

Economic Regulation Authority
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11th December 2017

To Senéad Mangan

Subject: Proposed Revisions to the Western Power Network Access Arrangement – AA4

My comments to Issue 23 and Issue 24 of the Issues Paper are attached to this submission.

The objective of my comments is to minimize the cost of electricity to the large and small consumers, regardless where these cost savings fall. My focus is on elements of the proposed AA4 design, the changes of which would in my opinion, lead to the quickest reduction of the price of electricity to WA consumers and a fairer allocation of costs to causers, decision makers and beneficiaries of these decisions.

Yours faithfully,

Continued on Attachment

Attachment: Stephen Davidson's Comments on Issue 23 and Issue 24

Issue 23

Submissions are invited from interested parties on any practical issues and/or difficulties experienced with the electricity transfer access contract during AA3, or any issues arising from the revisions proposed by Western Power for AA4 (as set out in attachment 12.1 of the access arrangement information and the marked up version of the Electricity Transfer Access Contract), that:

- may impact on a commercially workable access contract; or
- might present difficulties for a user or applicant in determining the value represented by the reference service at the reference tariff.

Submissions are also invited on any additional amendments needed to form the basis of a commercially workable access contract and enable users or applicants to determine the value represented by the reference service at the reference tariff.

Submission on attachment 12.1 Electricity Transfer Access Contract (ETAC)**12 Technical Rules****12.1 Western Power and the User must comply**

I strongly object that no financial penalty is stipulated for non-compliance.

13(a) Technical characteristics of Facilities and Equipment

Include obligation of that the Parties must record "*all data required in the Technical Rules*".

18.2(a)(ii) Representations and warranties

Include obligation, to the effect of, that "*Western Power warrants that it has complied with the Technical Rules in respect of the Application*".

19.5 Limitation of liability

The \$5M limit of liability is too a low figure if something goes wrong. It should not be capped below, say, \$500M.

19.10 Recoveries under insurance

The negligence should be excluded, not included: "*including*" to be "*excluding*".

Schedule 2 – Dictionary**Force majeure definition**

Delete inclusion "*(c) award of any court or tribunal...*"

Delete inclusion "*(i) any application of any law ...*"

ATO disallows speeding fines as taxable deductions to individuals. Corporations should not be able to pass on the cost of own wring-doing onto the consumers.

Schedule 3 Details of connection points

The schedule is inconsistent with the data requirements of the Technical Rules. This effects to no paperwork. For example, the facility's minimum load is not included. Include the full schedules of the TR into the ETAC in Schedule 3, for loads and generators if on-site generation is present.

Issue 24

Submissions are invited from interested parties on:

- the operation of the applications and queuing policy in AA3;
- the revisions proposed by Western Power for AA4 as set out in attachment 12.3 of the access arrangement information and the marked up version of the applications and queuing policy provided by Western Power in its submission;
- whether the processes for developing and offering non-reference services, particularly constrained network connections, are adequately covered by the applications and queuing policy; and
- whether any revisions to this policy, in addition to those proposed by Western Power, are required to meet the requirements of sections 5.7 to 5.9 of the Access Code.

Submission on Appendix B – Applications and Queuing Policy

3.5 Information required With All Applications

The section 3.5 is inconsistent with the data requirements of the Technical Rules. This effects to no paperwork. For example, the facility's minimum load is not included. Include the full schedules of the TR into the requirements of section 3.5, for loads and generators if on-site generation is present.

The proposed is a shortcut, that would amount to, effectively, having a no paperwork in place. A similar practice of taking shortcuts in the banking sector (low documentation loans) have been detrimentally affecting customers. I do not believe that low documentation access applications will be beneficial for any business activity, including engineering, legal, commercial, financial, regulatory and auditing.

Residential and small business customers will be best protected from the rising electricity prices by a paper trial of the full set of the access application information data stipulated in the Technical Rules. The process will be more straightforward, efficient and there would be no need for the Western Power to assume the data not supplied by the applicant. The applicant must be responsible for own plant (on site load and generation) data supplied to the WP, and the WP must be responsible for the network data supplied to the applicant.

3.5(d) Include the full schedules of the TR into the requirements of section 3.5, as it is not appropriate for Western Power to have discretionary power to choose which data to request from different applicants.

3.7 Information required with connection Applications

(f) Exemption sought. The exemption from compliance with the requirements of the Technical Rules should not be the starting point for the design, it should be the measure of the last resort.

9. Electricity Transfer Application for New Connection Point

9.2 Delete "or connecting New Generation Plant", so the title reads "New Connection Point"

10. Electricity Transfer Application to Modify and Existing Covered Service

Add new *section 10.0 Changing the existing load and/or generating plant.*

10.2 Increase of decrease in contracted capacity

Modify the clause to the effect of that a new access application is required, and that the applicant must provide the full set of data as required in the Technical Rules. Time period of 5 days is unfair to Western Power engineers, it puts unnecessary pressure to quickly make unreasonable decisions. 5 days should be sufficient to check if the application is complete.

19.3 Preliminary Assessment

19.3 (d) Delete the clause. This decision cannot be made without conducting proper power system studies.

20 Connection Application

The proposed is inconsistent with the Consumer Protection regime in Australia. Western Power should provide the Scope of Works (SOW) for power system studies and let the Applicant decide who will conduct the work, unless Western Power does the studies free of charge. Western Power should not demand forced trading.

20.2 Processing Proposal

Technical and commercial matters are mixed up.

20.5 Use of Engineering Firms to Provide Studies

The provisions are anti-competitive, forced trading; not transparent and open ended. Refer to our comment on Section 20 Connection Application.