEW 24.7A	<p>considering the position of applicants who failed to respond to the PAO.</p> <p>There is no mechanism in the AQP to terminate or disband a CAG. However, Western Power may find that it cannot progress the CAG solution works. In these circumstances, the CAG will remain on foot indefinitely.</p> <p>This creates potential issues and uncertainties for Western Power regarding whether it must, and how it can, continue to progress these applications within the CAG. Where the CAG works are not viable, there may be no alternative shared works that could provide the CAG members with access and therefore no possible CAG solution. It can also create uncertainties for applicants regarding when and how their connection application may be satisfied. Such issues may be exacerbated over time if other CAG members seek applicant-specific solutions or withdraw their applications.</p> <p>This issue cannot be dealt with contractually. Western Power has the contractual right to terminate its competing applications processing contracts with CAG members if it considers that it is unlikely to make PAOs or access offers to CAG members or if it considers that the shared works comprising the CAG solution are no longer viable. However, if Western Power terminates such contracts, the CAG still remains on foot for the purposes of the AQP.</p>	<p>New clause 24.7A is inserted to state that where Western Power considers that:</p> <ol style="list-style-type: none"> <li>a. it is unlikely to issue NOIs, or make PAOs or access offers to CAG members in respect of a single set of works for shared assets, or</li> <li>b. a single set of works for shared assets is no longer viable,</li> </ol> <p>Western Power may terminate the CAG by notice in writing to the CAG members.</p> <p>Where Western Power terminates a CAG, the applications previously within that CAG and their priority dates shall not be affected and may be considered for inclusion in other CAGs.</p>
12	24.6C	<p>The title to this clause ('Exceeding Minimum Levels') is inaccurate. The clause relates to circumstances where maximum levels for acceptance of access offers are exceeded, not minimum levels.</p>	<p>The title to clause 24.6C is amended from 'Exceeding Minimum Levels' to 'Exceeding Maximum Levels' to align with the content of the clause.</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
13	24.2 and 24.4	<p>Before issuing a NOI or PAO, Western Power must have a certain view regarding the suitability of a CAG solution. By the use of the word 'continues' in clause 24.4, the AQP intends that this view should relate to the same matters. However, clauses 24.2 and 24.4 contain inconsistent wording regarding this view.</p> <p>Clause 24.2 refers to "Where Western Power considers that a single set of <i>works</i> for <i>shared assets</i> may meet some or all of the <u>requirements of the applicants within a competing applications group, it will issue a notice of intention...</u>" (emphasis added)</p> <p>Clause 24.4 refers to "Western Power may, if it continues to consider that a single set of <i>works</i> for <i>shared assets</i> may meet some or all of the <u>requirements of a competing applications group, make preliminary access offers...</u>" (emphasis added)</p> <p>Such inconsistent wording could cause issues for Western Power and applicants in interpreting and implementing such clauses as it could be argued that the 2 clauses require a different standard of satisfaction for Western Power to issue NOIs or PAOs. However, the use of 'continues' in clause 24.4 suggests that Western Power's view should be the same. As the clauses are intended to relate to the same standard of satisfaction, the wording between the clauses should be consistent.</p> <p>The wording of clause 24.4 reflects Western Power's considerations when deciding whether to issue NOIs and PAOs (i.e. the proposed CAG solution will meet some or all of the requirements of the CAG). The CAG Solution is assessed in relation to the interests within the CAG considered collectively, rather than individually with respect to each applicant. Other applicant-specific issues (e.g. individual connection works) do not form part of CAG considerations, and ought not to affect Western Power's assessment as to the suitability of a CAG solution. The</p>	<p>Clause 24.2 has been amended to mirror the wording in clause 24.4. To issue NOIs or PAOs to CAG members, Western Power must consider that a single set of works for shared assets may meet some or all of the requirements of the CAG.</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
22	24.3(a)	<p>CAG solution focuses on the common interests of CAG members and the desire to share the costs of undertaking certain shared asset works.</p> <p>The last sentence in clause 24.3(a) regarding the payment of the preliminary offer processing fee following acceptance of a NOI states that “Where the <i>applicant</i> subsequently enters an <i>access contract</i>, the preliminary offer processing fee will be counted towards any contribution payable under the <i>contributions policy</i>, or where it exceeds any contribution payable under the <i>contributions policy</i>, the excess will be offset against amounts payable under that <i>access contract</i>.”</p> <p>The contributions policy regulates the manner in which contributions are calculated and this does not need to be dealt with in the AQP in any detail. For example, the contributions policy deals with the situation of an applicant paying an amount greater than its contribution determined in accordance with that policy. Further, if the components of a fee paid are not able to be capitalised because they relate to operating expenses, those amounts would not affect the calculation of any contribution. Therefore, the wording of clause 24.3(a) is potentially inconsistent with actual practice and ought to be clarified to enable the contributions policy to take precedence.</p>	<p>The following words are deleted from the last sentence of clause 24.3(a) “or where it exceeds any contribution payable under the <i>contributions policy</i>, the excess will be offset against amounts payable under that <i>access contract</i>”.</p> <p>The words “where permissible” are also added after the words “any contribution payable” to clarify that the fee will be counted towards a contribution where permissible under the contributions policy.</p>
23	24.5(b)	<p>The second sentence in clause 24.5(b) regarding the payment of the preliminary acceptance fee following acceptance of a PAO states that “The preliminary acceptance fee is non-refundable but, where the <i>applicant</i> subsequently enters an <i>access contract</i>, the preliminary acceptance fee will be counted towards any contribution payable under the <i>contributions policy</i>, or where it exceeds any contribution payable</p>	<p>The following words are deleted from the last sentence in clause 24.5(b) “or where it exceeds any contribution payable under the <i>contributions policy</i>, the excess will be offset against amounts payable under that <i>access contract</i>”.</p> <p>The words “where permissible” are also added after the words “any contribution payable” to clarify that the fee will be counted</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
23A	16.3	<p>under the <i>contributions policy</i>, the excess will be offset against amounts payable under that <i>access contract</i>.”</p> <p>The contributions policy regulates the manner in which contributions are calculated and this does not need to be dealt with in the AQP in any detail. For example, the contributions policy deals with the situation of an applicant paying an amount greater than its contribution determined in accordance with that policy. Further, if the components of a fee paid are not able to be capitalised because they relate to operating expenses, those amounts would not affect the calculation of any contribution. Therefore, the wording of clause 24.5(b) is potentially inconsistent with actual practice and ought to be clarified to enable the contributions policy to take precedence.</p>	<p>towards a contribution where permissible under the contributions policy.</p>
		<p>The compliance of any modifications to generating plant sought in a connection application under clause 16.3 with the Technical Rules is relevant to Western Power’s assessment of that connection application. The applicant should be required to provide information relating to such compliance when submitting its connection application, as specified in the application form. As compliance with the Technical Rules is of paramount importance under the Code for Western Power and applicants/users, it is critical that compliance with the Technical Rules is monitored closely. Such information is necessary for Western Power to assess and process the connection application and proposed modification to the generating plant to seek to ensure the safe and reliable operation of the network.</p> <p>The AQP does not currently include an express requirement for such information to be provided with a connection application to modify</p>	<p>The words “and compliance of the modified <i>generating plant</i> with the <i>technical rules</i>” is added to clause 16.3 after the words “impact of the modification of the <i>network</i> and other users.”</p>



ID	AQP clause	Summary of Issue	Summary of proposed change
23B	3.7(e)	<p>generating plant, as specified in the application form. The proposed amendment is consistent with clause 3.7(e) of the AQP which requires connection applicants to provide such information about the facilities and equipment at the connection point to the extent required by the Technical Rules and Western Power acting as a reasonable and prudent person.</p> <p>Clause 3.7(e) requires an applicant to provide to Western Power such information regarding the facilities and equipment to be connected at the connection point to the extent required by the Technical Rules and by Western Power as a reasonable and prudent person.</p> <p>However, the facilities and equipment which may ultimately be installed at a connection point may differ from those contemplated at the time that a connection application is made.</p> <p>Western Power has considered [REDACTED] feedback in preparing this proposed amendment. See [REDACTED] A 1' of the 'Stakeholder Engagement Summary' section of this document.</p> <p>Western Power considers that clause 3.7(e) should also be clarified to confirm that an applicant <i>must</i> provide information about facilities and equipment which are technically required, but it is acknowledged that there may be some additional aspects of facility and equipment which could be subject to change, such as the particular generating plant that a generator may seek to connect.</p>	<p>Clause 3.7(e) is qualified by the insertion of the words "likely or required to be connected".</p>

**Table 2.2: Proposed revisions to transfer application provisions**

ID	AQP clause	Summary of Issue	Summary of proposed change
Transfer applications			
14	2.1, 13, 9.1, 14.4(c)	<p>The AQP considers contestability on an exit point by exit point basis for the purposes of customer transfer requests and making access offers. It contemplates that determinations will be made by Western Power as to whether an exit point is contestable by reference to the estimated amount of electricity to be consumed at that exit point (i.e. the contestability threshold).</p> <p>This approach is inconsistent with the Electricity Corporations (Prescribed Customers) Order 2007 which defines a 'prescribed customer' (who therefore cannot be a contestable customer) based on the customer's portfolio of exit points.</p> <p>This inconsistency creates issues and ambiguities for Western Power and applicants in interpreting and implementing the AQP. Different outcomes could be generated under the order and the AQP regarding who may sell electricity to a customer at a connection point (and therefore be a party to the relevant ETAC).</p> <p>As a result of the Electricity Corporations (Prescribed Customers) Order 2007, a customer will be 'contestable' if they do not meet the definition of a 'prescribed customer' because the customer consumes, or could reasonably be expected to consume, at an exit point supplying the customer with electricity more than 50MwH per annum.</p> <p>For example, a customer with three exit points may, or could be expected to consume, more than 50MwH at only one of those three exit points. Under the order, that customer is a 'contestable</p>	<p>A new definition of 'contestable customer' is inserted which aligns with the definition of 'contestable' in the Customer Transfer Code and excludes customers who are 'prescribed customers' under the Electricity Corporations (Prescribed Customers) Order 2007.</p> <p>Given the new term 'contestable customer' and related amendments, the definitions of 'contestable' and 'contestability threshold' (which focussed on exit points) are no longer necessary, nor appropriate, and are deleted.</p> <p>Clause 13.1 is amended so that when Western Power receives a transfer application, connection application or transfer request, it must determine if that application or request is being made for the purpose of supplying electricity to a contestable customer at that exit point. Similarly, clause 13.3 is amended so that Western Power must reject an application if it is not authorised to make an access offer in relation to that application because the customer who will be supplied electricity is not a contestable customer.</p> <p>The contents of clause 13.2 are deleted as the criteria for whether an application or request relates to a 'contestable customer' is set out in the new definition of 'contestable customer'.</p> <p>Consequential amendments are made to clause 9.1 regarding customer transfer requests to provide that such requests may be made in relation to exit points at which electricity will be supplied to contestable customers, not 'contestable exit points'.</p>

		<p>customer' in relation to all of its exit points and is therefore able to be supplied with electricity by a retailer other than Synergy at all of its exit points irrespective of the customer not consuming, or not being likely to consume, more than 50MwH at two of its three exit points. However, under the current drafting of the AQP, Western Power must reject an electricity transfer application or customer transfer request for a retailer other than Synergy to supply that customer with electricity at the two exit points at which the customer does not consume, or is not likely to consume, more than 50MwH per annum. Such inconsistent outcomes should not be able to occur.</p>	<p>The contents of clause 14.4(c) are deleted as its approach of considering the contestability of exit points on an exit point by exit point basis is inconsistent with the Electricity Corporations (Prescribed Customers) Order 2007.</p>
21	3.8 and NEW 14.5	<p>The AQP only allows one NMI and one ETAC per connection point, and does not allow multiple NMIs and/or ETACs at the same connection point. It also only allows for one controller, and one type of exit service, entry service or bidirectional service to be provided, at a connection point.</p> <p>As a result, the AQP does not have the flexibility to allow for multiple trading relationships to exist at connection points if wider regulatory and legislative reforms occur to enable such arrangements to exist. Such arrangements may require or involve multiple NMIs, ETACS, controllers and/or types of services. An example of such an arrangement involves electricity being purchased at a connection point by a customer who may want to transfer into the network, at the same connection point, excess generation for sale to a third party.</p> <p>Clause 14.4 of the AQP provides for the splitting of connection points into multiple connection points, however this would require the installation of additional metering infrastructure etc. and may be less efficient.</p>	<p>New clause 14.5 is inserted to confirm that if multiple trading relationships at a connection point are permitted by law and all approvals have been given, Western Power may agree to depart from the requirements of clause 14 to the extent necessary to facilitate that arrangement.</p> <p>The provisions of clause 14 from which Western Power may so depart are most likely to be clause 14.1(e) (relating to controllers), clause 14.1(f) (relating to one type of service) and 14.2 (relating to one NMI per connection point). All provisions within clause 14 are captured (not just clauses 14.1(e), 14.1(f) and 14.2) to allow flexibility should departures from other provisions of clause 14 be required.</p> <p>Clauses 3.8 is amended to allow an exception to the requirements for one ETAC for each connection point in such circumstances.</p>

		<p>Amendments to support multiple trading relationships at a connection point in the future, should regulatory reform occur to enable such arrangements to exist, were requested and are supported by a number of stakeholders.</p> <p>Legislative reforms to enable multiple trading relationships may come into effect during the AA4 period. Western Power's preference is to avoid having to make mid-term amendments to the access arrangement to address the reforms. The provisions only operate if the relevant reforms are introduced.</p>	
15	NEW 12A(a)	<p>There is a misconception amongst users and customers that the AQP enables capacity currently contracted to one user to be temporarily made available to another user. This is not the purpose of the AQP, nor is there a mechanism within the AQP to achieve this. Capacity transfers and relocations are dealt with under the Transfer and Relocation Policy.</p> <p>This misconception should be clarified within the AQP to avoid users and customers expecting that temporary transfers are possible under the AQP.</p>	<p>New clause 12A(a) has been inserted to confirm that the Transfer and Relocation Policy (and not the AQP) applies to bare transfers and assignments of rights under an access contract, including temporary transfers.</p>

15A	NEW 12A(b) and (c)	<p>Western Power proposes to amend the Transfer and Relocation Policy to clarify that requests for relocations must be made, and processed, in accordance with the AQP.</p> <p>As network operator, Western Power must consider any relocations requested by an applicant before they are implemented in order to ensure that the network is operated in a safe, reliable and efficient manner, and other users on the network and applicants are not adversely affected. The application procedures under the AQP enable Western Power to consider such requests in an equitable manner in accordance with good electricity industry practice.</p> <p>There is a misconception amongst users and customers that relocations involving a user 'relocating' some of its contracted capacity by decreasing its contracted capacity at one connection point and increasing its contracted capacity at another connection point do not, in all cases, require any applications to be made under the AQP.</p> <p>In practice, a relocation involves an electricity transfer application being made under clause 10.2(a). Relocations may also require works to be completed to support an increased contracted capacity at a connection point. A constraint may also affect whether the network can support an increased contracted capacity at another connection point. In these circumstances, a connection application will be required.</p> <p>This misconception should be clarified within the AQP to avoid users and customers expecting that relocations can occur without applications needing to be made under the AQP. This clarification is particularly important in the context of a constrained network where capacity cannot be increased or relocated to a constrained part of the network without augmentations being required. An application</p>	<p>New clauses 12A(b) and 12A(c) have been inserted to confirm that if a user wishes to seek a relocation under the Transfer and Relocation Policy, it must lodge an electricity transfer application. A connection application must also be lodged if the relocation requires any augmentation or works, or would result in Western Power's ability to provide covered services to another user or applicant being impeded.</p> <p>Clauses 12A(b) and 12A(c) reflect the existing principle within clause 10.3 – that if a change (i.e. relocation or increase in contracted capacity) requires works to augment the network or will impede another user or applicant, a connection application is required.</p> <p>Applicable definitions of 'assignment' and 'bare transfer' have been added as appropriate.</p>
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16	14.3 and 14.4	<p>will be required to initiate and regulate any augmentation works required.</p> <p>Clause 14.3 regarding the combination of multiple connection points into a single connection point does not expressly state that the consent of an existing retailer (as a party to the ETAC for a relevant exit point) is required to an electricity transfer application to combine that connection point with other connection points.</p> <p>Similarly, clause 14.4 regarding the separation of a single connection point to create multiple connection points does not expressly state that the consent of an existing retailer (as a party to the ETAC for that exit point) is required to an electricity transfer application to split a connection point.</p> <p>As a result, there is ambiguity as to whether consent is required in such cases. In practice, such consent must be given. The AQP should be clarified to confirm this.</p> <p>Western Power has taken into account [redacted] feedback on this item in preparing the proposed amendments. See [redacted] C 16' in the 'Stakeholder Engagement Summary' section of this document.</p>		<p>New clause 14.3(d) is inserted to confirm that where an application to combine multiple connection points within a single connection point is made by an applicant who is not the retailer in relation to all relevant connection points, the applicant must obtain the consent of the retailer.</p> <p>New wording is inserted within clause 14.4(c) to confirm that where an application to split a single connection point into multiple connection points is made by an applicant who is not the retailer in relation to the connection point, the applicant must obtain the retailer's consent.</p>
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Table 2.3: Proposed revisions to common provisions

ID	AQP clause	Summary of Issue	Summary of proposed change
Common provisions			
18	NEW 2.2(c) and 2.1 and 16.4	<p>The AQP does not expressly state that it only applies to applications in relation to covered services. However, the definitions of ‘access offer’ and ‘access contract’ within the AQP relate to covered services only. Therefore an ‘access offer’ or an ‘access contract’ cannot be made, or entered into, in respect of an application for a service other than a covered service. The making of an access offer, and the parties’ entry into an access contract, is the only way under the AQP that an application can be brought to an end, other than through withdrawal. Accordingly, Western Power considers that the limitation of connection applications to covered services can be reasonably implied from the AQP’s context.</p> <p>Uncertainties and ambiguities can arise for Western Power and property developers regarding how Western Power should process requests by property developers seeking augmentations to the network to service a subdivision but who do not seek an identified covered service. As such applications do not relate to a covered service to be provided to a developer or a third party or seek capacity on the network, a developer is not capable of receiving an ‘access offer’ or entering an ‘access contract’, as those terms are currently defined by the AQP. Western Power has other processes in place for processing such applications outside the AQP.</p> <p>The intention of the Code is that the AQP applies to applications for ‘access contracts’ or ‘contracts for services’, which, by</p>	<p>Various amendments are proposed to confirm that the AQP only applies to applications seeking a covered service. These include:</p> <ol style="list-style-type: none"> <li>a. the words “in relation to a <i>covered service</i>” are added to the definitions of ‘connection application’ and ‘electricity transfer application’ in clause 2.1,</li> <li>b. clause 2.2(c) is inserted to provide that “To avoid doubt, this applications and queuing policy only applies to <i>applications</i> in relation to <i>covered services</i>.”, and</li> <li>c. clause 16.4 regarding applications to modify or augment the network is amended to apply where an applicant seeks to modify or augment the network “for the purposes of receiving a <i>covered service</i>...”.</li> </ol> <p>Various amendments are made to notes throughout the AQP. These include:</p> <ol style="list-style-type: none"> <li>a. the deletion of the note accompanying paragraph (d) of the definition of ‘connection application’ regarding applications to augment the network for other reasons (“Note: this might be, for example, to service a subdivision”), and</li> <li>b. the deletion of the note accompanying clause 16.4(a) regarding when an applicant may lodge a connection application to modify or augment the network.</li> </ol>

ID	AQP clause	Summary of Issue	Summary of proposed change
19	<p>Clause 2.1: definition of "confidential information", 6.1, 24.9(d), 24.10(c),</p>	<p>definition, relate to 'covered services' and 'excluded services'. Despite this, Western Power does not currently offer any 'excluded services' and, if it did, amendments would be required to the AQP as the AQP's provisions for processing transfer and connection applications could not be applied to 'excluded services'.</p> <p>Western Power desires clearer provisions in the AQP regarding the circumstances in which it can disclose certain types of information, which an applicant or disclosing party may consider confidential to competing applicants, the AEMO or other third parties.</p> <p>Often applicants or 'disclosing parties' consider project specific information and information regarding their applications to be confidential as a matter of course, even if they do not advise Western Power that the information is confidential. The AQP's definition of 'confidential information' requires the applicant or 'disclosing party' to specify whether information it provides is confidential.</p> <p>From time to time Western Power is requested to disclose information to third parties, including regarding competing applications. The disclosure of such information is reasonable to inform applicants about competing applications and network constraints that may affect their connection application and otherwise for the performance of Western Power's functions. Western Power's practice is to do this in an anonymised format.</p>	<p>These amendments seek to ensure that there are no inconsistencies between the definitions of 'connection application', 'access offer' and 'access contract'.</p> <p>Clause 6.2 is amended:</p> <ul style="list-style-type: none"> <li>a. to enable Western Power to disclose confidential information on a confidential basis to the market operator (i.e. AEMO) or where necessary for the performance of Western Power's functions, and</li> <li>b. to enable Western Power to disclose the information described in clause 24.9(d) to competing applicants in an anonymised format in accordance with that clause and clause 24.10.</li> </ul> <p>Clause 24.9(d) is amended to enable Western Power to disclose the following information relating to a competing application to a competing applicant in an anonymised format:</p> <ul style="list-style-type: none"> <li>a. the capacity requirements of the competing application,</li> <li>b. the geographic location at which the application seeks the capacity,</li> <li>c. reasonable details regarding the augmentation required by the application,</li> <li>d. any zone substation relevant to providing the covered service sought in the application,</li> </ul>



ID	AQP clause	Summary of Issue	Summary of proposed change
		<p>Western Power considers that the AQP should be clearer about the types of information which Western Power can disclose to competing applicants and the circumstances in which such disclosure may be made. Western Power believes that this clarity will benefit both Western Power and applicants.</p> <p>Western Power has taken into account [REDACTED] feedback regarding the confidentiality provisions in preparing the proposed amendments. See [REDACTED] C 3' in the 'Stakeholder Engagement Summary' section of this document.</p>	<p>e. where the applicant is a generator, the fuel type involved, and</p> <p>f. the application's priority date.</p> <p>New clause 24.10(a) confirms that Western Power can disclose the information in clause 24.9 when issuing NOIs, PAOs and access offers.</p> <p>The following consequential amendments are proposed to:</p> <p>a. insert a definition of 'market operator' to support the proposed amendment to clause 6.2(a) regarding disclosure to the market operator,</p> <p>b. clause 17A.4(a)(ii) to effect the intent that Western Power can disclose the confidential information described in clause 24.9(d) relating to an application that would compete with a prospective application to the prospective applicant, and</p> <p>c. clause 24.10(c) to capture circumstances in which information under clause 24.9(d) is no longer required to be provided in an anonymised format.</p> <p>The definition of 'confidential information' is amended to confirm that information which is deemed not to be confidential under clause 6.1 does not fall within the definition of 'confidential information'.</p>
20	2.2, 7.4	<p>Clause A2.102 of the Model AQP allows the service provider and an applicant to agree to deal with a matter in connection with an electricity transfer application or connection application in a</p>	<p>New clause 2.2(d) is inserted in Part A (which applies to both electricity transfer and connection applications) to provide that "An applicant and Western Power may agree to deal with any matter in</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
24	4.8	<p>manner different to that set out in the AQP so long as the service provider's ability to provide a covered service to another applicant is not impeded.</p> <p>Clause 7.4 of the AQP reflects this by allowing applicants to agree with Western Power to depart from the AQP in progressing an electricity transfer application, provided that doing so causes no impediment to other applicants. This clause is located within Part B of the AQP which only applies to electricity transfer applications.</p> <p>However, unlike the Model AQP, there is no equivalent provision in relation to connection applications in the AQP.</p> <p>This flexibility should also apply to connection applications. Western Power receives a number of requests for simple connections (e.g. households) which do not compete with other applications and which do not require the procedural rigour of the AQP to be satisfied.</p>	<p>connection with an <i>application</i> in a manner different to the treatment of the matter in this applications and queuing policy as long as the ability of Western Power to provide a <i>covered service</i> that is sought by another <i>applicant</i> is not impeded.”</p> <p>The contents of clause 7.4 are deleted.</p>
		<p>Often conditions precedent in access contracts require the completion of works. In some cases, due to the nature of the works it is reasonable and necessary to have a period longer than 8 months for the completion of the works and therefore the satisfaction of the condition precedent.</p> <p>The AQP provides that Western Power and an applicant 'may not' (which in this context has the effect of 'must not') enter into an access contract containing a condition precedent with a period for satisfaction longer than 8 months. Additional flexibility is required to enable Western Power to agree to conditions precedent with a period for satisfaction longer than 8 months where reasonably necessary.</p>	<p>Clause 4.8(a) is amended to replace 'may' with 'must' so that the wording more accurately reflects the clause's effect and to include an exception to allow a longer period where reasonably necessary, including due to the nature of works to be conducted.</p> <p>A consequential amendment is made to clause 4.8(b) to add the following works "or such other period of time agreed under clause 4.8(a)" after "if, after 8 months..."</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
		<p>Western Power has taken into account [REDACTED] feedback on this item in preparing the proposed amendments. See [REDACTED] A-2' of the 'Stakeholder Engagement Summary' section of this document.</p>	

**Table 2.4: Various minor amendments**

Item	Summary of proposed change	Examples of relevant clauses
1	A number of terms used in the AQP are defined as having the meaning given by other instruments such as the Electricity Networks Access Code, the Customer Transfer Code, the WEM Rules and the Metering Code. A number of these definitions are accompanied by an extract of the relevant definition from the other instrument as a 'note'. Various amendments have been made to such definitions to ensure consistency with the current definition in the relevant instrument.	The 'notes' accompanying the following definitions are amended – 'access dispute', 'customer transfer request', 'verifiable consent', 'loss factor', 'market participant', 'relocation', 'meter' and 'revenue meter'.
2	A 'note' is inserted extracting the definition of 'generating plant' from the Electricity Networks Access Code for explanatory purposes.	See the definition of 'generating plant' in clause 2.1.
3	The defined term 'final notice' is added to the list of definitions in clause 2.1 as it is missing from that list.	See the definition of 'final notice' in clause 2.1.
4	Unused terms are deleted from the list of definitions in clause 2.1.	The definition of 'reserve capacity auction' has been deleted.
5	Various amendments are made for clarification purposes.	See the definitions of 'applicant-specific solution', 'application form', and 'competing applications group' in clause 2.1, and clause 17A.4(a)(ii).
6	The ordering of some definitions is changed to ensure that definitions appear in alphabetical order in clause 2.1.	See the movements to the definitions of 'contributions policy' and 'connection point' in clause 2.1.
7	Various drafting improvements are made which do not affect the substantive meaning of the relevant clauses.	See, for example, the definition of 'connection application' in clause 2.1 and clauses cl 3.6(b)(iii), 3.9(b), 3.13(b), 3.15(a), 3.15(b), 3.15(d), 4.5, 4.8(b)(i), 7.2(a), 14.3(a), 24.2, 24.3(b), 24.5(a), 24.5(b), 24.5(d), 24.6, 24A.3(d) and 26.
8	Minor punctuation changes are made which do not affect the substantive meaning of the relevant clauses.	See, for example, clause 3.6(b).

Item	Summary of proposed change	Examples of relevant clauses
9	Changes to various internal clause cross-references are made to clearly state the applicable provision.	See clauses 3.10(d) and 3.11(c).
10	Clause 5.4(b) is amended to remove the reference to 'stamp' before 'duty' to reflect changes in the statutory terminology regarding duty.	See clause 5.4(b).
11	Figure 1 and the 'Primary information' table within Appendix A are deleted. Western Power considers that they do not enhance the AQP, nor do they add to its written provisions. Their removal will not detract from the rights and obligations of parties under the AQP. If an issue were to arise under the AQP, parties would rely on the written provisions of the AQP, not Figure 1 or the table in Appendix A.	See amended clause 1.1 and the amended Appendix A.
12	Additional wording is added to clause 1.1 to note that Appendix A (excluding the 'Primary information' table) and Appendix B provide further explanation regarding the processes under the AQP and to clarify that Appendix A and Appendix B are for explanatory purposes only. The current AQP does not contain any references to, or explanation of the role of, these Appendices.	See amended clause 1.1.

Table 2.5: Proposed amendments to the Applications and Queuing Policy to support 'Time of Use' tariffs and advanced metering in AA4

ID	AQP clause	Summary of Issue	Summary of proposed change
27	NEW 10.1(f)	<p>A provision is required within the AQP to require a user to make an electricity transfer application to change the user's reference service if an AMI meter is installed at the user's connection point, whether that AMI meter is installed at the user's request or is required to be installed by Western Power.</p> <p>An electricity transfer application is required to change the user's reference service to a reference service that is compatible with an AMI meter.</p>	<p>New clause 10.1(f) is inserted which provides that "Where an AMI meter is requested by the applicant or required by Western Power to be installed to replace a different type of meter at that connection point, the applicant must make an electricity transfer application."</p>
28	14.1(c)	<p>The AQP requires that if a connection point is associated with more than one revenue meter, the revenue meters must be all interval meters or accumulation meters, and not a combination of interval meters and accumulation meters.</p> <p>This same requirement should apply in relation to AMI meters, which are different to interval meters and accumulation meters.</p>	<p>The words "or all AMI meters" are inserted after "all interval meters or all accumulation meters".</p> <p>The words "interval meters and accumulation meters" after "not a combination of" are deleted and replaced with the words "more than one type of revenue meter", for clarity.</p>
29	8	<p>Clause 8 relating to Western Power's ability to reject an application for a reference service where the eligibility requirements for that reference service are not satisfied should be clarified to confirm that the applicant seeks the reference service by way of an electricity transfer application made under Part B of the AQP and that clause 8 applies to all such applications made under Part B.</p>	<p>The words "under this Part B" are inserted after the words "If an applicant seeks a reference service".</p>
30	3.6	<p>An electricity transfer application should contain information about the applicant's eligibility for the covered service sought in the application and, where the application relates to a new connection point, any facilities and equipment likely or required to be connected at the</p>	<p>New clause 3.6(a)(iv) is inserted to require the applicant to provide information relating to the applicant's eligibility for the covered service sought.</p>

ID	AQP clause	Summary of Issue	Summary of proposed change
31	2.1	<p>connection point. This information is necessary to assess the type of service to be provided at a connection point at which an AMI meter is installed or is proposed to be installed, and for Western Power to make decisions under clause 8 of the AQP. It also enables an applicant to correct an application by replying to a request for correction from Western Power under clause 3.10 where appropriate, rather than forcing Western Power to reject the application under clause 8 due to eligibility issues and requiring the application to be resubmitted in full.</p> <p>The changes described above require consequential changes to insert and amend definitions, including to clarify that an AMI meter is not an 'accumulation meter' or an 'interval meter' and does not fall within the definition of a 'metering installation', as those terms are defined by the Metering Code.</p>	<p>New clause 3.6(b)(ii)(B) is inserted to require the applicant to provide information relating to any facilities and equipment likely or required to be connected at the connection point where the application relates to a new connection point.</p>
			<p>A definition of 'AMI meter' is inserted.</p> <p>The definition of 'accumulation meter' is qualified to confirm that it does not include an 'AMI meter'.</p> <p>A definition of 'interval meter' is inserted which is also qualified to confirm that it does not include an 'AMI meter'.</p> <p>A definition of 'metering installation' is inserted which confirms that it does not include an installation of an AMI meter.</p> <p>The definition of 'revenue meter' is amended to confirm that the term includes an AMI meters for the purposes of the AQP.</p>

### 3. Stakeholder Engagement Summary

#### 3.1 Approach

Western Power conducted a series of internal workshops in February and March 2017 to identify proposed amendments to the AQP, based on the internal experience of implementation during AA3.

Following this, Western Power engaged GHD to facilitate stakeholder engagement on the initial proposed amendments, and their approach and implementation is summarised in the Stakeholder Engagement summary report (submission suite 1585).

Following the Stakeholder Engagement forum and feedback process conducted by GHD, Western Power, in conjunction with external legal assistance, proceeded to draft the required changes to the AQP during July 2017. These are provided in the proposed Application and Queuing Policy mark-up and clean documents (submission document number 1590 and 1566).

Western Power provided the marked-up version of the proposed AQP and summary of changes to Stakeholders during August 2017, seeking a second round of feedback.

Western Power received three responses to the proposed AQP – from Perth Energy, Lacour Energy and Synergy respectively. [REDACTED] a summary of Western Power’s consideration of these responses provided in section 3.3.

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### 3.3 Western Power consideration of Stakeholder responses

Stakeholder (Issue Number)	Issue Raised	Western Power response
<p>██████████ A-1)</p>	<p><b>Clause 3.7(e)(i)</b>            ██████████ sought the removal of the requirement under clause 3.7(e)(i) for a connection applicant to include information about its facilities and equipment required under the Technical Rules in its application. Instead, ██████████ suggested that the applicant should only be required to describe the proposed type of facilities and equipment in general terms, such as “heavy industrial open cycle gas turbine of 40-50 MW”.</p> <p>██████████ request arose out of its concerns that the nature or specifications of a generating unit may change after a connection application is lodged. Under the AQP, subsequent material amendments to an application can affect the application’s priority date.</p>	<p>Western Power considers that the inclusion of the information referred to in clause 3.7(e)(i) in a connection application is necessary for Western Power to effectively assess and process a connection application. The Technical Rules require certain information to be provided to Western Power when making a connection application, irrespective of the AQP’s provisions.</p> <p>The Technical Rules limit what arrangements may be agreed with an applicant concerning the provision of covered services and any associated terms and conditions (see sections 2.4A and 2.5) and are also capable of overriding any contrary provisions in a contract (see section 2.6). As compliance with the Technical Rules (together with the AQP and ringfencing objectives) is of paramount importance under the Code for Western Power and applicants/users, it is critical that compliance with the Technical Rules is monitored closely.</p> <p>Unless the changes to the nature or specifications of a generating unit are material, the application’s priority date will not be affected by those changes. Western Power notes that since 2006, no priority dates of any applications have been affected by such changes made by generators after lodging connection applications.</p> <p>On the above bases, Western Power does not propose the removal of clause 3.7(e)(i). Western Power considers that clause 3.7(e)(i) should be clarified to confirm that an applicant <i>must</i> provide information about facilities and equipment which are technically required, but it is acknowledged that there may be some additional aspects of facility and equipment which could be subject to change, such as the particular generating plant that a generator may</p>

		seek to connect. On that basis, Western Power proposes amending clause 3.7(e)(i) to require an applicant to provide information about facilities and equipment “likely or required to be connected” at the connection point.
<p>██████████</p> <p>██████████ A-2)</p>	<p><b>Clause 4.8</b></p> <p>██████████ suggested amending clause 4.8(b) in light of the proposed amendment to clause 4.8(a) to allow Western Power and an applicant to agree to a condition precedent with a period for fulfilment longer than 8 months where it is reasonably necessary in the circumstances.</p>	<p>Western Power accepts ██████████ suggestion and proposes the insertion of the words “or such other period of time agreed under clause 4.8(a)” after “If, after 8 months...” in clause 4.8(b).</p>
<p>██████████</p> <p>██████████ A-3)</p>	<p><b>Clause 2.2</b></p> <p>The proposed clause 2.2(d) would allow Western Power and connection applicants to agree to depart from the provisions of the AQP so long as Western Power’s ability to provide a covered service sought by another applicant is not impeded. ██████████ commented that the proposed new clause 2.2(d) is broad and queried whether it could have unintended consequences.</p>	<p>Western Power considers that any unintended adverse consequences to Western Power, applicants and users as a result of this provision being invoked can be avoided. This is because Western Power will consider the potential consequences of that departure before it agrees to any such departure. Western Power reasonably anticipates that the applicant seeking the departure would do the same. In any event, such a departure is not permissible where to do so would impede the provision of covered services to another applicant, which serves to protect the interests of other applicants.</p>
<p>██████████</p> <p>██████████ B-1)</p>	<p><b>Priority date mechanism</b></p> <p>██████████ suggested the removal of the priority date mechanism from the AQP. In summary, ██████████ contended that the mechanism is an impediment to new connections, with some projects being unable to proceed due to other connection applications having higher priority dates, even where those other applications are not being progressed.</p>	<p>Western Power considers that the priority date mechanism should not be removed from the AQP.</p> <p>Section 5.7(e) of the Code requires the AQP to set out the procedure for determining the priority that an applicant has, as against another applicant, to obtain access to covered services where those applications are competing. The current priority date mechanism allows Western Power to manage the priority of applications in a clear, transparent and equitable manner. If Western Power removed the current priority date mechanism, it would need to establish a</p>

		<p>different mechanism for determining priority which may not determine the priority of applications in such a clear, transparent and equitable manner.</p> <p>Section 5.9 of the Code contemplates that an AQP may provide that priority between competing applications is determined by reference to the time that they were lodged with a service provider, but in such a case must:</p> <ul style="list-style-type: none"> <li>(a) allow the service provider to depart from that principle where it is necessary to achieve the Code Objective; and</li> <li>(b) provide the applicant with: <ul style="list-style-type: none"> <li>(i) information about its position in the queue;</li> <li>(ii) information about the aggregated capacity requirements sought in competing applications ahead of its application;</li> <li>(iii) information about the likely time at which the access application will be satisfied.</li> </ul> </li> </ul> <p>The use of priority dates as a means of choosing between competing applications and processing applications generally are also broadly consistent with the model applications and queuing policy that appears in Appendix 2 to the Code.</p> <p>While the use of priority dates has a greater emphasis under the model applications and queuing policy, these dates and the queue were de-emphasised in the modifications to the AQP made as part of AA3 in order to address historical concerns about delays, inefficiencies and discretionary assessments of a given applicant's readiness to proceed. Following extensive stakeholder consultation, a more structured, customer-driven set of amendments to the AQP were adopted that Western Power considered, and the ERA accepted, would better achieve the Code objective. Broadly, those modifications contemplated:</p> <ul style="list-style-type: none"> <li>(a) the introduction of an enquiry phase to assist applicants to better understand and prepare a connection application, and to be made aware of the existence of competing applications should they proceed;</li> </ul>
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- (b) the provision of timely access to information (including during the enquiry stage if desired) concerning the existence of competing applications, the grouping of an application in one or more competing applications groups, the works that would be required to meet the applicant's requirements, and the timeframe for processing the applicant's application to an access offer;
- (c) competing applications being grouped together to undertake shared works that would meet some or all of their respective requirements, rather than awaiting the applicant with the earlier priority date to undertake those works;
- (d) the ability for applicants to pursue their own network solution and opt of a competing applications group process, provided this did not impede the provision of covered services to other applicants;
- (e) the introduction of clearer timeframes for the processing of applications, and provisions that would deem applications to have been withdrawn where responses were not provided, or proposals for processing applications or access offers were rejected; and
- (f) the capacity for Western Power to take into account broader issues of network planning in processing applications.

A number of processing contracts to be entered into by applicants were also developed to support the various phases of processing work and the consequences of failing to progress applications.

Despite the above changes, it was considered necessary to maintain the use of priority dates, particularly as:

- (a) a default mechanism for choosing between applicants where a particular set of shared works being undertaken by a competing applications group was oversubscribed, such that the applicant with the later priority date would be removed from the group and reallocated to an alternative group whilst preserving their priority date;

		<p>(b) a reference point for the setting of reasonable processing timeframes, and the service provider’s obligation to process applications expeditiously and diligently;</p> <p>(c) a reference point for addressing changes to or the effect of a priority date in the circumstances set out in clause 24A of the AQP, including in relation to withdrawn applications, modified applications, the provision of offers in respect of network control services, and applications associated with suppliers of last resort and default suppliers; and</p> <p>(d) a way of otherwise processing applications equitably where they were not competing.</p> <p>Western Power’s current proposal to reintroduce the concept of dormant applications as proposed new clause 22 could also be used to address any concern about applications which are not being progressed preventing applications which are ready to progress from proceeding. Proposed new clause 22 will require dormant applications to be progressed so that they are not taken to be withdrawn.</p>
<p>█ █ B-2)</p>	<p><b>Clause 22 and definition of ‘dormant application’ in clause 2.1</b></p> <p>█ suggests that a connection applicant requiring access to the transmission network should be required to spend \$50,000 in a 12 month period to progress its application, otherwise the application should be considered dormant.</p>	<p>Western Power considers that imposing a specific monetary value on the processing work that must be completed for an application not to be considered dormant would not be reasonable in all cases. The amount of work required to progress a connection application will vary between applications. Imposing such a limit could be discriminatory to smaller projects requiring access to the transmission network.</p>
<p>█ █ B 1)</p>	<p><b>1.1 (status of Appendices), Appendix A and Appendix B</b></p> <p>WP claims at item 11 of Table 4 in the Change Summary document that the detailed process overview flowchart in Figure</p>	<p>Western Power understands █ comments regarding the retention of Figure 1 but maintains its proposal to remove Figure 1 from the AQP for the below reasons.</p>

1 (which formed a binding part of the AQP) has been deleted because it is "complex and has little explanatory value".

However, [REDACTED] is not convinced WP has provided a sound justification for removing the detailed process overview flowchart in Figure 1.

Removing the detailed process overview flowchart in Figure 1 would mean there is no longer any process overview that forms a binding part of the AQP (i.e. nothing binding on WP to highlight how the process works) and the "high level steps" process diagram in Appendix A is neither binding nor detailed enough to disclose to users the true process WP is proposing. Consequently, we consider its removal creates uncertainty.

[REDACTED] proposes that having a detailed process overview as a binding part of the AQP is a valuable explanatory tool that is consistent with s. 5.7(b) of the Code and should not be lightly dispensed with.

Rather than removing the detailed process overview flowchart in Figure 1, [REDACTED] proposes it should be retained, with necessary amendments (if any):

- to ensure the "complexity" WP complains of is addressed in a way that is transparent for users, without detracting from the substance of how the AQP will operate; and
- to ensure that it does have meaningful " explanatory value" for users.

WP has also proposed including in cl 1.1 a reference to the two appendices, saying they contain "explanatory material" and "do not form part of the operative provisions" of the AQP. These proposed amendments to the appendices appear mainly to be consequential on WP's proposed changes to the AQP.



- Western Power considers Figure 1 does not enhance the AQP nor does it add to its written provisions. The removal of Figure 1 would also not detract from the rights and obligations of parties under the AQP.
- Figure 1 was intended to be illustrative only and readers of the AQP should have regard to the written provisions in understanding the rights and obligations of parties under the AQP. If an issue were to arise under the AQP, parties would rely on the written provisions of the AQP, not Figure 1.
- The Code does not require the AQP to contain a 'process overview' diagram. The written provisions of the AQP satisfy the requirement of the Code in section 5.7(b) for the AQP to be sufficiently detailed to enable users and applicants to understand in how advance how the AQP operates.
- Since AA3 was introduced, Western Power has not used Figure 1 in discussions with applicants and therefore has not found Figure 1 to be of practical value. Western Power is concerned that Figure 1 is apt to confuse applicants.

Western Power can consider the preparation of other explanatory materials regarding the AQP which sit outside the AQP and which are more user-friendly.

	In any case, ██████ considers it is premature to focus on the content of the (explanatory) appendices until the content of the document they are to explain (i.e. the AQP) has been finalised. ██████ therefore reserves its position on the Appendices and proposes commenting on them once the AQP has been developed.	
██████ (██████ C 2)	<b>Clause 2.1 – definition of "access dispute"</b> ██████ agrees with WP's proposed amendment to ensure consistency in the note in the definition of "access dispute" with the term as defined in the Access Code.	Western Power acknowledges ██████ agreement
██████ (██████ C 3)	<b>Clause 2.1 – definition of "confidential information" (and amendments to clauses 6.1, 24.9(d), 24.10(c))</b> ██████ does not agree the information referred to in subparagraphs (d)-(i) of the definition of "confidential information" should be excluded from being confidential. That information may contain commercially sensitive information, and under ██████ contracts with its customers, ██████ may be restricted from disclosing that information otherwise than in accordance with reasonable confidentiality undertakings (for example). The Code requires that the provision of information to (competing) applicants is to be subject to reasonable limits including "reasonable confidentiality requirements". That does not mean disclosing it subject to no confidentiality requirements (which is what WP is effectively proposing as regards the types of confidential information which it is proposing be excluded from the definition of confidential information in the AQP).	Western Power has considered ██████ comments regarding the scope of information which is deemed not to be 'confidential information', with reference to Western Power's need to disclose such information in certain circumstances. Western Power believes that ██████ concerns can be dealt with by specifying within the AQP that: <ul style="list-style-type: none"> <li>such information may only be disclosed on a confidential basis in the circumstances set out in clause 6.2, where reasonably necessary for Western Power to perform its functions, or to the ERA or the market operator (i.e. AEMO); and</li> <li>where it is disclosed to competing applicants, it must be disclosed in an anonymized format and Western Power must advise the receiving competing applicant that it is confidential information.</li> </ul> Western Power's processing contracts with applicants contain confidentiality provisions which apply to information about other applications disclosed by Western Power to an applicant. Western Power considers that this approach is reasonable and consistent with clause 5.7(d) of the Code. There are circumstances in which Western Power must share information with AEMO or to others to allow Western Power to

	<p>██████ proposes it would be more consistent with the Access Code if these amendments proposed by WP to the AQP 2.1 definition of "confidential information" and to AQP clauses 6.1, 24.9(d), 24.10(c) were not made.</p>	<p>perform its functions. There are also circumstances in which it is necessary for Western Power to share such information with competing applicants to inform their decision to participate in a CAG and to enable a competing applicant to assess its likelihood of receiving an access offer and the level of service which it may receive. Consequently, the sharing of this information is necessary for the effective operation of the CAG regime which seeks to facilitate shared access solutions, and is consistent with the Code objective and the objectives of the AQP.</p>
<p>██████ (██████ C 4)</p>	<p><b>Clause 2.1 – definition of "connection application"</b></p> <p>In relation to WP's proposed insertion of the words "in relation to a covered service" in the definition of "connection application" and the deletion of the note to the definition – these are not acceptable. See ██████ comments on this at AQP 16.4 below.</p> <p>Further, in the definition of "connection application", in the first line where it says "means an application", remove the italics from application so that it does not adopt the defined term "application" as that would make the two definitions circuitous. (Compare this to the definition of "electricity transfer application" where no italics are used in the first line where it says "means an application".)</p>	<p>Western Power accepts ██████ suggestion regarding the italicisation of the word 'application' in the definition of 'connection application'.</p> <p>Western Power considers that the insertion of the words 'in relation to a covered service' in the definition of 'connection application' is appropriate and desirable. Western Power acknowledges that the definition of 'services' in the Code is broader than 'covered services' as it also includes 'excluded services'. However, Western Power does not offer any 'excluded services' and, if it did, the processes under the AQP for processing transfer and connection applications could not be applied to 'excluded services'.</p> <p>The definitions of 'access offer' and 'access contract' within the AQP relate to covered services only, therefore an 'access offer' or an 'access contract' cannot be made, or entered into, in respect of an application for a service other than a 'covered service' which is the only way under the AQP that an application is brought to an end, other than through withdrawal. In this regard, Western Power considers that the limitation of connection applications to covered services can be reasonably implied from the context of the AQP.</p> <p>The inclusion of the words 'in relation to a covered service' in the definition of 'connection application', and similar wording in clause 16.4, clarifies that there are no inconsistencies between the definitions of 'connection application', 'access offer' and 'access contract'. If Western Power intends to provide any 'excluded services' in the future, amendments to the AQP could be considered at that point once the nature of such 'excluded services' are known and</p>



		<p>Western Power is therefore better placed to develop a regime for processing such applications.</p> <p>The key issue which Western Power sought to address in amending the definition of ‘connection application’ to refer to ‘covered services’ is the potential ambiguity as to whether applications by developers seeking network augmentations to construct network infrastructure for subdivisions under a condition of subdivision approval imposed by the Western Australian Planning Commission are ‘connection applications’. Such applications do not seek or relate to an identified covered service to be provided to the developer or a third party or seek capacity on the network, therefore a developer is not capable of receiving an ‘access offer’ or entering an ‘access contract’, as those terms are currently defined by the AQP. Western Power has other processes in place for processing such applications outside of the AQP.</p> <p>Western Power notes that an application seeking a ‘temporary supply’ is an application ‘in relation to a covered service’ and, depending on the circumstances, would fall within clauses 16.1 and/or 16.4 of the AQP. An application to relocate network assets also relates to a ‘covered service’ and would fall within clause 16.4 of the AQP if a network augmentation is required. As noted above, applications by developers to service a subdivision are not applications for ‘covered services’. Therefore, the deletion of the ‘note’ accompanying the definition of clause 16.4 does not narrow the scope of applications which are ‘connection applications’.</p> <p>It is not Western Power’s intention to exclude an application made on behalf of a third party from the definition of ‘connection application’. The wording ‘in relation to a covered service’ is broad and does not have such a limiting effect. It does not require the applicant to be the party who will receive the covered service.</p>
	<p><b>Clause 2.1 – definition of "dormant application"</b></p> <p>It is not clear from the terms of the proposed definition of "dormant application" from when the 12 month period</p>	<p>Western Power accepts  suggestion regarding the italicisation of the word ‘application’ in the definition of ‘connection application’.</p>

<p>█ C 5)</p>	<p>commences. Is this from the date that the applicant submits the connection application/transfer application to WP? █ advocates the matter being clarified.</p>	<p>Western Power accepts █ suggestion to clarify when the 12 month period must commence. Western Power proposes to specify within the definition of 'dormant application' that the 12 month period is a period of 12 continuous months calculated retrospectively from the date that the assessment as to dormancy is made. This could relate to an application that has been on foot for 12 months, or could relate to an application that has been on foot for a number of years.</p>
<p>█ █ C 6)</p>	<p><b>Clause 2.1 – definition of "relocation"</b></p> <p>WP has proposed amending the definition of "relocation" so that it is no longer as defined in the Access Code, but instead is as defined in the Transfer and Relocation Policy (TaRP). The definition of "relocation" from the TaRP that WP has included in its note to its proposed amended definition of "relocation" in the AQP does not match the current Access Code definition.</p> <p>█ recommends rejecting that proposed amendment. The TaRP definition of "relocation" should follow the Access Code and any definition of relocation included in the AQP should also follow the Code.</p> <p>It is the Access Code (not the TaRP or the AQP) that sets the requirements for the TaRP (including what is meant by "relocation").</p>	<p>Western Power acknowledges that the wording of the definition of 'relocation' as proposed in the AQP and the Code differs, as commented by █ However, Western Power considers that the wording proposed in the AQP, which mirrors the wording used in the TaRP, is to be preferred because that wording is clearer concerning the inherent nature of a relocation. Western Power also notes that there is no difference in substance between the Code, TaRP and proposed AQP definitions, such that the different wording will not produce any inconsistencies in practice.</p>
<p>█ █ C 7)</p>	<p><b>Clause 2.2(c )</b></p> <p>See █ comments on AQP 16.4</p>	<p>See response to item █ C 4.</p>
<p>█ █ C 8)</p>	<p><b>Clause 2.2(d)</b></p> <p>WP's proposed amendment to AQP 2.2(d) would allow WP and an applicant to agree to different treatment of an application</p>	<p>Western Power has considered █ concerns regarding the new proposed clause 2.2(d) and notes the following:</p> <ul style="list-style-type: none"> <li>• Western Power will always be subject to its obligations under the Code to use all reasonable endeavours to accommodate an applicant's requirement</li> </ul>

under the AQP so long as it did not "impede" WP's ability to provide a covered service to another applicant.

In effect, therefore, it would allow WP and an applicant to agree to different treatment of an application under the AQP so long as the application was not a "competing application" (as defined in the Code).

However, this ignores the AQP may contain provisions that are for the benefit/protection of the applicant or other network users which this proposed amendment would appear to allow WP to by-pass by agreement with a particular applicant. By-passing such provisions may not "impede" WP's ability to provide a covered service to another applicant as such, but may nevertheless be prejudicial to the interests of the applicant or other network users.

For example, WP's proposed amendment could theoretically allow an applicant to inadvertently consent to removal of protections in the AQP such as, among other things:

- the reasonableness and good faith obligation in AQP 3.1;
- the expeditious and diligent obligation in AQP 3.12 did not apply;
- the requirement that an access offer for a reference service must be on materially the same terms as the standard access contract for that reference service (AQP 4.2); and
- the requirement that an access offer for a non-reference service must be consistent with the Code objective and reasonable (AQP 4.3).

The example put forward by WP at item 20 of Table 2 in the Change Summary document as part of its justification for this proposed amendment was that it was required to give WP

to obtain services, to negotiate in good faith with an applicant and to permit an applicant to obtain covered services in accordance with good electricity industry practice, and a restatement of these obligations is unnecessary.

- The clause is not intended to be used to allow Western Power to contract out of its obligations under the AQP to act reasonably and in good faith, and to expeditiously and diligently process applications (etc.), and does not have that effect.
- This provision already exists within the AQP in relation to electricity transfer applications (see clause 7.4 of the AA3 AQP) and has not been the subject of access disputes or concern by applicants and users.
- The proposed new clause 2.2(d) is identical to clause A2.102 of the Model AQP.
- Before agreeing to process an application in a manner different to that contemplated by the AQP, Western Power must consider the potential risks and consequences of doing so on the relevant applicant, other applicants and the network, as part of complying with its obligations under the Code and the AQP to act reasonably and in good faith, and in accordance with good electricity industry practice.
- Such a provision could be invoked by Western Power and applicants to agree to depart from the AQP's requirements relating to enquiries and initial responses where, given the nature of the connection application (e.g. a household connection), it would be economically inefficient and otherwise of no value to require the applicant to undertake such processes.

flexibility to deal with "requests for simple connections (e.g. households)".

However, from a consumer protection point of view, it would seem inappropriate to allow a monopoly service provider the ability to by-pass all and any provisions in the AQP simply by 'agreement' with a consumer (where there is likely to be an inequality of bargaining power that may compromise the quality of any informed consent given by the consumer in that agreement). To the extent the AQP contains any consumer protections, WP should not be able to simply "contract out" of them. By comparison, for example, the Australian Consumer Law and Small Use Code carefully control and address "contracting out".

The proposal also has the potential to prejudice the interests of other users if AQP provisions that benefit/protect them are removed/prejudiced by agreement between an applicant and WP. For example, the requirement in AQP 3.3 for the applicant to be a market participant.

In any case, for WP to comply with its obligations as a responsible service provider/network operator, WP will in any case presumably still need to acquire the same kind of basic information from an applicant as it normally does under the AQP, not least so that it can properly assess whether the application will impede WP's ability to provide a covered service to another applicant.

Given that if the application does not impede WP's ability to provide a covered service to another applicant, the AQP provisions relating to competing applications (e.g. priority) will not apply, it is not entirely clear what particular provisions WP has in mind would otherwise apply but would not be required? If the application does not impede (i.e. is not a competing

	<p>application) then a considerable quantity of the "red tape" under the AQP falls away anyway (without the need for WP's proposed amendment to AQP 2.2(c)).</p> <p>Further, by including within the AQP a provision that allows (as part of the AQP) derogations from it to be agreed, that could have unintended effects when combined with those provisions of the Access Code that give the AQP a form of overriding status (e.g. see cl 2.4A (subject to cl 2.4B), cl 2.5 and cl 2.6 of the Code). That is because those provisions would now give that form of overriding status not only to those provisions of the AQP which are expressed with a scope that is clearly defined (and can be transparently assessed), but also to WP's proposed AQP 2.2(c) which has an open-ended scope that is not fully transparent.</p>	
<p>█ █ C 9)</p>	<p><b>Clause 3.14 (withdrawing dormant applications)</b></p> <p>To be consistent with the Access Code cl 5.7, █ proposes WP's drafting proposal must:</p> <ul style="list-style-type: none"> <li>• Adopt the 3 year time line in the Model AQP.</li> <li>• Be subject to WP meeting its obligations under the AQP (including acting reasonably, expeditiously, diligently and in good faith in relation to the proposed access contract, as required by AQP 3.1 and 3.12).</li> <li>• Make it clear under AQP 3.14 that the application is deemed to be withdrawn.</li> <li>• Not allow deemed withdrawal where delay is beyond the reasonable control of the applicant or due to WP's default.</li> <li>• Ensure that a notice under AQP 22(a) is mandatory, not discretionary. Otherwise, not permit the application to be withdrawn.</li> </ul>	<p>Western Power has considered █ suggestions regarding the process for dealing with dormant applications and considers that the process proposed by Western Power is reasonable and appropriate. Western Power makes the following comments in this respect:</p> <ul style="list-style-type: none"> <li>• The current approach proposed by Western Power provides more procedural rigour and opportunities for applicants to progress their application so that it is not taken to be withdrawn than the equivalent dormancy provisions in the AA2 AQP.</li> <li>• A period of 3 years of inactivity before Western Power can take any action to require the applicant to show cause why its application should not be taken to have been withdrawn is too long and does not promote the expeditious, diligent or efficient processing of connection applications.</li> <li>• A period of 3 years (in clause 22(3)(ii)) before Western Power can issue a notice to deem that an application is taken to be withdrawn if no access offer has been made is too long and does not promote the expeditious, diligent or efficient processing of connection applications.</li> </ul>

- Ensure AQP 22(d)(ii) also has "12 months" amended to "3 years" (now proposed as clause 22(e)(ii)).
- Ensure AQP 22(e) also requires WP to have regard to cl 2.7, 2.8 (now proposed as clause 22(f)).

- The 3 year time period referenced in the Model AQP can generate an arbitrary outcome as it does not require a determination of inactivity before a notice is issued, whereas the new drafting does, which is more equitable for affected applicants. In any event, as the 12 month period is considered retrospectively, it could apply to applications that are 12 months old, and it could also apply to applications that are several years old – the relevant measure is recent and prolonged inactivity.
- Feedback Western Power has received from other stakeholders has expressed concerns regarding inactive applications that are unlikely to progress to an access offer preventing other applicants who are ready to progress from receiving access offers and has requested stronger mechanisms to address inactive applications.
- It is mandatory for notices to be issued under clause 22(a), and clause 22(e)(ii) where an applicant responds to show cause why its application should not be taken to have been withdrawn, before an application can be deemed to have been withdrawn.
- The qualification suggested by [REDACTED] in relation to clause 3.14 is not necessary.
- Western Power must comply with sections 2.7 and 2.8 of the Code when exercising its powers under the AQP, regardless of whether these sections are expressly referenced in clause 22.

Western Power would not invoke the dormancy provisions if no processing work being completed in relation to the application during the relevant period was solely due to Western Power's gross negligence or wilful default. To do so could, depending on the circumstances, be a breach of Western Power's obligations to act reasonably and in good faith, and to process applications diligently. However, Western Power suggests specifying in the AQP that Western Power cannot exercise its powers under clause 22 where the inactivity over the relevant 12 month period is solely due to Western Power's gross negligence or wilful default.

<p>█ █ C 10)</p>	<p><b><i>Clauses 3.15 (network planning), 23 (release of contracted capacity), 24.8 (spare capacity) and 2.1 – (definitions - "spare capacity")</i></b></p> <p>Addition of "forecast natural load growth" to definition of spare capacity</p> <p>Clause 2.10 of the Access Code requires WP to undertake and fund any "required work". This includes "required work" in relation to spare capacity that is not subject to one or more contributions under the contributions policy.</p> <p>Forecast natural load growth is fundamental to determining any "required work" in relation to spare capacity. Hence the importance for transparency and a spare capacity register contemplated under cl 14.3 of the Access Code.</p> <p>However, WP's proposed drafting is ambiguous in relation to how spare capacity is determined and which amounts are subject to "required work" funded by a contribution and which amounts are not.</p> <p>There needs to be greater clarity and transparency in relation to how spare capacity is determined, managed and allocated under the AQP so users can understand in advance how the AQP will operate (including understanding whether such proposed operations may be contrary to a user's ETAC).</p> <p>To provide the clarity contemplated under cl 5.7 and 14.3 of the Access Code, █ proposes the following information relevantly should be added to the AQP:</p> <ul style="list-style-type: none"> <li>• "Forecast natural load growth" should be defined in the AQP.</li> <li>• It should be specified how "forecast natural load growth" is to be determined, including, among other things:</li> </ul>	<p>Western Power has considered █ comments regarding the reference to 'forecast natural load growth' in the definition of 'spare capacity' and the treatment of spare capacity more generally, and does not wish to make any further amendments in this respect.</p> <p>Western Power makes the following comments:</p> <ul style="list-style-type: none"> <li>• Western Power considers that it is able, acting in accordance with good electricity industry practice and the Code objective, to take into account matters such as forecast natural load growth in determining available spare capacity. The proposed alterations to the definition of spare capacity are therefore made for clarification purposes.</li> <li>• By way of example only, the reference to 'forecast natural load growth', amongst other things, acknowledges Western Power's legislative obligations under the Electricity (Obligation to Connect) Regulations 2006 pursuant to which Western Power makes forecasts of the likely load growth arising from existing connected customers and anticipated new connections for those consumers.</li> <li>• Forecast natural load growth also highlights that Western Power takes into account anticipated augmentations to the network, contracts likely to be entered into prior to the applicant, and the technical and safety constraints applicable to the network, as part of its overall network planning functions. Taking into account network planning in the processing of applications is contemplated elsewhere in clause 3.15(a) of the AQP.</li> <li>• The ordinary meaning of the term 'forecast natural load growth' is sufficient for parties to understand the meaning of the term and it is not practical in the context of Western Power's functions as the network operator to detail each factor that has a bearing on these forecasts from time to time.</li> <li>• Information regarding network capacity is publicly available in Western Power's Annual Planning Report and via the Network Capacity Mapping Tool on Western Power's website.</li> </ul>
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- whose forecast(s) WP should have regard to;
- the extent to which the interests of customers, users and network operator are to be balanced (as contemplated under the Access Code cl 5.7(a));
- that there must be reasonable grounds supporting any forecast; and
- clarity should be provided on whether WP considers "forecast growth" includes negative growth.
- AQP 3.15 needs to make reference to the spare capacity register and require WP to give regard to the information in the spare capacity register.
- The spare capacity register needs to specify the related "required work" in relation to spare capacity and which amount are and are not the subject of a contribution.

Other issues with determining spare capacity

█ recommends clarifying expressly that:

- no part of a user's "contracted capacity" (whether utilised or unutilised) can be treated as "spare capacity" (unless otherwise expressly agreed by the user). So, for example, it needs to be clarified that a "reduction" in contracted capacity (as contemplated in AQP 23) does not include unutilised capacity in respect of a user's contracted capacity and that spare capacity does not "become available" (as contemplated in AQP 24.8(b) simply because contracted capacity is not utilised. This clarification could be provided in the definition of "contracted capacity and would be consistent with the existing definition of "spare capacity" and the ERA's AA3 draft decision at [1590]-[1595] and the ERA's AA3 final decision at [2619]-[2624]; and

- As spare capacity is changing daily, it would be difficult for Western Power to maintain a spare capacity register relating to the transmission and distribution systems which updates daily to reflect every change in spare capacity, to which Western Power could reliably have regard when assessing spare capacity.
- In reference to █ comments on unused contracted capacity, Western Power must plan and manage the network in accordance with the Code objective (i.e. in a manner which promotes the economically efficient operation and use of the network). It is consistent with the Code objective to take unused capacity into account when planning and managing the network, as it allows the network to be used efficiently and to its full potential.
- Western Power takes into account its contractual obligations when assessing 'spare capacity', and the efficient use of unused capacity on the network from time to time does not adversely impact users because users' contractual rights will prevail. Such an approach does not result in a variation to the user's ETAC or mean that the user loses its rights to use any unused contracted capacity at any time.
- █ comments regarding clarifications regarding 'required work' are outside the scope of the AQP's provisions.



	<ul style="list-style-type: none"> <li>that determining spare capacity in no way limits WP's obligation under Access Code cl 2.10 to undertake and fund any "required work"</li> </ul>	
<p>█ █ C 11)</p>	<p><b>Clause 7.1(a)</b></p> <p>█ recommends that clause 7.1(f) is re-instated. Clause 7.1(f) does not repeat clause 7.1(e); the two clauses deal with two different circumstances – subclause (e) concerns modifications to an existing access contract and subclause (f) concerns new access contracts.</p>	<p>Western Power accepts █ suggestion to retain clause 7.1(f).</p>
<p>█ █ C 12)</p>	<p><b>Clause 9.1(c)</b></p> <p>WP's proposed amendment to AQP 9.1(c) (adding the words "unless that same covered service cannot be provided at the connection point") does not make sense.</p> <p>WP's explanation for the proposed amendment is "there is potential for a mismatch between the covered service and the ability of the connection point to provide that covered service. An electricity transfer application may expose such mismatches. WP experienced such an issue with a customer on a high voltage connection being on a low voltage tariff in circumstances where that tariff service could not be transferred to another retailer." (Emphasis added)</p> <p>However, while WP appears to rely on "ability" to explain why it says it cannot provide the incoming retailer with the same service as the outgoing retailer, that is illogical if WP has been providing the service previously and nothing has physically changed at the connection point.</p> <p>Can WP please substantiate how and why it is unable to continue to provide the same service to the same customer at</p>	<p>Western Power accepts █ suggestion in relation to clause 9.1(c) and proposes to deal with any issues arising out of mismatches between incoming and outgoing retailers outside the AQP.</p>

	<p>the same connection point just because the retailer has changed?</p> <p>WP has suggested the electricity transfer application exposes a "mismatch". What is the mismatch and who is responsible for it?</p> <p>However, WP has not provided any substantiation (e.g. based on the Access Code) why it needs this proposed amendment to AQP 9.1(c).</p>	
<p>█ █ C 13)</p>	<p><b>Clause 10.2(a) and 12A</b></p> <p>█ is of the view that:</p> <ul style="list-style-type: none"> <li>existing AQP 10.2(a) is acceptable, but it will only apply if the particular "increase" [or "decrease"] in question involves a modification to an existing contract for services or the establishment of a new one; and</li> <li>proposed new AQP 12A is not acceptable to the extent it would seem WP intends it to apply to relocations that do not involve any modification to an existing contract for services or the establishment of a new one.</li> </ul> <p>That is because the AQP is intended to deal with "access applications" by "applicants"1 and by definition, they relate only to modification to an existing contract for services or the establishment of a new one.</p> <p>It is therefore premature for WP to assume (as it apparently does with proposed AQP clauses 10.2 and 12A) that all or any increases, decreases or relocations of capacity will necessarily require an access application to be made.</p> <p>Before that can be decided it will be necessary to consider the terms of each particular contract for services (including the Model ETAC for AA4) and the terms of the reference services that are to apply for AA4 (which are yet to be concluded). If they</p>	<p>Western Power has considered █ comments regarding clause 10.2 and proposed new clause 12A and does not propose to amend clause 10.2 or amend proposed new clause 12A.</p> <p>Western Power makes the following comments in this respect:</p> <ul style="list-style-type: none"> <li>Except for the insertion of the note directing readers to clause 12A in relation to relocations, Western Power is not proposing to amend clause 10.2 from the AA3 AQP.</li> <li>As network operator, Western Power must consider any changes in contracted capacity or relocations requested by an applicant before they are implemented in order to ensure that the network is operated in a safe, reliable and efficient manner and other users on the network and applicants are not adversely affected. The application procedures under the AQP enable Western Power to consider such requests in an equitable manner in accordance with good electricity industry practice.</li> <li>There is a common principle between clauses 10.2 and proposed new clause 12A that if a change in contracted capacity or relocation requires works to augment the network or will impede another applicant or user, a connection application is required. This is particularly important in the context of a constrained network where capacity cannot be increased or relocated to a constrained part of the network without augmentations being required. An application is also required to initiate and regulate any augmentation works required.</li> </ul>

	<p>permit the particular increase, decrease or relocation of capacity (theoretically, even between users) without the need for a new or modified contract, then the AQP will have no role to play in them.</p> <p>See also [redacted] response (above) concerning WP's proposed amendment to the AQP 2.1 definition of "relocation".</p>	<ul style="list-style-type: none"> <li>This approach is consistent with the TaRP, is necessary for the safe and reliable operation of the network, and to preserve the rights of existing users and applicants.</li> </ul>
<p>[redacted] C 14)</p>	<p><b>Clause 10.3 (Only one change is service within 12 months)</b></p> <p>WP has only permitted [redacted] to change the covered service in relation to a connection point only once in a 12 month period. WP has rejected any additional application [redacted] has made even though the reason for the change is consistent with AQP10.3(c).</p> <p>For example:</p> <ul style="list-style-type: none"> <li>A customer on an anytime energy tariff will seek a time-of-use tariff from [redacted]</li> <li>[redacted] will change the network service to a time-of-use service and WP will approve this change.</li> <li>The customer, within a 12 month period, may purchase a PV system and [redacted] will apply to change the network service to a bi-directional service. However, in this case WP will reject the change but will approve the connection of the PV system.</li> </ul> <p>[redacted] is seeking for the provisions of AQP 10.3 to be amended accordingly in order to be consistent with the Code cl 5.7(b) – allowing users to understand in advance how the AQP will operate.</p> <p>Therefore, [redacted] proposes clause 10.3(c) be amended to reflect the following:</p>	<p>Western Power has considered [redacted] comments regarding clause 10.3 and does not propose to amend clause 10.3.</p> <p>Western Power makes the following comments in this respect:</p> <ul style="list-style-type: none"> <li>Western Power has not proposed amendments to clause 10.3 of the AQP.</li> <li>The provisions of clause 10.3 are clear and sufficiently detailed to allow users and applicants to understand how Western Power will deal with applications for more than one change or modification within 12 months.</li> <li>Section 5.7(b) of the Code, together with the remaining aspects of the Code, apply to Western Power in performing its functions under this provision and do not need to be restated.</li> <li>Reducing Western Power's discretion in dealing with such applications jeopardises Western Power's ability to effectively plan and manage the network in an economically efficient manner, in accordance with the Code objective. Such applications must be assessed on a case-by-case basis.</li> <li>On the basis of the limited information provided by [redacted] in its example, Western Power would be likely to accept that change.</li> </ul>

	<p>"(c) <del>must</del> <del>may</del>, subject to this clause 10, accept the change of covered service, where Western Power is satisfied, as a reasonable and prudent person that the new covered service will be sufficient to meet the actual requirements of the applicant, and that it is required by reason of one or more of the following circumstances:"</p>	
<p>█ █ C 15)</p>	<p><b>Clause 12A(a) and (c)</b></p> <p>█ proposes the words "applications and queuing policy" are inserted between the words "this" and "policy" in the second line of subclause (a). It is not otherwise clear whether the reference in that second sentence is to the Transfer and Relocation Policy or the AQP.</p>	<p>Western Power accepts this drafting change suggested by █</p>
<p>█ █ C 16)</p>	<p><b>Clause 14.4(e) and 14.3</b></p> <p>█ supports the addition of WP's proposed new AQP 14.4(e) (now proposed as clause 14.4(c)).</p> <p>In █ view this will address a number of compliance issues that have arisen in relation to WP and third parties modifying █ connection points without █ knowledge or agreement.</p> <p>Therefore, █ proposes this provision should also be included in AQP 14.3.</p> <p>Further, █ notes that AQP 14.3(a) refers to a defined "electricity transfer access application". However, this term is not defined in AQP 2.1 and █ understands the term should be "electricity transfer application".</p> <p>█ understands that AQP 3.3 requires only a "market participant" may submit an "electricity transfer application". Therefore, to avoid the issues that have arisen previously</p>	<p>Western Power accepts █ suggestion to insert a provision within clause 14.3 in similar terms to clause 14.4(c) (i.e. if an application is made under clause 14.3 by an applicant other than the retailer, the applicant must obtain the retailer's consent).</p> <p>Western Power also accepts █ suggestion to remove the word 'access' from the reference to 'electricity transfer access application' in clause 14.3(a).</p> <p>Western Power notes that the costs of upgrading or installing metering equipment is a matter outside the scope of the AQP.</p>

	<p>█████ recommends this condition is also reflected or highlighted under AQP 14.3 and 14.4.</p> <p>However, in accordance with a causer pays principle, █████ considers the cost of any required metering upgrade or similar should be borne by the party making the electricity transfer application and not the incumbent retailer.</p>	
<p>█████ (█████ C 17)</p>	<p><b>Clause 14.5 (and amendments to clauses 3.8 and 14.2)</b></p> <p>As drafted by WP the proposal is vague (e.g. "multiple trading relationships" is not defined) and apparently seeks to give WP a unilateral right to "agree to depart from" AQP 14 without regard to the interests of applicants or users.</p> <p>WP has also not provided any sound justification for this proposed change (including for consistency with the Access Code objective).</p> <p>█████ suggests, rather than incorporating speculative uncertainty into the AQP, it would be better to follow proper process to amend the AQP at a later time when all relevant stakeholders have a better understanding of, and can better assess, what "multiple trading relationships" actually mean and are actually involved and what issues arise in relation to them at the time.</p> <p>█████ therefore proposes these proposed changes not be made at this time.</p>	<p>Western Power has considered █████ comments suggesting that Western Power should delay any amendments to the AQP to support multiple trading relationships existing at connection points and proposes to proceed with its amendments.</p> <p>Western Power makes the following comments in this respect:</p> <ul style="list-style-type: none"> <li>• These amendments were requested, and are supported by, a number of stakeholders.</li> <li>• The effects of the amendments to support multiple trading relationships are minimal and contained. They allow more than one ETAC at a connection point and for Western Power and applicants to agree to depart from clause 14 to the extent necessary to facilitate that arrangement.</li> <li>• The amendments have been drafted to accommodate anticipated legislative reforms associated with multiple trading relationships which could come into force during the AA4 period, while using terms that are sufficiently flexible to accommodate those reforms. Western Power's preference is to avoid having to make mid-term amendments to the access arrangement to address the reforms.</li> <li>• The effective operation of such changes to the AQP would await the implementation of the reforms and would be applied in a manner consistent with them.</li> </ul>
<p>█████ (█████ C 18)</p>	<p><b>Clause 16.3</b></p> <p>█████ is concerned to ensure the proposed change requiring an applicant to include additional information that WP, as a</p>	<p>Western Power has considered █████ comments regarding the proposed requirement for applicants seeking to modify generating plant to provide</p>

	<p>reasonable and prudent person, might require to assess "compliance of the modified generation plant with the technical rules" is necessary and consistent with the Access Code objective. It is not clear precisely how expansive this amended obligation might be or whether any cost/benefit evaluation has been undertaken by WP that substantiates the change. Further, it is not clear that compliance with the technical rules includes compliance with grandfathered technical rules, where relevant. It is important to [REDACTED] that this amendment would not disadvantage users that operate under grandfathered technical rules or exemptions.</p>	<p>information regarding the modified generating plant's compliance with the Technical Rules and makes the following comments:</p> <ul style="list-style-type: none"> <li>• The scope of the information to be provided is clear. The applicant must provide the information required in order to establish compliance with its obligations under the Technical Rules.</li> <li>• This information is necessary for Western Power to assess and process the connection application and proposed modification to the generating plant to seek to ensure the safe and reliable operation of the network. The information is required, irrespective of any cost/benefit analysis regarding the amendment.</li> <li>• This amendment is consistent with clause 3.7 of the AQP which requires connection applicants to provide such information about the facilities and equipment at the connection point to the extent required by the Technical Rules and Western Power acting as a reasonable and prudent person.</li> <li>• The Technical Rules address grandfathering and this amendment will not prejudice users operating under grandfathered arrangements.</li> </ul>
<p>[REDACTED] [REDACTED] C 19)</p>	<p><b><i>Clauses 16.4, 2.2(c) and 2.1 – definition of "connection application"</i></b></p> <p>As part of its justification for these amendments, WP claims at item 18 of Table 2 in the Change Summary document that:</p> <p>"The intention of the Code is that the AQP applies to applications for access contracts or contracts for services, which, by definition, relate to covered services. Therefore, the AQP was not intended to, and should not, apply to applications which do not relate to covered services (e.g. those made by property developers not seeking a covered service)." (Emphasis added.)</p> <p>However, the definitions of "access contract" and "contract for services" under the Code are not limited to "covered services" (as defined in the Code), but extend to all "services" (as defined</p>	<p>See response to item [REDACTED] C 4.</p>

in the Code). [REDACTED] contends the intent was deliberate for the AQP to deal with services beyond “covered services”.

It is only some of the Code provisions dealing with the AQP that are restricted to covered services (e.g. Access Code cl 5.7(d) (information provisions), 5.7(e) (priority) and 5.7(f) (contestable customer transfers)). Other Code provisions concerning the AQP require it to deal with matters that are not limited to covered services and could apply to any services (as defined in the Code).

For example:

- cl 5.7(a) (requirement to accommodate the interests of "users" and "applicants") could also extend to contracts for any services (as defined in the Code), not just covered services; and
- cl 5.7(c) (timeline for access contract negotiations) could also extend to applicants for a contract for any services (as defined in the Code), not just covered services.

WP's justification for the proposed change does not appear to be correct. An AQP can (and must) apply to services (as defined in the Access Code) other than covered services for certain things, such as, accommodating the interests of users/applicants for all types of services, as defined in the Code (Code cl 5.7(a)) and including a reasonable timeline for access contract negotiations with applicants for all types of services, as defined in the Code (Code cl 5.7(c)).

Further, if (as WP proposes) the note to clause 16.4 (which currently states "this might apply to, for example, a developer seeking to service a subdivision, a builder seeking a temporary supply, or a person seeking to relocate network assets") is deleted, it is not clear to [REDACTED] how property developers are supposed to submit applications for temporary services.

	<p>It is also not clear whether it is WP’s intention to exclude from the AQP parties that seek covered services on behalf of third parties. If this were to be WP’s intention, it would be, in [REDACTED] view inconsistent with the Access Code.</p> <p>[REDACTED] therefore proposes :</p> <ul style="list-style-type: none"> <li>• the note in AQP 16.4 is retained (failing which, a note is included in the AQP about the process/form to be used in these circumstances); and</li> <li>• WP’s proposed new AQP 2.1(c) should be rejected.</li> </ul>	
<p>[REDACTED] C 20)</p>	<p><b><i>Clauses 16.5(b) (opting out of CAG forces applicant to request a study), 24.1(c), 24.3(b) and 24.5(a)(ii)(A)</i></b></p> <p>WP’s proposed new AQP 16.5(b) does not give the applicant the choice of not proceeding with the study or the application. This could result in applicants being forced to pay for a study that subsequently results in the deemed withdrawal of an application or in a dormant application.</p> <p>WP states at item 8A of Table 1 in the Change Summary document that it is “... always necessary to investigate the potential applicant-specific solution and to support the objections process under clause 20.3...”. However, WP has not provided any sound reasoning or evidence to justify (based on the Access Code objective) why it is necessary to have a study in each and every such case.</p> <p>Can WP please substantiate why it is necessary (consistent with the Access Code objective) to have a study in every case?</p>	<p>Western Power has considered [REDACTED] comments querying whether a study is required in all cases of an applicant requesting an applicant-specific solution.</p> <p>Western Power confirms that a study is always required to assess the options for an applicant-specific solution and the nature of that solution. A study is necessary to further understand how an applicant-specific solution may have to deal with constraints and to be developed so that it doesn’t impede users or competing applicants. A study also informs, and is a necessary step for Western Power to commence, the objections process under clause 20.3 of the AQP. On those bases, the requirement for a study is consistent with the Code objective and is a necessary step to effectively process an application seeking an applicant-specific solution.</p> <p>Western Power also notes that the required scope, nature and costs of a study may vary between applicants, depending on the nature of the application and the constraints affecting the application.</p>
<p>[REDACTED] C 21)</p>	<p><b><i>Clauses 18.1(a), 19.1(a)(i) and 19.3</i></b></p> <p>WP’s proposed amendment to AQP 19.3 (together with its proposed amendments to 18.19a) and 19.1(a)(i)) would make a</p>	<p>Western Power has considered [REDACTED] comments querying whether a preliminary assessment is required in relation to all connection applications.</p>



	<p>preliminary assessment compulsory, irrespective of whether there is actually any real need for one.</p> <p>Previously, a preliminary assessment was only required if requested by the applicant under AQP 18.1(a), and the applicant could presumably assess at the time if it was necessary to have one.</p> <p>While WP has sought at item 9 of Table 1 in the Change Summary document to justify the proposed change by saying that in practice “a preliminary assessment is always required”, WP has not provided any evidence to justify this statement nor why going forward an applicant must always incur this cost.</p> <p>Can WP please substantiate why it is necessary (consistent with the Access Code objective) to have a preliminary assessment in every case?</p>	<p>Western Power confirms that a preliminary assessment is almost always required to assess the options to address an applicant’s connection application. The required scope, nature and costs of the preliminary assessment may vary between connection applications, depending on the nature of the application and any constraints affecting the application. Such an assessment is necessary to effectively process the connection application in an efficient manner, in accordance with the Code objective.</p> <p>Western Power notes that its proposed amendments to clause 19.3 allow an applicant and Western Power to agree that a preliminary assessment is not necessary.</p>
<p>█ █ C 22)</p>	<p><b><i>Clause 20.3 (b) (completed study to be distributed to "any competing applicant" – not just those who were in the same CAG as the applicant)</i></b></p> <p>WP’s proposed amendment to AQP 20.3 could potentially mean any competing applicant can object to an applicant specific solution.</p> <p>The effect of this change appears to be that an individual competing applicant’s requirement may prevail over an applicant specific solution.</p> <p>This appears to create a form of bypass in relation to how applications are prioritised.</p> <p>WP has not provided any sound justification (based on the Access Code objective) for this proposed change.</p>	<p>Western Power has considered █ comments regarding the scope of competing applicants who may be notified of, and given an opportunity to object to, an applicant-specific solution.</p> <p>Western Power is willing to limit the competing applicants it notifies of the applicant-specific solution to those competing applicants with an earlier priority date to the priority date of the applicant seeking the applicant-specific solution.</p> <p>Western Power believes that this change will address █ concern.</p>

	Can WP please substantiate why it is necessary (consistent with the Access Code objective) to make this change?	
<p>█ █ C 23)</p>	<p><b>Clause 24.1(c)</b></p> <p>WP's proposed new AQP 24.1(c) would effectively force an applicant for an applicant specific solution in the circumstances set out in AQP 24.1(c) to request (and pay for) a study under AQP 20.3(a), irrespective of whether there is actually any real need for a study.</p> <p>WP has not provided any sound justification (based on the Code objective) why it is necessary to have a study in every such case.</p> <p>Can WP please substantiate why it is necessary (consistent with the Access Code objective) to have a preliminary assessment in every case?</p>	<p>Western Power has considered █ comments querying whether a study is required in all cases of an applicant requesting an applicant-specific solution.</p> <p>Western Power confirms that a study is always required to assess the options for an applicant-specific solution and the nature of that solution. A study is necessary to further understand how an applicant-specific solution may have to deal with constraints and to be developed so that it doesn't impede users or competing applicants. A study also informs, and is a necessary step for Western Power to commence, the objections process under clause 20.3 of the AQP. On those bases, the requirement for a study is consistent with the Code objective and is a necessary step to effectively process an application seeking an applicant-specific solution.</p> <p>Western Power also notes that the required scope, nature and costs of a study may vary between applicants, depending on the nature of the application and the constraints affecting the application.</p>
<p>█ █ C 24)</p>	<p><b>Clause 24.1(d) (Applicants pay for studies before receiving NOI)</b></p> <p>WP is requiring applicants, at a reasonably advanced stage of an application, to fund the cost of studies prior to issuing a NOI to an applicant in relation to a preliminary access offer. Such late-stage notification and cost may take applicants by surprise.</p> <p>In █ view, changes to the AQP must clearly drive effective process improvement rather than create process ambiguity that could prejudice the intent behind AQP 3.1 and potentially lead to dormant applications.</p> <p>WP has not provided any justification to show why it would be economically efficient (or otherwise consistent with the Access Code objective) to make this proposed change.</p>	<p>Western Power has considered █ comments regarding Western Power requiring applicants to fund the cost of studies prior to issuing a NOI and proposes to proceed with its proposed amendment to clause 24.1(d) in the form proposed by Western Power.</p> <p>Western Power makes the following comments in this respect:</p> <ul style="list-style-type: none"> <li>Western Power considers that studies being conducted prior to the issue of a NOI is a process improvement as it assists in the development of a CAG solution and can be used to inform CAG members' acceptance of a NOI and continued membership of a CAG. As a result, it is consistent with the AQP's objective of facilitating shared network solutions, and is therefore consistent with the Code objective.</li> </ul>

	<p>So that applicants can better understand in advance how the process will operate, including WP’s obligation to process applications expeditiously and diligently, [REDACTED] proposes the following additional changes:</p> <p>☑ <b>make AQP 24.1(d) subject to the timeline under AQP 24.1(b1).</b> That is, the study proposal and costs must be provided to the applicant, within 30 business days of the application and at the same time they are notified of their CAG.</p> <p>☑ <b>In addition, to notifying the applicant of the study proposal and cost under AQP 24.1(d) – AQP 24.1(d) should also require WP to expeditiously process the application in accordance with AQP 20.2 and give the applicant the choice to have the application withdrawn.</b></p> <p>It may also assist to clarify expressly that WP’s obligation to be expeditious and diligent (AQP 3.12) continues through the various interactions.</p>	<ul style="list-style-type: none"> <li>• Western Power is subject to the obligation to diligently and expeditiously process applications at all times irrespective of the drafting of clause 24.1(d).</li> <li>• Given that the CAG members may have lodged their applications at different times, it is not practical to require that the proposal for the study be provided within 30 days of a complete application being lodged.</li> <li>• An applicant may withdraw an application, opt out of a CAG or opt for an applicant-specific solution at any time.</li> </ul>
<p>[REDACTED] C 25)</p>	<p><b>Clause 24.2 and 24.4</b></p> <p>WP is proposing to delete the words "the applicants within" from the phrase "requirements of the applicants within a competing applications group" (emphasis added) in AQP 24.2, ostensibly to align that provision with the wording "requirements of a competing applications group" used in AQP 24.4.</p> <p>In so doing, a potential effect of WP's amendment to AQP 24.2 is that, when deciding whether to issue a notice of intention under AQP 24.2, WP would no longer have to have regard to the requirements of individual applicants within a CAG, but would need only have regard to the requirements of the CAG as a whole.</p>	<p>Western Power has considered [REDACTED] comments regarding aligning the wording of clauses 24.2 and 24.4 and proposes to proceed to amend clause 24.2 to reflect the wording of clause 24.4 as proposed by Western Power.</p> <p>When issuing NOIs and PAOs, Western Power considers a CAG as a consolidated, holistic group for which it is developing a shared solution and whose applications must progress along consistent timelines. Members of the CAG have the common interest of seeking network access.</p> <p>Western Power considers that this approach is consistent with the objectives of the AQP to facilitate shared network solutions and to progress CAGs, and is therefore consistent with the Code objective. Western Power does not agree that this approach creates a form of bypass because access offers are made simultaneously, and where a CAG solution is oversubscribed, access offers are</p>

<p>CAGs are created by WP grouping together competing applicants as it considers necessary. There is no guarantee the members of a CAG have common requirements (indeed they are competing applicants with different interests).</p> <p>WP has not substantiated (consistent with the Access Code objective) why it should be allowed to not take into account the particular requirements of any individual applicant and look only at what (it thinks) are the common requirements of the CAG. Doing so risks denying consideration of individual requirements that are important for an individual applicant within the CAG.</p> <p>The only justification offered by WP for this proposed amendment is at item 13 of Table 1 in the Change Summary document where WP notes that the wording in AQP 24.2 and AQP 24.4 needs to be consistent in this respect, as the current inconsistency "could cause issues for Western Power and applicants in interpreting and implementing such clauses as it could be argued that the 2 clauses require a different standard of satisfaction for Western Power to issue NOIs or PAOs."</p> <p>WP does not substantiate how that reason is based on the Access Code objective.</p> <p>Even if consistency between the wording in AQP 24.2 and AQP 24.4 is an important consideration, WP has not justified why that consistency should necessarily be based on the wording in AQP 24.4 rather than the wording in AQP 24.2.</p> <p>The argument used by WP at item 13 of Table 1 in the Change Summary document to the effect that use of the word "continues" in AQP 24.4 proposes the wording used in both clauses should be the same does not necessarily mean one must choose the AQP 24.4 wording over the AQP 24.2 wording. Indeed, the word "continues" would seem to more strongly</p>	<p>made, or are effective, in accordance with priority date under clauses 24.6(c) and 24.6C(a).</p>
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	<p>argue for a continuation of the use of the AQP 24.2 wording into AQP 24.4 (i.e. the more logical amendment would have been to add the words "the applicants within" to AQP 24.4 to make it consistent with AQP 24.2 (not remove them from AQP 24.2)).</p> <p>To the extent the effect of these proposed changes allows CAG requirements to prevail over an individual CAG applicant's requirement, that would appear to create a form of bypass in relation to how applications are prioritised.</p> <p>Can WP please substantiate why it is necessary (consistent with the Access Code objective) to make these changes?</p>	
<p>█ █ C 26)</p>	<p><b>Clause 24.3(c) (Applicant not requiring a preliminary access offer)</b></p> <p>WP's proposed new AQP 24.3(c) does not make it clear what happens after an applicant has exercised its choice not to receive a preliminary access offer, opt out of the current CAG and be considered for inclusion in another CAG (whilst retaining their priority date).</p> <p>This means the application could in effect become dormant due to no fault of the applicant.</p> <p>█ proposes AQP 24.3(c) should also expressly require WP to process the application in accordance with AQP 24.1 (whilst retaining the applicant's priority date).</p> <p>Such an additional amendment is necessary to be consistent with AQP 3.12 and the Code cl 5.7(b), so that applicants can understand in advance how the AQP will operate once they have chosen to opt out in good faith but expecting that WP would continue to process their application expeditiously and diligently.</p>	<p>Western Power is prepared to add some additional wording to clarify the consequences if an applicant advises that it wishes to opt-out of the CAG but retain its priority date and be considered for inclusion in other CAGs in clause 24.3(c).</p> <p>Western Power notes that an application will not become dormant as a result of making an election under clause 24.3(c). An application will only become a 'dormant application' if the applicant fails to progress its application, in accordance with the definition of that term.</p> <p>Western Power does not consider it necessary to restate obligations that otherwise apply under the Code and the AQP in the drafting of this provision.</p>
<p>█</p>	<p><b>Clause 24.5(a)(ii)</b></p>	<p>Western Power has considered █ suggestions regarding qualifying clause 24.5(a)(ii) to the effect that there is no deemed withdrawal if the failure</p>

<p>█ C 27)</p>	<p>█ proposes specifying there is no deemed withdrawal where the failure to agree is beyond the reasonable control of the applicant or due to WP's default (e.g. due to failure by WP to act reasonably, expeditiously, diligently and in good faith in relation to the proposed (amended) preliminary access offer)? (Note AQP 3.1 and 3.12.)</p> <p>Also, for clarity, █ proposes inserting "amended" immediately before "preliminary access offer" on lines 3 and 4.</p>	<p>to agree amendments to a PAO is outside the reasonable control of the applicant or is due to Western Power's default.</p> <p>Western Power does not accept █ suggestion as it creates ambiguity for Western Power and applicants in determining whether an application is to be taken to have been withdrawn. However, Western Power proposes to qualify clause 24.5(a)(ii) to the effect that there is no deemed withdrawal if the failure to agree is due to Western Power acting in bad faith.</p> <p>Western Power does not consider the insertion of the word 'amended' in clause 24.5(a)(ii) is necessary to understand the meaning of the clause.</p>
<p>█</p> <p>█ C 28)</p>	<p><b>Clause 24.5(b)</b></p> <p>WP's proposed amendment means where the acceptance fee exceeds any contribution it will be refunded instead of being set off against any amounts payable under an access contract.</p> <p>█ considers it is unclear why WP would not refund the preliminary acceptance fee normally but will only refund part of it that exceeds any contribution payable under the AQP if an access contract is entered into.</p> <p>Could WP please provide its rationale for this approach?</p>	<p>The general position under the AQP is that the preliminary acceptance fee is not refundable. Western Power accounts for the fee within the contribution calculation. It is non-refundable on the basis that the acceptance of a PAO is a demonstration of the good faith of the applicant's intention to proceed to an access offer, and is relied upon by Western Power to undertake work in preparation of the access offer that takes each member's application and contribution to the shared works into account. Developing a PAO and progressing to an access offer requires significant time and investment which is ultimately for the benefit of participants in the CAG, rather than the broader network, and the associated costs are appropriately paid by participants.</p> <p>The contributions policy regulates the manner in which contributions are calculated and this does not need to be dealt with in the AQP in any detail. For example, the contributions policy deals with the situation of an applicant paying an amount greater than its contribution determined in accordance with that policy. Further, if the components of a fee paid are not able to be capitalised because they relate to operating expenses, those amounts would not affect the calculation of any contribution. Therefore, the wording of clause 24.5(b) is potentially inconsistent with actual practice and ought to be clarified to enable the contributions policy to take precedence.</p> <p>Western Power proposes to delete from the last sentence of clause 24.5(b) "or where it exceeds any contribution payable under the <i>contributions policy</i>, the</p>

		<p>excess will be offset against amounts payable under that <i>access contract</i>". This approach renders redundant an amendment that contemplates refunds as this is a matter for the contributions policy to address.</p> <p>Western Power also proposes to add the words "where permissible" after the words "any contribution payable" to clarify that the fee will be counted towards a contribution where permissible under the contributions policy.</p>
<p>█ █ C 29)</p>	<p><b>Clause 24.5(c )</b></p> <p>WP's proposed new AQP 24.5(c) provides an application and preliminary access offer is deemed to have been withdrawn if the applicant has not responded within 30 business days of receipt of the PAO.</p> <p>█ notes the deemed withdrawal provision is being utilised in a several areas within the AQP. This approach will minimise the occurrence of dormant applications. However, it may prejudice the flexibility contemplated by AQP 15.1 to obtain extensions of time, if applications are automatically deemed withdrawn before AQP 15.1 can be invoked.</p> <p>█ proposes:</p> <ul style="list-style-type: none"> <li>☑ the drafting in relation to "deemed withdrawals" should make it clear it does not limit AQP 15.1 and should be subject to AQP 15.1</li> <li>☑ AQP 15.1(b) should be more balanced and should include provisions to ensure WP acts consistently with Codes cl 2.7 and 2.8 when considering whether an applicant's time period under the AQP should be extended.</li> </ul>	<p>Western Power has considered █ comments regarding proposed new clause 24.5(c) and whether it limits the flexibility contemplated by clause 15.1 of the AQP.</p> <p>Western Power considers that proposed new clause 24.5(c) does not limit the flexibility contemplated by clause 15.1 which only applies to electricity transfer applications. Clause 24.5(c) relates to connection applications. Therefore, Western Power does not consider the amendments suggested by █ in relation to clause 24.5(c) are necessary and the existing drafting of the AQP in limiting the application of clause 15.1 to electricity transfer applications is consistent with this position.</p>
<p>█ █ 30)</p>	<p><b>Clause 24.7A (terminating CAGs)</b></p> <p>WP's proposed new AQP 24.7A would give WP the right under the AQP to terminate a CAG if it determines:</p>	<p>Western Power has considered █ comments regarding the consequences for applications previously included in a terminated CAG.</p>

	<ul style="list-style-type: none"> <li>• WP will not issue access offers to the CAG applicants; or</li> <li>• shared works are "no longer viable".</li> </ul> <p>In such cases WP has proposed that the existing applications may be considered for inclusion in other CAGs.</p> <p>However, this proposal does not provide clear certainty to an applicant in relation to what must occur under the AQP, to be consistent with the Access Code, if WP terminates a CAG.</p> <p>██████████ proposes it should. For example, it should clearly state how such a right to terminate CAGs would be practically implemented in a way that is consistent with WP's obligation to perform required works (see cl 2.10 and 5.7 of the Code).</p>	<p>Western Power notes that proposed new clause 24.7A(b) already states that such applications will retain their priority date and may be considered for inclusion in other CAGs. Western Power is already required to continue to process such applications in accordance with the AQP, including clause 24.1(a).</p>
<p>██████████ (██████████ C 31)</p>	<p><i>General comment on CAGs</i></p> <p>██████████ understands WP has determined all generation CAGs will be cancelled but that load CAGs may still arise. Can WP please confirm if this is the case.</p>	<p>Western Power cannot confirm that generation CAGs will be disbanded. This is premature given market reforms are not enacted to provide for constrained network access.</p>