AA4 submission to the Economic Regulation Authority No: 4

Synergy reference services request

11 December 2017

Contents

A. EXECUTIVE SUMMARY

Matter	Synergy's request to the Economic Regulation Authority (**Authority**) for amendments to existing reference services and new reference services and rejection of Western Power's (**WP**) mandated time of use reference services (**reference services request**).
Context	On 8 September 2017 Synergy submitted a reference services request to WP in accordance with section 5.2 of the *Electricity Networks Access Code 2004* (WA) (**Access Code**). WP's proposed revised access arrangement for its fourth access arrangement period (**AA4**) published on 6 October 2017 contained a number of reference services WP proposed be approved by the Authority in respect of AA4 but did not contain any of Synergy's requested reference services. Synergy in this submission requests the Authority to make a regulatory determination in favour of Synergy's requested reference services.
Confidentiality	Attachments 1 and 2 are confidential and Synergy claims confidentiality in it for the reasons stated in each respective attachment.
Scope	This reference services request to the Authority: ▪ Highlights issues with WP's approach to reference service development, consultation and WP's characterisation of the Access Code. ▪ Sets out Synergy's regulatory basis for making its request. ▪ Details the amended reference services Synergy requires. ▪ Details the new reference services Synergy requires. ▪ Details why the Authority should reject WP's proposed mandatory time of use reference services. ▪ Details why the Authority should reject WP's proposed changes to RT1 eligibility criteria.
Key issues	▪ Where it relates to reference services, WP's Access Arrangement Information for AA4 contains a number of characterisations of the third party access regulatory framework in place under the Electricity Industry Act 2004 (WA) (EI Act) in general, and under the Access Code in particular, that Synergy considers are not consistent with the EI Act or the Access Code. ▪ Based on WP's Access Arrangement Information for AA4 WP appears to hold the view in relation to the retail market, WP provides services to users' customers and not to users themselves and that users hold Electricity Transfer Access Contracts (**ETAC**) with WP as the agent of, or otherwise the trustee for, users'

customers. In such circumstances, WP seeks the input of users but it appears WP's reference service focus is on what it considers users' customers want. [1]

- In Synergy's view, this characterisation is not in accordance with section 5.2 of the Access Code, nor does it reflect the critical role of the users' requirements in determining, a reference service for each covered service that is likely to be sought by either or both of a significant number of users and applicants or a substantial proportion of the market for services in the covered network.

- Synergy requires the following reference services for AA4:

  Residential

  - Amended: A1 anytime energy - residential
  - Amended: A3 three part time of use - residential (replaces WP's proposed D1 reference service)
  - New: multi time of use - residential
  - New: two part time of use - residential
  - New: peak time demand - residential (replaces WP's proposed D2 reference service)
  - New: distributed generation low voltage connection – residential

  Business

  - Amended: A2 anytime energy - business
  - Amended: A4 time of use – business (replaces WP's proposed D2 reference service)
  - New: multi time of use - business
  - New: high voltage (monthly) metered demand bi-directional - business (replaces current A5 reference service)
  - New: low voltage (monthly) metered demand bi-directional time of use - business (replaces current A5 reference service)
  - New: distributed generation low voltage connection service – business
  - New: distributed generation high voltage connection service - business
  - New: Intra-day contracted capacity swap service (nominator) between connection points - business

[1] WP (2017) *Access Arrangement Information* Perth: WP, pp 247-248.

- New: intra-day contracted capacity swap service (nominee) between connection points - business
- New: contracted capacity allocation service (nominator) at the same connection point - business
- New: contracted capacity allocation service (nominee) at the same connection point - business
- New: CMD allocation service (nominator) at the same connection point - business
- New: CMD allocation service (nominee) at the same connection point - business

Low voltage

- New: direct load control service - low voltage
- New: load limitation service low - voltage

Connection services

- New: Remote disconnection
- New: Remote reconnection
- New: Manual disconnection
- New: Manual reconnection

B. INTRODUCTION

1. Synergy is Western Australia's largest electricity retailer and the largest user of WP's network. Synergy's retail and generation ETACs with WP collectively involve more than one million connection points. Synergy pays WP more than $1.2 billion annually for transport services under its two existing ETACs.

2. Reference services should provide a fundamental mechanism to "…promote competition in markets upstream and downstream of the networks" in accordance with the Code objective.

3. In the case of retail markets, the extent to which reference services provide retailers with the ability to develop customer offerings that meet their commercial interests and those of their customers is key to determining how well the reference service satisfies the Code objective. WP's proposed reference services do not achieve this, in part because the eligibility criteria for these services requires that they are only available in circumstances where an electricity transfer access contract between WP and a user is not materially different to the standard access contract approved by the Authority for AA4. In Synergy's view, this may operate to prevent a user with a negotiated electricity transfer access contract from obtaining reference services. Such an outcome may amount to a breach of section 4.34 of the Code which requires that the revised access arrangement must not override prior contractual rights.

4. In Synergy's view the Code objective will be poorly served if retailers are forced to use services or are offered services that do not underpin customer offerings. In light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions, Synergy (a significant user) considers its proposed reference services better achieve the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market.

5. The provision of network services that reflect user requirements is an essential base for users to develop and offer products and services that meet their customers' requirements. More dynamic network tariff structures are needed compared to what currently exist to address the changing consumption patterns and consumer expectations brought on by emerging technologies. Put simply, limited network services limit the capacity for retailers to offer new electricity retail products that meet the needs and preferences of their customers. This is reflected in WP's annual planning report 2017 in which WP sees itself as "acting as a platform for business and residential customers to choose how they want their electricity supplied and delivered".[2]

6. On 8 September 2017, Synergy submitted its formal request to WP for reference services in accordance with section 5.2 of the Access Code. Synergy's request detailed its:

   - regulatory basis for making its reference services request;
   - amended reference services it required;
   - new reference services it required; and
   - rejection of WP's proposal to mandate time of use reference services.

7. WP's proposed revised access arrangement for AA4 published by the Authority on 6 October 2017 did not contain any of Synergy's requested reference services. To date, WP has not provided Synergy with a response in relation to its reference services request. There is no mechanism in

[2] Western Power, Annual Planning Report Overview, 2017

WP's proposed revised access arrangement for AA4 to determine which services a significant number of users or a substantial proportion of the market wants. Under WP's current proposal any request for a service by a user or applicant will be treated as a request for a non-reference service. This approach compels a network user to negotiate with WP for a non-reference service required by that network user, granting WP the ability to access a potentially significant source of revenue without the need for independent regulatory determination by the Authority. In Synergy's view, this arrangement is inconsistent with the Code objective because it gives WP the ability to use its monopoly position in an unconstrained manner, contrary to economic efficiency. It is also an outcome that is inconsistent with the matters to which the Authority is required to have regard under section 26(1) of the *Economic Regulation Authority Act 2003* (WA) (**ERA Act**).

8. In view of WP's non-response to Synergy's reference services requirements, it is considered WP has not acted consistent with its obligations to:

   - use all reasonable endeavours to accommodate Synergy's requirement to obtain covered services (see section 2.7 of the Access Code);

   - allow Synergy to acquire (to the extent reasonably practicable), only those parts of a covered service Synergy wishes to acquire (see section 2.8 of the Access Code); and

   - have an access arrangement that specifies as reference services, those services that are "likely to be sought" by a significant number of users and applicants or a substantial portion of the market, and which (to the extent reasonably practicable), specifies reference services in such a way that a user or applicant is able to acquire only those parts of a covered service they wish to be provided with (see section 5.2 of the Access Code).

9. Consequently, Synergy requests the Authority require each of the reference services required by Synergy as detailed in this submission to be included in the approved revised access arrangement for AA4, consistent with the Access Code, including the requirements in sections 2.7, 2.8 and 5.2 of the Access Code.

10. Synergy's reference services request to WP dated 8 September 2017 contained more reference services than this submission to the ERA. Whilst some reference service requests are replicated within this submission they are not identical. Given the limited timeframe the Authority has to consider WP's AA4 proposal Synergy has reduced the number of required reference services it is requesting relative to its 8 September 2017 submission to WP.

11. To assist the Authority consider our submission we have developed a 'traffic light' system that clearly and transparently highlights which aspects of WP's proposed services in our view are consistent with the Code, and based on this assessment, those aspects to which we consider:

    - **Meets our needs** – where the proposed service is consistent with the Code, Synergy's and its customers' needs and long-term interests ('green light').

    - **Partially meets our needs**– where the proposed service is partially consistent with the Code, Synergy's and its customer's needs and long-term interests but requires amendment to fully meet the Code's, Synergy's and its customer's requirements('amber light').

    - **Does not meet our needs**– where we do not agree that the proposed service is consistent with the Code, Synergy's and its customers' needs and long-term interests ('red light').

Synergy's required reference services consist of:

Residential services

- Amended: A1 anytime energy
- Amended: A3 three part time of use - residential (replaces WP's proposed D1 reference service)
- New: multi time of use
- New: two part time of use
- New: peak time demand (replaces WP's proposed D2 reference service)
- New: distributed generation low voltage connection

Business services

- Amended: A2 anytime energy
- Amended: A4 time of use (replaces WP's proposed D2 reference service)
- New: multi time of use
- New: high voltage (monthly) metered demand bi-directional (replaces current A5 reference service)
- New: low voltage (monthly) metered demand bi-directional time of use (replaces current A6 reference service)
- New: distributed generation low voltage connection
- New: Intra-day contracted capacity swap (nominator) between connection points
- New: intra-day contracted capacity swap (nominee) between connection points
- New: distributed generation high voltage connection
- New: contracted capacity allocation (nominator) at the same connection point
- New: contracted capacity allocation (nominee) at the same connection point
- New: CMD allocation (nominator) at the same connection point
- New: CMD allocation (nominee) at the same connection point

Low voltage services

- New: direct load control
- New: load limitation

Connection services

- New: Remote disconnection
- New: Remote reconnection
- New: Manual disconnection
- New: Manual reconnection

Table 1: Summary - WP's existing reference service assessed against Synergy's requirements

WP's existing & proposed reference services	Meets Synergy / customer needs	Rationale	Submission reference
A1 – Anytime Energy (Residential) Exit Service		Synergy requires the service to be amended to provide interval data, remote connection/disconnection and a bi-directional service and the installation of a Type 4 meter where WP has not been able to obtain a meter reading for a period of 9 months or where a residential customer experiences financial hardship.	E(i)
A2 – Anytime Energy (Business) Exit Service		Synergy requires the service to be amended to provide interval data, remote connection/disconnection and a bi-directional service.	G(vii)
A3 – Time of Use Energy (Residential) Exit Service		WP's existing A3 reference service includes a 14 hour peak and its proposed D1 and D3 provides no price differential over the three time bands in 2018/19. Synergy requires the A3 service is amended to provide interval data and a bi-directional service and the installation of a Type 4 meter where WP has not been able to obtain a meter reading for a period of 9 months or where a residential customer experiences financial hardship. .	E(ii)
A4 – Time of Use Energy (Business) Exit Service		Synergy requires the service is amended to provide interval data, remote connection/disconnection and a bi-directional service. This amended service replaces WP's proposed D2 service.	G(viii)
A5 – High Voltage Metered Demand Bi-directional Service		The service does not ensure classes of customers with demand requirements in off- peak periods are not penalised or treated the same as customers whose demand requirements are during the network peak period. Synergy has proposed WP's existing A5 service is replaced with Synergy's proposed new – high voltage (monthly) metered demand bi-directional – business service.	H(x)

WP's existing & proposed reference services	Meets Synergy / customer needs	Rationale	Submission reference
A6 – Low Voltage Metered Demand Bi-directional Service		The service does not ensure classes of customers with demand requirements in off- peak periods are not penalised or treated the same as customers whose demand requirements are during the network peak period. Synergy has proposed WP's existing A6 service is replaced with Synergy's proposed new – low voltage (monthly) metered demand bi-directional – business service.	H(xi)
A7 – High Voltage Contract Maximum Demand Exit or Bi-directional Service		Noting WP has proposed that these services will now include bi-directional flow. Synergy proposes no further changes to this service.	N/A
A8 – Low Voltage Contract Maximum Demand Exit or Bi-directional Service		Noting WP has proposed that these services will now include bi-directional flow. Synergy proposes no further changes to this service.	N/A
A9 – Streetlighting Exit Service		Synergy proposes no changes to this service.	N/A
A10 – Un-Metered Supplies Exit Service		Synergy proposes no changes to this service.	N/A
A11 – Transmission Exit Service		Synergy proposes no changes to this service.	N/A
B1 – Distribution Entry Service		Synergy proposes no changes to this service.	N/A
B2 – Transmission Entry Service		Synergy proposes no changes to this service.	N/A
C1 – Anytime Energy (Residential) Bi-directional Service		Service requires amendment to include bi-directional flow noting that WP has included bi-directional flows for the A5, A6, A7 and A8 services.	E(i)
C2 – Anytime Energy (Business) Bi-directional Service		Service requires amendment to include bi-directional flow noting that WP has included bi-directional flows for the A5, A6, A7 and A8 services.	G(vii)
C3 – Time of Use (Residential) Bi-directional Service		Service requires amendment to include bi-directional flow noting that WP has included bi-directional flows for the A5, A6, A7 and A8 services.	E(ii)
C4 – Time of Use (Business) Bi-directional Service		Service requires amendment to include bi-directional flow noting that WP has included bi-directional flows for the A5, A6, A7 and A8 services.	G(viii)
D1 – Residential Time of Use Energy Exit or Bi-directional Service (AMI Mandated)		Synergy does not support a mandated time of use service for the reasons outlined in this submission.	F(v) K

WP's existing & proposed reference services	Meets Synergy / customer needs	Rationale	Submission reference
D2 – Business Time of Use Energy Exit or Bi-directional Service (AMI Mandated)	✗	Synergy does not support a mandated time of use service for the reasons outlined in this submission.	G(viii) K
D3 – Residential Time of Use Demand Exit or Bi-directional Service	✗	Synergy proposes this service is replaced by Synergy's proposed new - peak time demand – residential service.	F(v) K
D4 – Business Exit or Bi-directional Time of Use Demand Service	✗	Synergy has proposed new business metered demand services that ensure classes of customers with demand requirements in off-peak periods are not penalised or treated the same as customers whose demand requirements are during the network peak period.	H(x), (xi)

Table 2: Summary – Synergy's required reference services

Synergy required reference Service	Meets Synergy / customer needs	Rationale	Submission reference
New – Multi part time of use (Residential)	✓	Synergy requires a new multi time of use residential service which includes interval data, remote connection/disconnection and bi-directional service. Including the installation of Type 4 meters where WP has not been able to obtain meter readings for a period of 9 months or financial hardship.	F(iii)
New – Two part time of use –(Residential)	✓	Synergy requires a new two part time of use service which includes interval data, remote connection/disconnection and bi-directional service and the installation of a Type 4 meter where WP has not been able to obtain a meter reading for a period of 9 months or where a residential customer experiences financial hardship.	F(iv)
New - peak time demand - residential (replaces WP's proposed D3)	✓	More dynamic tariff structures are needed to address the changing consumption patterns and consumer expectations brought on by emerging technologies. Synergy requires a combined time of use and demand based service which includes interval data, remote connection/disconnection and bi-directional service and the installation of a Type 4 meter where WP has not been able to obtain a meter reading for a period of 9 months or where a residential customer experiences financial hardship.	F(v)

Synergy required reference Service	Meets Synergy / customer needs	Rationale	Submission reference
New - distributed generation and advanced energy efficiency low voltage connection - residential		The current prudent discount scheme does not provide sufficient ability for a network user to use private assets, investments and behaviour to receive a prudent discount. Synergy requires a connection and discount assessment service in relation to connection and operation of distributed generation facilities and advanced energy efficiency.	F(vi)
Multi part time of use (Business)		Synergy requires a new multi time of use service which includes interval data, remote connection/disconnection and bi-directional service.	H(ix)
New – high voltage (monthly) metered demand bi-directional - business		Proposed to replace WP's existing A5 service. A demand service based on the monthly demand occurring during the peak period. Includes the provision of remote connection/disconnection and a bi-directional service.	H(x)
New – low voltage (monthly) metered demand bi-directional - business		Proposed to replace WP's existing A6 service. A demand service based on the monthly demand occurring during the peak period. Includes the provision of remote connection/disconnection and a bi-directional service.	H(xi)
New - distributed generation and advanced energy efficiency low voltage connection – business		The current prudent discount scheme does not provide sufficient ability for a network user to use private assets, investments and behaviour to receive a prudent discount. Synergy requires a connection and discount assessment service in relation to connection and operation of distributed generation facilities and advanced energy efficiency.	H(xii)
New - distributed generation and advanced energy efficiency high voltage connection – business		The current prudent discount scheme does not provide sufficient ability for a network user to use private assets, investments and behaviour to receive a prudent discount. Synergy requires a connection and discount assessment service in relation to connection and operation of distributed generation facilities and advanced energy efficiency.	H(xiii)
New - Intra-day contracted capacity swap service (nominator) between connection points - business		Synergy requires an intra-day swapping of contracted capacity rights between connection points by users on separate ETACs.	H(xiv)

Synergy required reference Service	Meets Synergy / customer needs	Rationale	Submission reference
New - intra-day contracted capacity swap service (nominee) between connection points - business		Synergy requires an intra-day swapping of contracted capacity rights between connection points by users on separate ETACs.	H(xv)
New - contracted capacity allocation service (nominator) at the same connection point - business		Synergy requires a service to share DSOC at the same connection point by users on separate ETACs (i.e. DSOC sharing between co-located wind and solar facilities sharing the same connection point).	H(xvi)
New - contracted capacity allocation service (nominee) at the same connection point - business		Synergy requires a service to share DSOC at the same connection point by users on separate ETACs (i.e. DSOC sharing between co-located wind and solar facilities sharing the same connection point).	H(xvii)
New - CMD allocation service (nominator) at the same connection point - business		Synergy requires a service to share contract maximum demand (CMD) at the same connection point by users on separate ETACs (i.e. CMD sharing that allows consumers to be supplied electricity by two separate suppliers).	H(xviii)
New - CMD allocation service (nominee) at the same connection point - business		Synergy requires a service to share contract maximum demand (CMD) at the same connection point by users on separate ETACs (i.e. CMD sharing that allows consumers to be supplied electricity by two separate suppliers).	H(xix)
New - direct load control service - low voltage		Synergy requires a service that can remotely turn power to a load or appliance on or off, thus controlling the quantity of power that a load can consume. Resulting in a comparative reduction to the quantity of power that a load can consume through the network. Including an assessment of the discount that would apply.	I(xx)
New - load limitation service - low voltage		Synergy requires a service that can reduce the power transfer capability or demand at a connection point. Resulting in a comparative reduction to the quantity of power that a load can consume through the network. Including an assessment of the discount that would apply.	I(xxi)

Synergy required reference Service	Meets Synergy / customer needs	Rationale	Submission reference
Remote disconnection		Synergy requires a covered service to remotely disconnect electricity where Type 4 meters operate to effect or interrupt the conveyance of electricity. Synergy's regulatory position is the reconnection or disconnection of electricity is a "covered service" and can be part of (or could also be a stand-alone) reference service. A reconnection or disconnection of electricity is ancillary to the conveyance of electricity on a covered network and is a service which is required by all electricity customers. This is particularly the case when considering the remote reconnection or disconnection where Type 4 meters operate to effect or interrupt the conveyance of electricity.	J(xxii)
Remote reconnection		Synergy requires a covered service to remotely connect electricity where Type 4 meters operate to effect or interrupt the conveyance of electricity. Synergy's regulatory position is the reconnection or disconnection of electricity is a "covered service" and can be part of (or could also be a stand-alone) reference service. A reconnection or disconnection of electricity is ancillary to the conveyance of electricity on a covered network and is a service which is required by all electricity customers. This is particularly the case when considering the remote reconnection or disconnection where Type 4 meters operate to effect or interrupt the conveyance of electricity.	J(xxiii)
Manual disconnection		Synergy requires a covered service to disconnect and interrupt the flow of electricity. Synergy's regulatory position is the reconnection or disconnection of electricity is a "covered service" and can be part of (or could also be a stand-alone) reference service. A reconnection or disconnection of electricity is ancillary to the conveyance of electricity on a covered network and is a service which is required by all electricity customers. This is particularly the case when considering the remote reconnection or disconnection where Type 4 meters operate to effect or interrupt the conveyance of electricity.	J(xxiv)

Synergy required reference Service	Meets Synergy / customer needs	Rationale	Submission reference
Manual reconnection		Synergy requires a covered service to connect and enable the flow of electricity. Synergy's regulatory position is the reconnection or disconnection of electricity is a "covered service" and can be part of (or could also be a stand-alone) reference service. A reconnection or disconnection of electricity is ancillary to the conveyance of electricity on a covered network and is a service which is required by all electricity customers. This is particularly the case when considering the remote reconnection or disconnection where Type 4 meters operate to effect or interrupt the conveyance of electricity.	J(xxv)

C. WP'S CHARACTERISATION OF THE REGULATORY FRAMEWORK

12. WP's Access Arrangement Information for AA4 contains a number of statements that in Synergy's view incorrectly characterise the regulatory framework established by the EI Act and the Access Code with respect to the establishment of reference services and the contractual framework as between WP, retailers and retail customers. The consequence of these statements is that they provide an incorrect impression of the true role of users and users' customers in the establishment of reference services.

13. For example, WP contends in the case of retail customers, retailers (as a network user) hold an ETAC with WP **on behalf of** retail customers and WP provides those services to retail customers and not to retailers. [3]

14. This statement is incorrect as a matter of law and fact. The physical conveyance of electricity at an *exit point* or a *bidirectional point* occurs in a linear contractual framework. Under this model:

    a. WP holds title to electricity on the network;

    b. once that electricity is to be consumed by a retail customer, a retailer takes title to electricity at the *exit point or bidirectional point* under the ETAC; and

    c. under the electricity supply agreement, the retailer supplies that electricity to the customer who takes title pursuant to the terms of that electricity supply agreement.

    Factually speaking, the flow of electricity takes the same journey.

15. Relatedly, WP represents the reason why retailers, rather than retailers' customers hold ETACs is because it would be inefficient for WP to enter into ETACs with retail customers directly. [4] Synergy does not agree with this view. The determinative factor regarding whether or not direct contracting with retail customers is or is not efficient is the extent to which that contracting model is efficient having regard to the underlying legal framework for connection, access to services and price control. For example, each region of the National Electricity Market (**NEM**) has adopted a triangular approach to energy contracting whereby:

    a. the **physical delivery of electricity** for small use customers takes place pursuant to a deemed contract between distributor and retail customer; and

    b. the **sale of electricity**, as distinct from its physical delivery, takes place pursuant to an electricity retail sales agreement (whether that be a market contract or a deemed or standing offer contract) between retailer and retail customer.

16. In Synergy's view, this approach is not inefficient in the context of the NEM because the NEM connections and service delivery framework limits the scope of negotiations between distribution network service providers and end-users with whom they have, or are likely to have, a direct contractual relationship. Under Chapter 6 of the National Electricity Rules, distribution network service providers are required to submit for the Australian Energy Regulator's (**AER**) approval a "negotiating framework" that applies to services the AER determines to be "negotiated distribution services", noting the AER may not determine any services to be negotiated distribution services in

[3] WP (2017) *Access Arrangement Information* Perth: WP, pp 247-248.
[4] WP (2017) *Access Arrangement Information* Perth: WP, p 248.

respect of a regulatory determination.[5] This greatly narrows the extent to which the regulatory framework requires distribution network service providers to accommodate the requirements of their counterparties or likely counterparties.

17. The Access Code, in contrast, imposes extensive obligations on service providers to accommodate the requirements of users and applicants in respect of the access arrangement process and its revision as well as generally. In its Application to the National Competition Council for a Recommendation on the Effectiveness of the Western Australian Third Party Access Regime for Electricity Networks, the WA Government noted the key characteristic of the Access Code was its emphasis on negotiated outcomes and the primacy of freedom to contract, subject to an applications and queuing policy and applicable technical rules.[6] The terms and conditions of access contained in an access arrangement were only meant to apply in circumstances where negotiations were unsuccessful. These important characteristics are contained in sections 2.4A, 2.7 and 2.8 of the Access Code and are modelled on clause 6(4)(e) of the National Competition Principles Agreement. These characteristics were an important factor in the Minister's decision that the Access Code is an effective access regime pursuant to section 44N of the *Trade Practices Act 1974* (Cth).[7]

18. This distinction between the NEM and the Access Code is therefore that the NEM provides for relatively minimal obligations on service providers to accommodate the requirements of access seekers while the Access Code imposes extensive obligations on service providers to accommodate the requirements of network users. In the first case, contracting directly with retail customers is not inefficient because of the minimal negotiation obligations. In the case of the Access Code, direct contracting with retail customers would be unduly onerous and commercially unworkable for service providers.

19. WP's characterisation does not reflect this crucial difference between the NEM framework and the Access Code and as a result, to a user's detriment, minimises the key role of users in obtaining services required from the covered network.

20. Further, in characterising users as WP's stakeholders from whom input is sought, rather than access seekers and counterparties,[8] WP may incorrectly create the impression users are required, willing or able to pass-through terms and conditions of reference services to their customers, whether they be provided on a mandatory basis (as is the case with WP's proposed mandatory time of use reference services) or on a non-mandatory basis.

21. This impression is legally incorrect. To take the case of WP's proposed mandatory time of use reference services,[9] WP presumes Synergy has the legal capacity to enforce mandatory time of use retail products, which currently it does not.

22. Synergy has clearly indicated to WP since it became aware of WP's proposal in May 2017, that as the largest user of WP's network, Synergy does not require a mandatory time of use service dependent on metering infrastructure and that further, such an approach is inconsistent with the Access Code. In addition, the terms of Synergy's Standard Electricity Agreement (approved by the Authority), the *Energy Operators (Electricity Generation and Retail Corporation) (Charges) By-laws*

[5] Generally speaking, services that distribution network service providers are required to provide "direct control services" but are only required to negotiated in accordance with "good faith" the terms of access to particular negotiated distribution services so determined by the AER.

[6] See Government of WA (2005) Application to the National Competition Council for a Recommendation on the Effectiveness of the Western Australian Third Party Access Regime for Electricity Networks: p 16.

[7] See the Minister's commentary with respect to the Access Code's compliance with clause 6(4)(a)-(c) of the National Competition Principles Agreement at National Competition Council, Minister's Reason for Decision (2005), p 5 and the Access Code's compliance with clause 6(4)(e) at p 8 of the same document.

[8] WP (2017) *Access Arrangement Information* Perth: WP, p 248.

[9] See, for example, the discussion at WP (2017) *Access Arrangement Information* Perth: WP, p xxviii.

2006 (**By-laws**) combined with the statutory obligation to offer to supply contained in the *Electricity Industry (Customer Contract) Regulations 2005* (WA) mean Synergy would not be able to unilaterally impose or enforce such a product in the absence of supporting legislation. This is because Synergy's customers have rights to obtain retail tariffs to which they are eligible under the By-laws and Synergy's Standard Electricity Agreement. It is therefore not a straight forward matter of WP proposing to work with Synergy "to help ensure network and retail tariffs are aligned, and customers are fully informed of the benefits of moving to time of use tariffs".[10] The proposal does have significant commercial and customer ramifications to Synergy. Further given clause 3.17 of the Metering Code Synergy notes it will also have significant ramifications to other retailers.

23. Synergy's rejection of WP's proposed mandatory time of use network tariffs (RT17 and RT19) is more particularly set out at Park K of this submission. Synergy notes that the eligibility criteria for WPs proposed reference services requires that they are only available in circumstances where an electricity transfer access contract between WP and a user is not materially different to the standard access contract approved by the Authority for AA4. In Synergy's view, this has two consequences:

    a. First, the eligibility criteria may operate to ensure that a party in the position of Synergy would not be able to obtain any reference service under its current ETAC; and

    b. Second, the approach may operate to prevent a user with a negotiated electricity transfer access contract from obtaining reference services. Such an outcome may amount to a breach of section 4.34 of the Code which requires that the revised access arrangement must not override prior contractual rights.

[10] WP (2017) Access Arrangement Information Perth: WP, p xxviii.

D. BASIS FOR SYNERGY'S REFERENCE SERVICES REQUEST

24. Synergy considers each of the services set out in this reference services request meet the criteria provided for in section 5.2 of the Access Code, being that they are each "covered services" within the meaning of the Access Code and they are likely to be sought by either or both of:

    a. a significant number of "users" and "applicants"; or

    b. a substantial proportion of the "market" for "services" in the "covered network".[11]

25. Synergy's reference services request is based on its eleven years of experience as the State's largest user of network services, largest generator and largest retailer supplying electricity to more than one million customers. Synergy is also best placed to determine the network services its customers require and which network services Synergy is commercially prepared to offer its customers. As the State's largest user of network services, largest generator and largest retailer Synergy considers that Synergy by itself represents a "significant number" of users/applicants for covered services for the purposes of the test in section 5.2(b)(i) of the Access Code.

26. In accordance with section 5.2 of the Access Code, Synergy considers its reference services request is, to the extent reasonably practicable, specified in this submission in such a manner that a "user" or "applicant" is able to acquire by way of one or more "reference services" only those elements of a "covered service" that the "user" or "applicant" wishes to acquire.

27. By contrast, WP has attempted to determine which reference services should be approved by the Authority by engaging with users' customers without first identifying those services that are required by users and applicants. In Synergy's view, WP's approach is inconsistent with section 5.2 of the Access Code and is inconsistent with the regulatory framework for the reasons identified at Part C of this submission.

28. The "market" for "services" in the "covered network" is therefore not to be ascertained solely by reference to users' customers principally because if a user cannot or will not offer those services to its customers, it is **unlikely** to be sought by those customers. Rather, a substantial proportion of the "market " for "services" in the "covered network " must be determined first, with regard to **those services that users can and will offer to users' customers** and second, with regard to **the extent to which users' customers are likely to seek those services**.

29. Instead of taking this approach, Synergy considers WP has not had proper regard to what reference services Synergy wishes to offer to its customers and the services sought by Synergy's one million customers.

30. WP's consultation approach on network reference service determination has been to present users with the reference services WP proposes to provide to users/the market on WP's terms and conditions. That is, there has been no effective engagement by WP on the services network users require.

31. As early as May 2017, Synergy provided feedback to WP in response to WP's proposed reference services; WP has not accommodated any of Synergy's proposed changes. Examples include:

[11] Synergy is by far the largest user of SWIS network services. Synergy's Retail ETAC with WP includes more than 1 million connection points. Synergy is also the State's largest generator with network connected installed capacity of 2,460MW. Synergy pays more than $1.2 billion annually to WP for transport services or approximately 80% of total network usage.

- WP's proposed mandated time of use reference services (D1 and D3). Synergy objected (and still objects) to time of use reference services being mandatorily determined on the basis of a customer's meter installation. This matter is detailed in Part K of this submission.

- WP's proposed time bands for its RT17 tariff. Synergy requested a longer shoulder period to better reflect the SWIS residential customer load profile.

- WP's proposed restrictions on RT1 tariff eligibility based on Synergy's regulated retail tariff eligibility. Synergy objected to this on the basis it discriminated against charitable organisations, not for profit organisations and home businesses. This matter is dealt with in detail in Part L of this submission.

- WP's proposed reference services with demand time of use tariffs (D3 and D4). The first time Synergy was able to review these proposed reference services was after they were published by the Authority on 2 September 2017.

32. Given WP did not amend its proposed reference services or introduce new ones in response to Synergy's feedback to meet the needs of Synergy and its customers, Synergy submitted a formal request under the Access Code for a range of new covered services on 8 September 2017. To date WP has not responded to Synergy in relation to its request.

33. In addition to economic efficiency arguments, from Synergy's perspective having more effective versions of the existing reference services and new ones that reflect the needs of Synergy's customers:[12]

    - enables Synergy and its customers to acquire these services at rates that are subject to regulatory control, rather than by virtue of a protracted price and terms negotiation, such as that experienced with the Alkimos community battery trial;

    - provides customers with choice. The majority of residential customers require product choice and are strongly opposed to having product selection mandated on their behalf;[13] and

    - promotes competition upstream and downstream of networks, as users will have a more diverse base of network services to choose from so as to develop a wider range of wholesale and retail products and services at each connection point consistent with the Code objective.

34. WP's access arrangement proposal for AA4 contains a relatively small number of reference services available to Synergy that are largely replicated from AA3 with a number of services dating back to the initial AA1.[14]

35. Synergy notes currently the number and types of transport services are far less than those available to retailers within the NEM. Synergy further notes the electricity market is rapidly changing and customers are now seeking a range of electricity retail services to meet their lifestyle needs including affordability and new technology adoption.

[12] Refer Attachment 2 to this submission.
[13] Refer Attachment 2 to this submission.
[14] For example, the 14 hour peak period under the A3 residential time of use reference service was contained within the initial access arrangement (AA1).

36. Synergy considers it is most economically efficient to have proper regard to what reference services network users/the market are likely to require during AA4 before:

    - embarking on consultation with respect to WP's proposed amendments to documents that comprised its AA3 documentation; and

    - deciding how best to meet that requirement in terms of any new or modified equipment, including metering equipment.

37. From discussions Synergy has had with other retailers, Synergy considers other network users (retailers) within the SWIS are highly likely to seek one or more of the reference services Synergy has requested in this submission.

38. Synergy therefore submits the suite of required reference services it is requesting in this submission satisfies the requirements for reference services in sections 5.2(b) and 5.2(c) of the Access Code; whereas WP's suite of proposed reference services does not.

39. Synergy further submits the Authority should approve Synergy's required reference services because to do so will be consistent with the Code objective set out in section 2.1 of the Access Code and the Authority's obligation under section 2.2 of the Access Code. The Code objective is to promote the economically efficient investment in and operation and use of networks and services of networks in Western Australia in order to promote competition in markets upstream and downstream of the networks.

40. Synergy also considers approving Synergy's required reference services will be consistent with the matters the Authority is required to have regard to pursuant to section 26(1) of the ERA Act, more particularly:

    - the need to promote regulatory outcomes that are in the public interest;

    - the long-term interest of consumers in relation to the price, quality and reliability of goods and services provided in relevant markets;

    - the legitimate business interests of investors and service providers in relevant markets;

    - the need to promote competitive and fair market conduct;

    - the need to prevent abuse of monopoly or market power; and

    - the need to promote transparent decision making processes that involve public consultation.

E. SYNERGY'S REFERENCE SERVICES REQUEST – AMENDED RESIDENTIAL

(i) Amended: A1 anytime energy - residential

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly ▪ Manual special reads interval/accumulation (move out) ▪ Standing data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly - Non-compliant meter upgrades ▪ Synergy requires a Type 4 meter to be installed at its request when a customer denies meter access for 9 consecutive months. ▪ Synergy requires a Type 4 meter to be installed at its request in relation to a residential customer who has been assessed as experiencing hardship in accordance with Part 6 of the Code of Conduct for the Supply of Electricity to Small Use Customers 2016 (WA) (as amended from time to time).	1. The bidirectional point is located at a residential premise or a premises occupied by a voluntary/charitable organisation; and 2. A Type 4-6 meter is installed at the connection point that provides accumulation energy data or manual or remote interval energy data. Includes a Type 1-5 meter registered as a Type 6; and 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and 4. Where applicable, an inverter system rated up to 10kVA for single phase connections and 30kVa for three phase connections; and 5. The consumer's inverter system complies with AS4777 and the Technical Rules.	No change except that, pricing for any "metering" (i.e. pure metrology) included in this reference service must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss. 5.27 and 5.28.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above, in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers		

Description	Eligibility Criteria	Pricing Methodology
this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 963,000 of its customers, with a corresponding load of 4717GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this reference service.		

(ii) Amended: A3 three part time of use - residential

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service; ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. <u>Time Bands:</u> All week: • Peak - 3pm-9pm • Shoulder - 7am-3pm • Off Peak - 9pm-7am weekdays and anytime weekends and public holidays <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly ▪ Special Reads manual Interval/Accumulation (Move out) ▪ Standing Data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly - Non-compliant meter upgrades ▪ Synergy requires a Type 4 meter to be installed at its request when a customer denies meter access for 9 consecutive months. ▪ Synergy requires a Type 4 meter to be installed at its request in relation to a residential customer who has been assessed as experiencing hardship in accordance with Part 6 of the *Code of Conduct for the Supply of Electricity to Small Use Customers* 2016 (as amended from time to time) (**Code of Conduct**).	1. The bidirectional point is located at a residential premise or a premise occupied by a voluntary/charitable organisation; and 2. A Type 4-6 meter is installed at the connection point that provides accumulation energy data or manual or remote interval energy data. Includes a Type 5 meter registered as a Type 6; and 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and 4. Where applicable, an inverter system rated up to 10kVA for single phase connections and 30kVa for three phase connections; and 5. The consumer's inverter system complies with AS4777 and the Technical Rules.	No change except that, pricing for any "metering" (i.e. pure metrology) included in this reference service must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.

Description	Eligibility Criteria	Pricing Methodology
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. This service also specifically addresses the inefficient 14 hour peak (7.00 am to 9.00 pm) under WP's current and proposed A3 reference service which is not reflective of Synergy's residential customer load profile. Further to section B.5 of this submission, Synergy estimates approximately 22,000 of its customers, with a corresponding load of 21GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this reference service.		

Supporting reasons

41. Synergy requires access to manual interval data under the existing A1 (anytime energy residential) and A3 (time of use energy residential) reference services because:

    - the ability to receive meter data on a more regular basis provides a real benefit to residential customers as it allows customers to have greater visibility and control over energy usage and associated charges;

    - a Type 5 (interval capable) meter deemed to be a Type 6 meter (accumulation) is not efficiently using the network in a situation where the a network user requires the interval energy data and the outcome of that data provision promotes competition or is in the public interest, such as, for example, where it is available to assist hardship customers;

    - Synergy has experienced significant difficulty in obtaining residential interval meter data at what it considers to be a reasonable market price from WP over several years. The reality is, as a major network user, Synergy has paid a significant proportion of the capital cost of a meter which records interval data, but WP has elected to collect and provide the data not on an interval, but on an accumulation, basis.[15] Synergy contends WP is currently earning unregulated revenue, not subject to any form of price control, for manual interval data provision, sourced from an asset which forms part of the regulated asset base (**RAB**) and which is also earning a regulated rate of return;

    - there is universal acceptance by policy makers, regulators and market participants that provision of interval energy data to residential customers is fundamental to them understanding how their consumption affects their bill. Yet despite almost 1 in 3 residential meters recording interval energy data within the SWIS, only 1 person in 35 has access to their interval energy data; and

    - Synergy requires residential interval energy data because it will promote energy and economic efficiency by allowing customers to:

        - understand how their consumption contributes to their current charges;

[15] WP has installed approximately 250,000 Type 5 meters which have been deemed to be Type 6. Further it is important to note that these meters record energy data in half hourly or 15 minute intervals but WP has elected to obtain accumulation data.

- assess what they would pay under an alternative tariff; and
- determine the costs and benefits if they invest in embedded generation.

42. Synergy, based on consultation with service providers, considers this can be provided efficiently without un-necessarily increasing the RAB. Customers have indicated to Synergy a willingness to view and engage with their consumption data. For example, 68% of Synergy's residential customers have indicated they prefer to receive usage updates more frequently than Synergy's standard 60 day billing cycle.[16] Further there is a strong expectation by customers that data access and usage notifications should be part of a standard metering service and not a separate fee for service.[17] Synergy is of the same view that manual interval meter data should form part of a standard metering service with the cost being recovered through reference tariffs as is the case with manual accumulation meter data. Consequently, there should be a removal of barriers to customers accessing their interval energy data. To do this, data access and cost should be regulated to ensure full pass through of benefits to customers at an independently determined and economically efficient cost.

43. For the avoidance of doubt, Synergy requires:

- continuation of the A1 reference service, but as modified above. Synergy rejects WP's proposal to prohibit customers who receive a Type 4 meter being eligible for the A1 reference service. Synergy rejects this proposal because 97% of Synergy's approximately 1 million residential customers require an anytime energy reference service to support the A1 anytime energy retail tariff. WP's proposal is also contrary to the Access Code. This is explained in greater detail in Part K of this submission;

- the existing A1 and A3 reference services to be modified to include bi-directional energy flow. Synergy does not require WP's proposed separate bi-directional / non-bidirectional anytime energy and time of use reference services. Where these existed under the current (AA3) access arrangement they have been economically inefficient and created unnecessary regulatory and administrative burden. Synergy's current rolling 12 month average for residential embedded generation is 2,310 connections per month, which for existing customers requires Synergy to re-nominate the customer from RT1 to RT13 and RT3 to RT15. The tariffs are identical apart from one provides for bi-directional flow and the other does not. Synergy notes there is largely no such distinction in the NEM. Synergy further notes WP receives visibility of embedded generation on its network via the AQP process (i.e. connection approval). This administrative burden[18] can easily be removed by making all reference services permissible for bi-directional flow, as occurs in the NEM;

- manual interval data to be provided as a standard metering service for both A1 and A3 reference services for the reasons specified in paragraphs 41 and 42 above;

- A3 time bands to reflect the efficient costs of transporting electricity during the three different periods. Synergy currently has three residential retail time of use tariffs that have three time bands – smartpower, powershift and smart home plan. The 14 hour peak (7.00 am to 9.00 pm) under WP's current and proposed A3 reference service is not reflective of Synergy's residential customer load profile.[19] It also does not appear consistent with what WP itself states is its system-wide period of peak demand in summer, being "usually between about 3pm and

[16] Refer Attachment 2.
[17] Refer Attachment 2.
[18] This requires a user to submit a transfer application under the AQP for each customer requesting the bi-directional variant of the service.
[19] Refer to figures 1 and 2 (in this Part E).

9pm"[20] (i.e. only 6 hours). It is therefore not clear why WP has selected peak period time bands for its A3 reference service (tariff RT3) that exceed its own stated period of peak demand by 8 hours. Nor is it clear how, in this respect, its proposed RT3 tariff for A3 can be truly reflective of its efficient costs. Further, Synergy also notes that WP's AA4 Access Arrangement Information is not consistent with its proposed AA4 Price Lists in that, in its Access Arrangement Information, WP claims the residential time of use tariff "charges a higher rate on weekdays between 3pm and 9pm, and a lower rate between 9pm and 12pm";[21] whereas the RT3 and RT4 tariffs in the Price Lists[22] charges the higher "on peak" rate on weekdays from 7.00 am to 9.00 pm, and 8.00am to 10.00pm, respectively;

- Synergy does not require the same transport charge to apply to each time band as per WP's proposed D1 time of use reference service as this is not cost reflective, nor is it commercially workable from a retail tariff perspective to have time of use network charges identical across every time band when Synergy has various retail tariffs which have different prices applicable to each of the time bands.[23] (Synergy assumes time band price differential increases will occur over time; however WP's AA4 Access Arrangement Information does not contain any details in that regard);

- RT3 off-peak time bands to include public holidays, as residential customer loads on public holidays are the same as for weekends and therefore should be treated as such; and

- The continuation of charitable and home business eligibility criteria for A1 and A3 reference services for the reasons set out in Part L of this submission;

- The provision of manual and remote supply disconnection and reconnection as reference services (and not as "extended metering services" under the model service level agreement (**Model SLA**), as is currently the case for manual connection services and what WP proposes for remote connection services). Synergy's regulatory position for this request is detailed in its "Submission to the Economic Regulation Authority – Western Power's proposed model service level agreement", dated 20 November 2017. In summary, this is because connection services are covered services that do not relate to metrology and so are more appropriately dealt with under the access arrangement (Access Code) than the Model SLA (*Electricity Industry (Metering) Code 2012* (WA) (**Metering Code**)). Connection services are services provided by means of the covered network that are essential to the conveyance of electricity (because they cease and restore the flow of electricity, as opposed to its measurement) and therefore should be treated as such. Further, by treating connection as a reference service element this would significantly assist more residential customers to be reconnected following disconnection as the reconnection cost would be recovered via reference tariffs and not an additional up-front customer payment as a pre-condition of reconnection. This would enable more customers in financial distress to be reconnected following disconnection;

- As a standard metering service the ability for a user to request a Type 4 meter to be installed in situations where WP has not been able to obtain a meter reading for a period of 9 months. It is unreasonable for Synergy to pay up front for a Type 4 meter when WP is not obtaining actual meter readings, resulting in customers receiving estimated bills. Further, estimated bills have a

[20] See WP's AA4 Access Arrangement Information, Attachment 11.1, dated 2 September 2017, at pp 4 and 12.

[21] See WP's AA4 Access Arrangement Information, Attachment 11.1, dated 2 September 2017, at p 13, where WP states: "Western Power proposes new time of use network tariffs for small businesses and residential customers that better reflects peak demand times. The new tariff charges a higher rate on weekdays between 3pm and 9pm, and a lower rate between 9pm and 12pm."

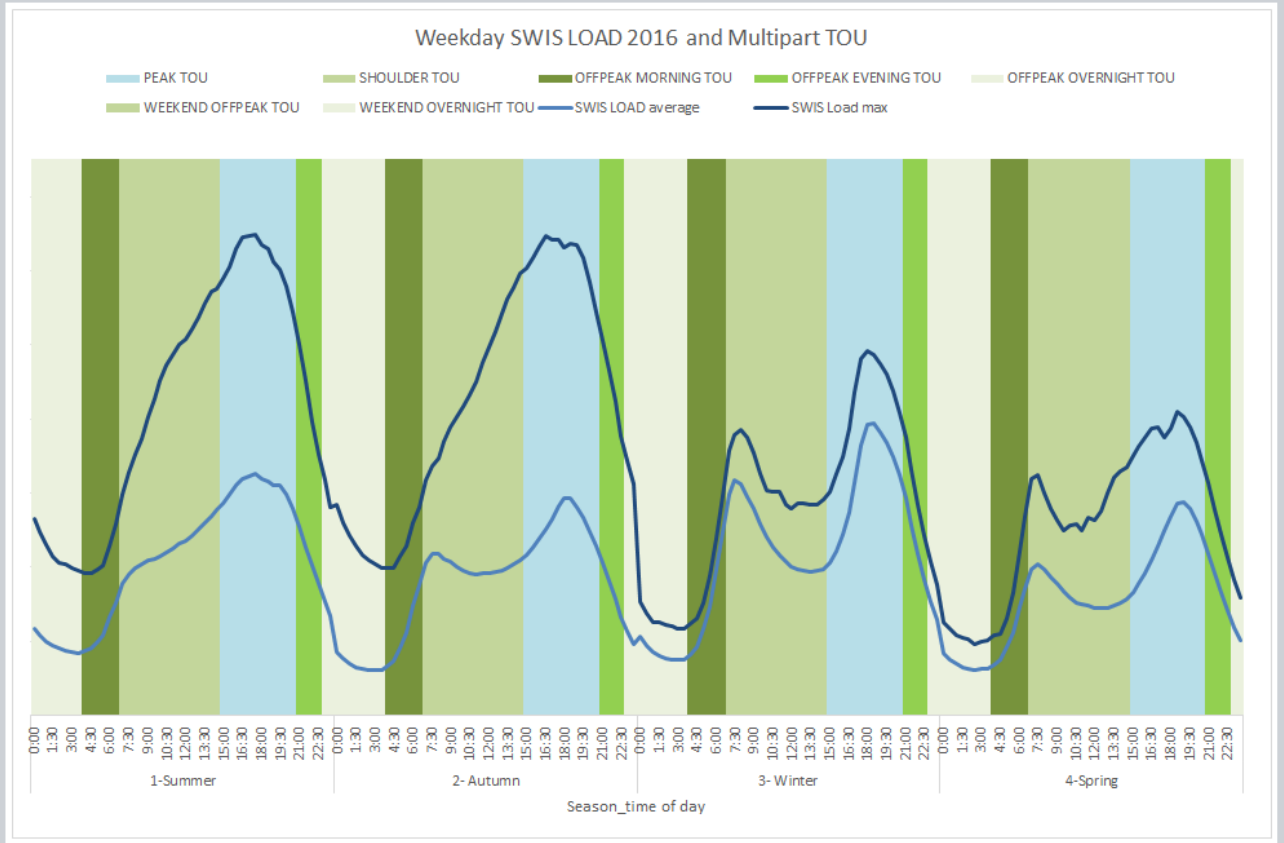
[22] See WP's AA4 Appendix F.1 (2017/2018 Price List) dated 2 September 2017 at pp 3 and 4; and WP's AA4 Appendix F.3 (2018/2019 Price List) dated 2 September 2017 at p 4.

[23] Refer to Figures 1 and 2 (in this Part E) showing consumption time bands which will be used as a basis to provide customer choice and develop customer offerings.

significant impact on customers when an adjustment results in an undercharge being recovered with a number of customers disputing the charge. However, it is the retailer not the distributor who ends up paying for the costs of these disputes. The requirement for this service will become progressively less over time as Type 4 meters are deployed. However, during the life of AA4 Synergy estimates it could resolve meter access issues for up to 15,000 residential customers to the benefit of both retailer and network operator. This is something Synergy would do if (similar to the NEM retailers) it controlled and operated the meters under the "power of choice" regulatory framework[24]; and

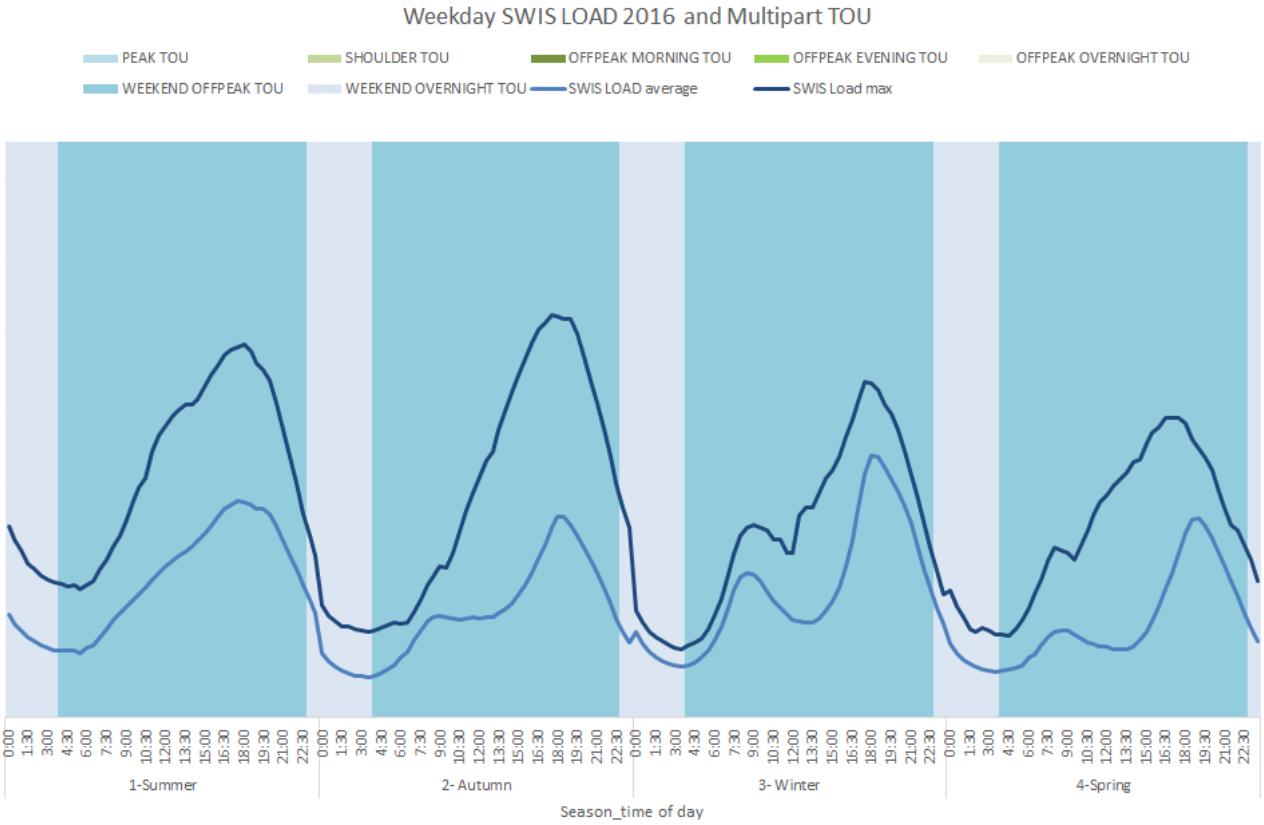
- As a standard metering service the ability to request a Type 4 meter to be installed when Synergy has assessed a residential customer as experiencing financial hardship in accordance with Part 6 of the Code of Conduct. This will provide tangible benefit to hardship customers in terms of educating them how their electricity consumption affects their electricity bills. From Synergy's experience with residential customers experiencing financial hardship, those without access to education or information that support usage management are at greater risk of price shock when tariffs change. Given transport charges constitute approximately 45% of a customer's bill it is appropriate for the network operator to respond to Synergy's request to provide this service. Doing so will assist hardship customers manage their debt. During the life of AA4 Synergy estimates the service could assist up to 25,000 residential customers experiencing financial hardship.

Figure 1 Weekday consumption time bands and profile



[24] It is not reasonable for retailers in the SWIS to fund and pay for WP's metering compliance and in doing so also increase the RAB. Synergy considers this is contrary to the "Code objectives" under clause 2.1 of the Metering Code and the Code objective under section 2.1 of the Access Code.

Figure 2 Weekend consumption time bands and profile



F. SYNERGY'S REFERENCE SERVICES REQUEST – RESIDENTIAL NEW

(iii) New: multi time of use – residential

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. <u>Time Bands</u> Mon -Fri: ▪ Peak - 3pm-9pm ▪ Shoulder - 7am-3pm ▪ Off Peak morning - 4am – 7am ▪ Off Peak evening - 9pm- 11pm ▪ Overnight – 11pm - 4am Weekends and public holidays: ▪ Off Peak – 4am to 11pm ▪ Overnight – 11pm to 4am <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly ▪ Manual Special Reads Interval/Accumulation (Move out) ▪ Standing Data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly - Non-compliant meter upgrades	1. The bidirectional point is located at a residential premises or a premises occupied by a voluntary/charitable organisation; and 2. A Type 4-6 meter is installed at the connection point that provides accumulation energy data or manual or remote interval energy data. Includes a Type 1-5 meter registered as a Type 6; and 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and 4. Where applicable, an inverter system rated up to 10kVA for single phase connections and 30kVa for three phase connections; and 5. The consumer's inverter system complies with AS4777 and the Technical Rules.	▪ Fixed daily charge ▪ Peak - Variable charge c/kWh ▪ Shoulder - Variable charge c/kWh ▪ Off Peak Morning – Variable charge c/kWh ▪ Off Peak evening- Variable charge c/kWh ▪ Overnight – Variable charge c/kWh ▪ Charges in decreasing order: - Peak - Shoulder - Off Peak morning - Off Peak evening - Overnight Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent

Description	Eligibility Criteria	Pricing Methodology
▪ Synergy requires a Type 4 meter to be installed at its request when a customer denies meter access for 9 consecutive months. ▪ Synergy requires a Type 4 meter to be installed at its request in relation to a residential customer who has been assessed as experiencing hardship in accordance with Part 6 of the Code of Conduct.		not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. This service also specifically addresses the inefficient 14 hour peak (7.00 am to 9.00 pm) under WP's current and proposed A3 reference service which is not reflective of Synergy's residential customer load profile. Further to section B.5 of this submission, Synergy estimates approximately 57,000 of its customers, with a corresponding load of 1208GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this reference service.		

(iv) New: two part time of use - residential

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. <u>Time Bands</u> Mon -Fri: ▪ Peak - 3pm-9pm ▪ Off peak – 9pm -3pm weekdays and anytime weekend and public holidays	1. The bidirectional point is located at a residential premises or a premises occupied by a voluntary/charitable organisation; and 2. A Type 4-6 meter is installed at the connection point that provides accumulation energy data or manual or remote interval energy data. Includes a Type 1-5 meter registered as a Type 6; and 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS	▪ Fixed daily charge ▪ Peak- Variable charge c/kWh ▪ Off Peak- Variable charge c/kWh) Charges in decreasing order: ▪ Peak ▪ Off Peak Note: the pricing for any "metering" (i.e. pure metrology) included in this

Description	Eligibility Criteria	Pricing Methodology
Standard Metering Service (cost included in the Tariff) ▪ Accumulation data – provided monthly, bi-monthly ▪ Special Reads Interval/Accumulation (Move out) ▪ Standing Data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly - Non-compliant meter upgrades ▪ Synergy requires a Type 4 meter to be installed at its request when a customer denies meter access for 9 consecutive months. ▪ Synergy requires a Type 4 meter to be installed at its request in relation to a residential customer who has been assessed as experiencing hardship in accordance with Part 6 of the Code of Conduct.	3000; and 4. Where applicable, an inverter system rated up to 10kVA for single phase connections and 30kVa for three phase connections; and 5. The consumer's inverter system complies with AS4777 and the Technical Rules.	reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. This service also specifically addresses the current inefficient 14 hour peak (7.00 am to 9.00 pm) under WP's current and proposed A3 reference service which is not reflective of Synergy's residential or PV customer load profile. Further to section B.5 of this submission, Synergy estimates approximately 186,000 of its customers, with a corresponding load of 830GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this reference service.		

(v) New: peak time demand - residential (replaces WP's proposed D3)

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a	1. The bidirectional point is located at a residential premises or a premises occupied by a voluntary/charitable organisation; and	1. Fixed daily charge 2. Peak- Variable charge c/kWh 3. Off Peak-

Description	Eligibility Criteria	Pricing Methodology
manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. <u>Time Bands</u> ▪ Peak - 3pm-9pm ▪ Off peak – 9pm -3pm ▪ Off peak anytime weekend and public holidays <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly ▪ Manual special reads interval/accumulation (move out) ▪ Standing data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly - Non-compliant meter upgrades ▪ Synergy requires a Type 4 meter to be installed at its request when a customer denies meter access for 9 consecutive months. ▪ Synergy requires a Type 4 meter to be installed at its request in relation to a residential customer who has been assessed as experiencing hardship in accordance with Part 6 of the Code of Conduct.	2. A Type 4-5 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data. Includes a Type 1-5 meter registered as a Type 6; and 3. The meter is capable of recording the maximum kVA demand in a monthly or bi-monthly scheduled meter read cycle; and 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and 4. Where applicable, an inverter system rated up to 10kVA for single phase connections and 30kVa for three phase connections; and 5. The consumer's inverter system complies with AS4777 and the Technical Rules.	Variable charge c/kWh 4. Peak time demand variable charge - c/kVA/day Peak time demand charge to be based on the maximum demand occurring during the peak period in a billing cycle. Charges in decreasing order: • Peak • Off Peak Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.

Description	Eligibility Criteria	Pricing Methodology
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 200 of its early adopter customers, with a corresponding load of 1.1GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this new reference service with opportunity for growth as the market matures.		

Supporting reasons

44. The reasons given relating to Synergy's reference service request (i) and (ii) also apply to service requests (iii) and (iv), with necessary changes.

45. Although Synergy does not support mandating time of use reference services, especially in situations where retail tariffs are similarly not mandated, Synergy supports sending cost reflective price signals to customers via such tariffs and providing customers with a range of opt in choices. [25] In Synergy's experience customer support is highest when time of use tariffs are presented as opt-in (especially given the price shock risks posed for consumers with relatively inflexible consumption patterns). Refer Attachment 2.

46. WP's proposed time of use reference services are too limited and do not promote the efficient use of the network. WP's existing A3 reference service includes a 14 hour peak and its proposed D1 to D4 provides no price differential over the three time bands in 2018/19.[26] Offering a range of time of use network services with cost reflective price differential will allow for services that are better aligned with the diverse needs of SWIS electricity consumers. Synergy notes WP's research indicates "*…Although customers were aware of Western Power, the vast majority were unable to describe the company's role. Customers knew that Western Power operated in the energy industry but did not know the company's responsibilities as the electricity distribution and transmission service provider*".[27] Customers do not understand the complexities of aligning a retail tariff to a network tariff including how the network tariffs limit the design of the retail offering. WP's research reflects this. For example, it does not make it clear whether the survey is based on retail tariffs or network tariffs.[28] It also appears the research did not explain to customers the difference between network and retail tariffs and how one limits the other.

47. Further, WP has also suggested that its customer engagement has been conducted on the following basis:

> "*…The Western Australian Economic Regulation Authority (ERA) currently regulates Western Power and monitors the behaviour of participants in Western Australia's wholesale electricity market. In March 2015, the Public Utilities Office (PUO) published the results of an Electricity Market Review (EMR) and recommended transitioning Western Power to a national system of electricity regulation. Western*

[25] That is, a choice of time bands and prices for customers who can change their consumption pattern.
[26] Synergy has no D1 price path visibility beyond 2018/19.
[27] WP's "Attachment 4.1 Customer Insights Report Access Arrangement Information 2 October 2017", p 20
[28] It is not clear to Synergy whether the customers in WP's research were consulted on network tariff offerings or retail tariff offerings. This clarity is important to understand how to interpret WP's research and make correct and credible conclusions from the customer responses.

Power is likely to join the national system of electricity regulation in July 2018. The Australian Energy Regulator (AER) will provide regulatory oversight for the Western Australian electricity industry in accordance with the National Electricity Rules (NER). Within the NER there is an expectation for network service providers to regularly engage with their customers and ensure that their business plans meet the long-term interests of their customers".[29]

Therefore, Synergy considers WP's proposed reference services may have also been designed on the basis of the NEM regulatory framework. That is, without giving due regard to the Access Code and the Code objective.

48. In Synergy's view there is a big difference between mandating services on customers and retailing services to meet customer choice and needs. Section 5.2 of the Access Code requires reference services to be ones that are "likely to be sought" by users, applicants or the market; not forcibly imposed on them by WP. This is why it is important for the Authority to give regard to Synergy's research and proposed time of use services – because it will allow Synergy to roll-out time of use retail tariffs that are aligned with a customer's lifestyle and choice. This is very different to the philosophy proposed by WP under its access arrangement proposal for AA4 – where WP proposes to mandate a network centric time of use design and also select the network tariff for small use customers that would have the effect of limiting choice in relation to retail offerings.

49. Transitions to demand and other cost reflective tariffs need to be supported by the up-take of enabling technologies as consumers are looking to demand side technologies (solar, storage, efficient appliances) to manage their electricity costs. More dynamic tariff structures are needed to address the changing consumption patterns and consumer expectations brought on by emerging technologies rather than a one size fits all approach. Forecasts indicate increasing uptake of electric vehicles (**EVs**) in coming years[30] and Synergy's proposed time of use references services are specifically aimed at promoting such uptake in the SWIS. Notwithstanding future growth, EVs have the potential to increase peak period demand if not addressed with appropriate tariff structures. That is why Synergy has requested a multi time of use reference service with an overnight off-peak rate.[31]

50. Synergy's ETAC with WP already contemplates new technology such as batteries and EVs. Having residential reference services better suited to such technologies is the next logical step for AA4. Further, Synergy submits it is likely to be more economically efficient to incentivise customers to use the network in low demand periods than to upgrade the network.

51. Multiple network services provides network users with greater choice and flexibility to create retail products that meet the needs of their customers, as opposed to a one size fits all approach. Although take up rates of time of use retail tariffs are historically low, Synergy considers voluntary uptake can be encouraged through a combination of reference service choice (that facilitates retail tariff choice), embedded generation, advanced energy efficiency, consumer engagement and education.

52. Interval energy data provision is critical as a precursor to customers moving off anytime energy tariffs as it is unrealistic to expect customers to make a "leap of faith" to opt into a time of use

[29] WP's "Attachment 4.1 Customer Insights Report Access Arrangement Information 2 October 2017", p 8.

[30] AEMO, Electricity Statement of Opportunities, 2017.

[31] This will provide more choice to customers as Synergy develops a range of retail tariffs to meet the evolving needs of its customers with the emergence of new technologies and increasing household utilities costs, allowing customers to more appropriately shift their consumption. For example a 3 part tariff only gives customers a choice of two. Shift consumption to shoulder or off-peak – depending on lifestyle this can be a limited offering especially for families. A more granular multi part Time-of-Use structure also provides greater flexibility in the event of further system and network wide changes in the future providing greater long term network benefits.

retail tariff without first knowing what their consumption patterns are, or knowing what the financial impact will be prior to changing retail tariffs. Synergy expects customers will typically require at least a year's worth of interval energy data before changing tariffs. During that time retailers can continually engaged with their customers to receive feedback and learn about their consumer experiences to ensure their products and services are fit for purpose.

53. Synergy requires the new multi and two part reference service time bands to reflect the efficient costs of transporting electricity during the different time bands. Synergy does not require the same transport charge to apply to each time band (as per WP's D1 time of use reference service proposal) as this is not cost reflective, nor is it commercially workable from a retail tariff perspective to have time of use network charges which are identical across every time band.

(vi) New: distributed generation and advanced energy efficiency low voltage connection - residential

Description	Eligibility Criteria	Pricing Methodology
A three-part connection service comprised of: ▪ a desk top assessment by WP of whether the installation of nominated distributed generation facilities (including battery systems) and/or advanced energy efficiency (including direct load control) at a connection point can be connected with or without triggering the relevant AQP processes (such as a connection application or electricity transfer application); ▪ the assessment by WP of whether the installation of nominated distributed generation facilities (including battery systems) and/or advanced energy efficiency measures (including direct load control) at a connection point is eligible for a discount in accordance with sections 7.9 and 7.10 of the Access Code; and ▪ the installation by Synergy of nominated distributed generation facilities (including battery systems) or advanced energy efficiency (including direct load control) at a connection point; and ▪ the installation by the customer (or its nominated representative) of nominated distributed generation facilities (including battery systems) and/or advanced energy efficiency (including direct load control) at a connection point; and ▪ the installation by WP of nominated distributed generation facilities (including battery systems) at a connection point, at a bi-directional point on the low voltage (415 volts or less) distribution system.	1. The bi-directional point is located at a solely residential premise or a premise occupied by a voluntary/charitable organisation. 2. A meter that records interval energy data.	1. A fixed fee for WP conducting its assessment; 2. A fixed fee for WP installing nominated distributed generation facilities (including batteries); and 3. A discount payable by WP to the user for the installation of distributed generation facilities (including battery systems) (if any).
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation		

Description	Eligibility Criteria	Pricing Methodology
solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 186,000 of its customers, with a corresponding load of 489GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this new reference service.		

54. WP's prudent discount scheme does not provide sufficient ability for a network user to use private assets and investments to receive a prudent discount. The current arrangement requires a user and WP to negotiate a discount. However, the arrangement provides no framework or certainty to deliver private investment to reduce network costs and improve network efficiency other than through a requirement to negotiate. The absence of a workable prudent discount mechanism has resulted in users not being able to obtain and use the discount to financially incentivise their customers to invest in behind the meter solutions such as energy storage, EVs, solar PV, and home energy management services delivered through digital applications.

55. Synergy is not aware of any situations where WP has provided either of the discounts referred to in sections 7.9 or 7.10 of the Access Code. This should be questioned by the Authority, given the increasingly constrained WP network and the extent to which distributed generation connections have increased in recent years. Synergy considers this situation has likely occurred because:

    - there still appears to be a tendency in response to peak demand to increase network investment via capital expenditure programs;
    - WP's discount policy is not well known nor understood by network users or consumers;
    - the informational asymmetry between WP on the one hand and network users and consumers on the other, prevents network users and consumers from understanding the impact of connections (especially in relation to new technology such as battery or EVs) on the WP network; and
    - a legacy that efficiency initiatives should only be addressed through network assets and efficiency and innovation mechanisms under the access arrangement.

56. The current revenue cap regulatory model has not assisted the cause for prudent discounts. From Synergy's experience under the current AA3 access arrangement, the network operator has an incentive to prefer network solutions that increase its capital asset base relative to non-network solutions.

57. To date the network response on addressing the problem of peak demand at the residential level has almost exclusively focused on time of use pricing based on penalising customers if they consume in peak demand, thus incentivising customers to consume off-peak. This is reflected in WP's AA4 access arrangement proposal and is a key reason why WP has sought to mandate time of use reference services. However, for many residential customers it is difficult for them to shift their load away from the peak especially when the sole option afforded by the network operator is time of use pricing. From Synergy's retail experience multiple options and the provision of choice is more effective in getting more customers to consume less grid supplied electricity at peak periods.

58. Transition to demand and other cost reflective tariffs must be supported by the enabling technologies such as load control devices and battery as this will reduce financial risk to customers relative to mandated time of use pricing in isolation. Embedded generation and demand management programs have a vital role in promoting the efficient utilisation of network

infrastructure thereby minimising required network investment and operational expenditure and resultant costs to customers. The advent of new 'smarter' controllable demand side technologies present real opportunities to scale-up the use of demand management programs going forward. However, without a more robust, transparent and workable prudent discount mechanism, the network benefits of customer's investing in embedded generation and advanced energy efficiency will simply be captured by the network operator and not shared with those who have actually invested in it.

59. Synergy considers there is significant upside to incentivise residential customers to help reduce network demand beyond just behavioural change based on time of use. For example, this could be done through behind the meter technology in the home such as battery or appliance direct load control. Synergy currently has residential customers with 747MW of behind the meter solar PV and is currently progressing a virtual power plant (**VPP**) proof of concept with VPP platform vendors that seeks to aggregate embedded generation capacity that has the potential to deliver network benefits. Such concepts are also being undertaken elsewhere.[32] However, it is important to ensure WP's reference services, AQP, standard ETAC and Model SLA do not create a disincentive for customers to do this.

60. Consequently, Synergy requires a new connection service applicable to residential customers who invest in distributed generation and advanced energy efficiency to include:

    - a desk top assessment by WP of whether the installation of nominated distributed generation facilities (including battery systems) or advanced energy efficiency measures (including direct load control) at a connection point will be eligible for a discount in accordance with sections 7.9 and 7.10 of the Access Code;

    - the assessment by WP of whether the installation of nominated distributed generation facilities (including battery systems) or advanced energy efficiency measures (including direct load control) at a connection point is eligible for a discount in accordance with sections 7.9 and 7.10 of the Access Code; and

    - for low voltage connection points, the installation by WP of nominated distributed generation facilities (including battery systems) at the connection point.

61. Synergy's regulatory position is all of the above are part of the connection service – which as previously stated should be a reference service. The emerging technology and increased uptake of battery systems and renewable technology, including in distributed generation scenarios combined with advanced energy efficiency, such as behind the meter direct load control by Synergy's customers, creates a demonstrable need for this reference service. By having this reference service it will overcome the current lack of certainty caused by users having to negotiate a prudent discount with the monopoly service provider noting the current RAB regulatory model is not conducive to such negotiations, nor is the unequal negotiating power of the respective parties.

62. Under section 7.10 of the Access Code, WP is required to give a user who connects distributed generating plant to the network a share of any reductions in WP's costs arising as a result of the entry point for the distributed generation being in a particular part of the network. This is in the form of a discount in the user's tariff. From Synergy's experience this does not occur in practice. Synergy considers if the discount were assessed as part of the reference service the process would be more transparent and increase efficiencies by driving the uptake of distributed generating plant or advanced energy efficiency in place of network upgrades. It would also provide Synergy with the

[32] Refer https://www.energycouncil.com.au/media/10728/4-proving-the-potential-energy-of-community.pdf.

opportunity to pass through the benefit to residential customers to help offset the cost to them of having to acquire the new technologies within the home, thus creating further demand for the reference service. This approach would also better achieve the Code objective in relation to the efficient investment in and use of the network.

63. The distributed generation / advanced energy efficiency reference service could, for example, identify discounts for:

    - installing solar PV generation systems facing west to maximise generation during peak periods (rather than facing north, which while it may maximise total units generated, is less efficient from the point of view of best matching units generated to peak periods);

    - installing batteries and solar PV generation systems, including in circumstances where batteries are configured to export to the WP network during peak periods;

    - installing direct control devices directly onto suitable appliances; and/or

    - installing distributed generation at particular parts of the WP network,

    that otherwise defer capital investment.

64. Synergy's reference service request is based on the fundamental premise it is ultimately the customer's choice as to how their behind the meter resources should be deployed and what compensation or reward they expect for providing network control services to the distributor. If Synergy (and the market) had the ability to require WP to provide a desktop study to assess the value of various embedded generation or advanced energy efficiency in the manner proposed by Synergy's reference services this would create a financial ability for retailers to pass the network benefit (i.e. prudent discount) to consumers to offset the cost of their investments. This would better deliver the Code objective in terms of improved network efficiency and promoting competition upstream and downstream of the meter.

65. Synergy's proposal for embedded generation and advanced energy efficiency reference services will ensure non-network solutions are considered from the widest source of behind the meter solutions, specifically those that are and can be provided by residential customers. This is in stark contrast to what currently exists today. It is Synergy's firm view, based on actual network experience, a regulated reference service that provides certainty and transparency with respect to terms, conditions and network user rights will, by far, better achieve the Code objective in relation to the efficient operation and use of the network. In the event Synergy was required to negotiate a non-reference service with Western Power in an attempt to have the network operator share the network benefits of behind the meter embedded generation and advanced energy efficiency, Synergy is not confident this would occur for the reasons specified in paragraph 61.

G. SYNERGY'S REFERENCE SERVICES REQUEST – AMENDED BUSINESS

(vii) Amended: A2 anytime energy - business

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly ▪ Manual Special Reads Interval/Accumulation (Move out) ▪ Standing Data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly - Non-compliant meter upgrades	1. The bi-directional point is located at a non-residential premise; and 2. A Type 1-6 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data. Includes a Type 1-5 interval meter registered as a Type 6; and 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and 4. Where applicable, an inverter system rated up to a total of 1 MVA for single or three-phase connections; and 5. The consumer's inverter system complies with the requirements of AS4777 and the Technical Rules, and satisfies a technical assessment by WP for installations larger than 30kVA.	No change, except that the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 82,000 of its customers, with a corresponding load of 102GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this new reference service.		

(viii) Amended: A4 time of use – business (replaces WP's proposed D2)

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. ▪ No change to A4 time bands <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly ▪ Manual Special Reads Interval/Accumulation (Move out) ▪ Standing Data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly	1. The bi-directional point is located at a non-residential premise; and 2. A Type 1-6 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data. Includes a Type 1-5 interval meter registered as a Type 6; and 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and 4. Where applicable, an inverter system rated up to a total of 1 MVA for single or three-phase connections; and 5. The consumer's inverter system complies with the requirements of AS4777 and the Technical Rules, and satisfies a technical assessment by WP for installations larger than 30kVA.	No change except that the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 8,257 of its customers, with a corresponding load of 424GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this new reference service. This service also specifically addresses the inefficient 14 hour peak (7.00 am to 9.00 pm) under WP's current and proposed A3 reference service which is not reflective of Synergy's customer load profile.		

66. The reasons given relating to Synergy's reference service request (i) and (ii) also apply to service requests (vii) and (viii) in relation to energy data and connection services.

67. Synergy's request for an amended: A4 time of use – business (request (viii)) replaces WP's proposed D2 reference service (mandated reference service in the event a business customer receives a Type 4 meter). The reasons for Synergy's rejection of WP's proposed D2 reference service are detailed in Part K of this submission.

H. SYNERGY'S REFERENCE SERVICES REQUEST – NEW BUSINESS

(ix) New: multi time of use - business

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. <u>Time Bands</u> Mon -Fri: ▪ Peak - 3pm-9pm ▪ Shoulder - 7am-3pm ▪ Off Peak 4am – 7am and 9pm-11pm ▪ Overnight – 11pm - 4am Weekends and public holidays: ▪ Off Peak – 4am to 11pm ▪ Super Off Peak – 11pm to 4am <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly ▪ Manual Special Reads Interval/Accumulation (Move out) ▪ Standing Data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly	1. The bi-directional point is located at a non-residential premise; and 2. A Type1-6 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data. Includes a Type 1-5 interval meter registered as a Type 6; 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and 4. Where applicable, an inverter system rated up to a total of 1 MVA for single or three-phase connections; and 5. The consumer's inverter system complies with the requirements of AS4777 and the Technical Rules, and satisfies a technical assessment by WP for installations larger than 30kVA.	▪ Fixed daily charge ▪ Peak - Variable charge c/kWh ▪ Shoulder - Variable charge c/kWh ▪ Off Peak Morning – Variable charge c/kWh ▪ Off Peak evening- Variable charge c/kWh ▪ Overnight – Variable charge c/kWh ▪ Weekend Off Peak and Super Off Peak – Variable charge c/kWh ▪ Charges in decreasing order: - Peak - Shoulder - Off Peak morning - Off Peak evening - Overnight - [Weekend Off Peak] - [Weekend Super Off Peak] Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.

Description	Eligibility Criteria	Pricing Methodology
- Interval data (manual) – provided monthly - Non-compliant meter upgrades		

Service demand

Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 8,257 of its customers, with a corresponding load of 424GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this new reference service. This service also specifically addresses the inefficient 14 hour peak (7.00 am to 9.00 pm) under WP's current and proposed A3 reference service which is not reflective of Synergy's customer load profile.

(x) New: high voltage (monthly) metered demand bi-directional - business (replaces current A5 service and consequentially removes current RT5)

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the high voltage (6.6 kV or higher) distribution system. <u>Time Bands</u> All week: ▪ Peak - 3pm-9pm weekdays ▪ Off Peak 9pm to 3pm weekdays and anytime weekends and public holidays <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly ▪ Manual special reads interval/accumulation (move out) ▪ Standing data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily	1. The maximum consumption demand at the bi-directional point is: a. Less than 1500kVA based on historic metering data; or b. WP considers, as a reasonable and prudent person, that the User's forecast maximum consumption demand will be less than 1500kVA; and 2. A Type 1-5 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data; and 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and 4. Where applicable, an inverter system rated up to a total of 1 MVA for single or three-phase connections; and 5. The consumer's inverter system	▪ Demand charges to be set based on the monthly maximum demand occurring during the peak period in a billing cycle (monthly and bi-monthly). Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing

Description	Eligibility Criteria	Pricing Methodology
- Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly	complies with the requirements of AS4777 and the Technical Rules, and satisfies a technical assessment by WP for installations larger than 30kVA.	requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.

Service demand

Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 114 of its customers, with a corresponding load of 31GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this new reference service.

(xi) New: low voltage (monthly) metered demand bi-directional time of use - business (replaces current A6 and consequentially removes current RT6)

Description	Eligibility Criteria	Pricing Methodology
A bi-directional service combined with: ▪ a connection of supply service; ▪ where a Type 4 meter is installed, a remote disconnection of supply service and a remote reconnection of supply service (includes remote arming); ▪ where a Type 5 or Type 6 meter is installed, a manual disconnection of supply service and a manual reconnection of supply service; ▪ a standard metering service (as set out below), at a bi-directional point on the low voltage (415 volts or less) distribution system. <u>Time Bands</u> All week: ▪ Peak - 3pm-9pm weekdays ▪ Off Peak 9pm to 3pm weekdays and anytime weekends and public holidays <u>Standard Metering Service (cost included in the Tariff)</u> ▪ Accumulation data – provided monthly, bi-monthly	1. The maximum consumption demand at the bi-directional point is: a. Less than 1500kVA based on historic metering data; or b. WP considers, as a reasonable and prudent person, that the User's forecast maximum consumption demand will be less than 1500kVA; and 2. A Type 1-5 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data; 3. The consumer's facilities and equipment comply with the Technical Rules, the WA Electrical Requirements and AS 3000; and	▪ Demand charges to be set based on the monthly maximum demand occurring during the peak period in a billing cycle (monthly and bi-monthly). Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.

Description	Eligibility Criteria	Pricing Methodology
▪ Manual special reads interval/accumulation (Move out) ▪ Standing data ▪ Historical energy data up to 12 months ▪ Where a Type 4 meter is installed: - Interval data (remote) – provided daily - Interval data (remote) – provided bi-monthly - Interval data (remote) – provided monthly - Remote bi-directional configuration ▪ Where a Type 5 meter or a Type 6 meter is installed (including a Type 1-5 meter registered as a Type 6 meter): - Interval data (manual) – provided bi-monthly - Interval data (manual) – provided monthly - Non-compliant meter upgrades	4. Where applicable, an inverter system rated up to a total of 1 MVA for single or three-phase connections; and 5. The consumer's inverter system complies with the requirements of AS4777 and the Technical Rules, and satisfies a technical assessment by WP for installations larger than 30kVA.	
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 2,232 of its customers, with a corresponding load of 289GWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this new reference service.		

Supporting reasons

68. The reasons given relating to Synergy's reference service requests (iii) to (v) also apply to service requests (ix) to (xi) in relation to energy data.

69. The proposed new business reference services include remote or manual disconnection or reconnection services (depending on whether the meter is Type 4, 5 or 6). Remote services create value for customers, allowing them to minimise the time spent disconnected[33] and avoid the costs of manual connection services. Incorporating remote services into reference services will minimise barriers to service uptake and facilitate efficient cost and benefit pass through.

70. Synergy's regulatory position is the reconnection or disconnection of electricity is a "covered service" and can be part of (or could also be a stand-alone) reference service. A reconnection or disconnection of electricity is ancillary to the conveyance of electricity on a covered network and is a service which is required by all electricity customers. This is particularly the case when considering the remote reconnection or disconnection where Type 4 meters operate to effect or interrupt the conveyance of electricity.

[33] Synergy has highlighted some of the challenges customers face in its submission on the proposed changes to Model SLA – refer to "Submission to the Economic Regulation Authority: Western Power's proposed model service level agreement", dated 20 November 2017.

71. Synergy has performed its own investigations around remote disconnection/reconnection functionality and has concluded it is far more economically efficient than the manual site visit approach.[34] There is a substantial difference in cost of approximately $20 for remote disconnection and reconnection and $110 for a typical manual site visit. Given the substantial cost difference Synergy's experience is a remote reconnection/disconnection service is likely to be sought by a substantial proportion of the market when given the choice.

72. Synergy's request for high/low voltage (monthly) metered demand bi-directional - business (request (x) and (xi)) replaces WP's current A5 and A6 reference service. The reasons for this replacement is to ensure network charges are aligned with peak network periods as well as provide timely incentives for customers to manage demand and network usage. This is done by ensuring classes of customers with demand requirements in off- peak periods are not penalised or treated the same as customers whose demand requirements are during the network peak period. Additionally, monthly demand charges provide customers incentives and signals to continuously manage demand and network charges.

(xii) New: distributed generation advanced energy efficiency low voltage connection service - business

Description	Eligibility Criteria	Pricing Methodology
A three-part connection service comprised of: ▪ a desk top assessment by WP of whether the installation of nominated distributed generation facilities (including battery systems) or advanced energy efficiency (including direct load control) at a connection point can be connected with or without triggering the relevant AQP processes (such as a connection application or electricity transfer application); ▪ the assessment by WP of whether the installation of nominated distributed generation facilities (including battery systems) at a connection point is eligible for a discount in accordance with sections 7.9 and 7.10 of the Access Code; and ▪ the installation by WP of nominated distributed generation facilities (including battery systems) at a connection point, at a bi-directional point on the low voltage (415 volts or less) distribution system.	1. The bi-directional point is not located at a solely residential premise or a premise occupied by a voluntary/charitable organisation; 2. A meter that records interval energy data.	1. A fixed fee for WP conducting its assessment; 2. A fixed fee for WP installing nominated distributed generation facilities (including batteries); and 3. A discount payable by WP to the user for the installation of distributed generation facilities (including battery systems) (if any).
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates approximately 5,490 of its customers, with a corresponding export		

[34] Subject to the communication infrastructure satisfying the required regulatory tests under the Access Code and only those functions that relate to provision of covered services is capitalised under the RAB.

Description	Eligibility Criteria	Pricing Methodology
capacity of 54,175kWh and representing a substantial proportion of the market for services in the covered network, would be likely to seek the retail product based on this new reference service.		

(xiii) New: distributed generation advanced energy efficiency high voltage connection service - business

Description	Eligibility Criteria	Pricing Methodology
A two-part connection service comprised of: ▪ the assessment by WP of whether the installation of nominated distributed generation facilities (including battery systems) or advanced energy efficiency (including direct load control) at a connection point is eligible for a discount in accordance with sections 7.9 and 7.10 of the Access Code; and ▪ the installation by WP of nominated distributed generation facilities (including battery systems) at a connection point, at a bi-directional point on the high voltage (6.6 kV or higher) distribution system.	1. The bi-directional point is not located at a solely residential premise or a premise occupied by a voluntary/ charitable organisation; 2. A meter that records interval energy data.	1. A fixed fee for WP conducting its assessment; 2. A fixed fee for WP installing nominated distributed generation facilities (including batteries); and 3. A discount payable by WP to the user for the installation of distributed generation facilities (including battery systems) (if any).
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates more than 230, 000 of its existing customers, representing a substantial proportion of the market for services in the covered network, would be candidates and likely to seek the retail product based on this new reference service.		

Supporting reasons

73. The reasons given relating to Synergy's reference service request (vi) (paragraphs 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65 of this submission) also generally apply to service requests (xii) to (xiii).

(xiv) New: Intra-day contracted capacity swap service (nominator) between connection points - business

Description	Eligibility Criteria	Pricing Methodology
A service ancillary to: ▪ the Transmission Entry Service (B2) ▪ the Distribution Entry Service (B1); ▪ the Transmission Exit Service (A11); ▪ High Voltage Metered Demand Service (A5); ▪ Low Voltage Metered Demand	1. A Type 1-5 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data. 2. Transfer is subject to the capability of the WP network to make the transfer. WP could set a maximum amount of contracted capacity that could be swapped or set	1. A fixed fee payable by the Nominator.

Description	Eligibility Criteria	Pricing Methodology
Service (A6); ▪ High voltage CMD (A7); ▪ Low voltage CMD (A8); ▪ Synergy's proposed high/low voltage metered demand service in (x) and (xi); under which a user (**Nominator**) may make an intra-day nomination one or more standing or day-ahead to transfer "contracted capacity" under one or more of its "access contracts" to one or more other users at one or more connection points under their access contracts (**Nominee**). Unless otherwise provided for in the nomination, contracted capacity reverts to the Nominator under the subject access contract at the end of the day.	geographical areas of the network where the swaps could occur in consultation with likely users of the service.	
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service. Synergy has more than 2,500 demand based customers that would be eligible to use this service.		

(xv) New: intra-day contracted capacity swap service (nominee) between connection points - business

Description	Eligibility Criteria	Pricing Methodology
A service ancillary to: ▪ the Transmission Entry Service (B2); ▪ the Distribution Entry Service (B1); ▪ the Transmission Exit Service (A11); ▪ High Voltage Metered Demand Service (A5); ▪ Low Voltage Metered Demand Service (A6); ▪ High voltage CMD (A7); ▪ Low voltage CMD (A8); ▪ Synergy's proposed high/low voltage metered demand service in (x) and (xi); under which the Nominee accepts an intra-day nomination made by a Nominator in respect of the Nominee under the *Intra-day contracted capacity swap service (nominator)*. Once accepted the contracted capacity provided for in the Nominee's access contract is increased for the duration of the transfer. Unless otherwise provided for in the nomination, contracted capacity reverts to the Nominator under the subject access contract at the end of the day.	1. A Type 1-5 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data. 2. Transfer is subject to the capability of the WP network to make the transfer. However, this should be dealt with under the *Intra-day contracted capacity swap service (nominator)* and should not need to be re-considered for the nominee service.	1. A fixed fee payable by the Nominee.

Description	Eligibility Criteria	Pricing Methodology
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service. Synergy has more than 2,500 demand based customers that would be eligible to use this service.		

(xvi) New: contracted capacity allocation service (nominator) at the same connection point - business

Description	Eligibility Criteria	Pricing Methodology
A service ancillary to each metered bidirectional service, entry service and exit service and associated with the below Standard Metering Service under which a user (**Nominator**) allocates contracted capacity (expressed as a percentage of DSOC) at a connection point for a specified period to one or more other users of that same connection point (**Nominee**), while the Nominator retains the remainder of the contracted capacity at the same connection point. Standard Metering Service where interval energy data provided in accordance with the bidirectional service, entry service or exit service (as applicable) reflects the percentage of DSOC at the connection point that is allocated to the Nominator.	1. A meter that records interval energy data	1. A fixed fee payable by the Nominator 2. Only incremental costs of the Standard Metering Service are to be recovered under this tariff. Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service. Synergy has more than 2,500 demand based customers that would be eligible to use this service.		

(xvii) New: contracted capacity allocation service (nominee) at the same connection point - business

Description	Eligibility Criteria	Pricing Methodology
A service ancillary to each metered bidirectional service, entry service and exit service and associated with the below Standard Metering Service under which a user nominated as a Nominee under the Contracted capacity allocation service (nominator) can accept the allocation of contracted capacity (expressed as a	1. A meter that records interval energy data	1. A fixed fee payable by the Nominee 2. Only incremental costs of the Standard Metering Service are to be recovered under

Description	Eligibility Criteria	Pricing Methodology
percentage of DSOC) at a connection point it shares with the Nominator. Standard Metering Service where interval energy data provided in accordance with the bidirectional service, entry service or exit service (as applicable) reflects the percentage of DSOC at the connection point that is allocated to the Nominee.		this tariff. Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service. Synergy has more than 2,500 demand based customers that would be eligible to use this service.		

(xviii) New: CMD allocation service (nominator) at the same connection point - business

Description	Eligibility Criteria	Pricing Methodology
A service ancillary to each metered bidirectional service, entry service and exit service and associated with the below Standard Metering Service under which a user (**Nominator**) allocates contracted capacity (expressed as a percentage of CMD) at a connection point for a specified period to one or more other users of that same connection point (**Nominee**), while the Nominator retains contracted capacity at the same connection point. Standard Metering Service where interval energy data provided in accordance with the bidirectional service, entry service or exit service (as applicable) reflects the percentage of CMD at the connection point that is allocated to the Nominator.	1. A meter that records interval energy data.	1. A fixed fee payable by the Nominator 2. Only incremental costs of the Standard Metering Service are to be recovered under this tariff. Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.

Service demand
Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service. Synergy has more than 2,500 demand based customers that would be eligible to use this service.

(xix) New: CMD allocation service (nominee) at the same connection point - business

Description	Eligibility Criteria	Pricing Methodology
A service ancillary to each metered bidirectional service, entry service and exit service and associated with the below Standard Metering Service under which a user nominated as a Nominee under the Contracted capacity allocation service (nominator) can accept the allocation of contracted capacity (expressed as a percentage of CMD) at a connection point it shares with the Nominator. Standard Metering Service where interval energy data provided in accordance with the bidirectional service, entry service or exit service (as applicable) reflects the percentage of CMD at the connection point that is allocated to the Nominee.	1. A meter that records interval energy data	1. A fixed fee payable by the Nominee 2. Only incremental costs of the Standard Metering Service are to be recovered under this tariff. Note: the pricing for any "metering" (i.e. pure metrology) included in this reference services must be consistent with cl 6.6(1)(e) of the Metering Code and, to the extent not inconsistent with that provision, also consistent with the pricing requirements of the Access Code – see "supplementary matters" in Access Code ss 5.27 and 5.28.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service. Synergy has more than 2,500 demand based customers that would be eligible to use this service.		

Supporting reasons

74. Synergy has proposed a number of reference services that involve:

    - the intra-day swapping of contracted capacity rights between connection points by users on separate ETACs (i.e. declared sent out capacity (**DSOC**) sharing such as that occurring for the Mumbida wind farm);

- the sharing of DSOC at the same connection point by users on separate ETACs (i.e. DSOC sharing between co-located wind and solar facilities sharing the same connection point); and

- the sharing of contract maximum demand (**CMD**) at the same connection point by users on separate ETACs (i.e. CMD sharing that allows consumers to be supplied electricity by two separate suppliers).

75. Each of these services is a "covered service" because they are ancillary to the provision of "contracted capacity" at one or more connection points, which is an "entry service", an "exit service" or a "bidirectional service".

76. Given the increasing potential for network constraints on the WP network, Synergy considers the above reference services are likely needed to facilitate the connection of new generators (including renewables) to the network and consequently are likely to be sought by a substantial proportion of the market or a significant number of users/applicants, or both.

77. There is an established precedent for DSOC sharing arrangements. For example the connection of the Mumbida wind farm sharing the Mungarra power station's existing DSOC. The Wholesale Electricity Market Rules also contemplate that 2 facilities may share the same connection point.

78. Embedding such sharing arrangements as a reference service ensures that what are currently opaque solutions, are provided in a clear and direct way for the benefit of all users (including by promoting business certainty, fair market conduct and avoiding the need for users to conduct asymmetrical negotiation with a monopoly service provider). Synergy therefore considers having these new reference services is (consistent with the Code objective and the matters the Authority must have regard to under section 26(1) of the ERA Act) likely to promote the public interest by enhancing economic efficiency in the investment in, and operation and use of, the covered network and thereby promoting the long-term interests of consumers.

79. Synergy proposes to separate CMD sharing arrangements from DSOC sharing reference services because Synergy anticipates the efficient costs of a CMD sharing reference service are likely to be lower than for a DSOC sharing reference service.

I. SYNERGY'S REFERENCE SERVICES REQUEST – LOW VOLTAGE

(xx) New: direct load control service - low voltage

Description	Eligibility Criteria	Pricing Methodology
A service ancillary to each metered bidirectional service and exit service constituted by: ▪ a remotely controllable switch that can turn power to the load at the connection point or an appliance at that connection point on or off; and the assessment by WP of whether the selection of the direct load control service by the user is eligible for a discount in accordance with section 7.9 of the Access Code, at a bi-directional point on the low voltage (415 volts or less) distribution system.	A Type 4 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data.	A daily charge, subject to any discount payable to the user under section 7.9 of the Access Code.
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates a substantial proportion of the residential market would be likely to seek the retail product based on this new reference service.		

(xxi) New: load limitation service - low voltage

Description	Eligibility Criteria	Pricing Methodology
A service ancillary to each metered bidirectional service and exit service constituted by: ▪ a limitation applied to a load at a connection point; and ▪ the assessment by WP of whether the selection of the direct load control service by the user is eligible for a discount in accordance with section 7.9 of the Access Code, at a bi-directional point on the low voltage (415 volts or less) distribution system.	A Type 4 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data.	A daily charge, subject to any discount payable to the user under section 7.9 of the Access Code.

Service demand

Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. Synergy disconnected 26,000 customers in 2016/17 typically for non-payment or non-application (failure to establish an account). Synergy considers this customer demographic would be a candidate for this reference service as it is an alternative to disconnection. A further new customer segment would be customers who are willing to have their total load substantially curtailed in exchange for an incentive payment. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates a substantial proportion of the residential market would be likely to seek the retail product based on this new reference service.

Supporting reasons

80. "Direct load control" involves the establishment of a remotely controllable switch at a premises that can turn power to a load or appliance up or down, thus controlling the quantity of power that a load can consume. "Load limitation" refers to the application of a reduction of power transfer capability at a connection point and, like direct load control, results in a comparative reduction to the quantity of power that a load can consume.

81. Direct load control and load limitation services are "covered services" because they are services provided by means of the WP network and are ancillary to the conveyance of electricity.

82. Synergy's regulatory position is the two services are reference services because they are likely to be sought by a substantial proportion of the market or a significant number of users/applicants, or both, for the reasons set out below, including because load control services minimise consumer risk and increase the likelihood of consumer uptake of demand and other cost reflective tariffs.

83. Synergy considers there are two main benefits the proposed direct load control and load limitation reference services can deliver. First, Synergy considers, under certain circumstances, having an alternative to disconnection for customers with accounts in arrears and without the means to

provide security for payment could have important social benefits. The application of a load limitation or direct load control reference service could mean, for example:

- that rather than being disconnected, vulnerable persons could retain sufficient electricity to run specific appliances (e.g. fridge or an oven but not a pool pump);
- a reduced number of disconnections being reported to the Authority; and
- a reduced quantum of doubtful debt to Synergy and other retailers.

84. Second, it is well established that direct load control can have important benefits for network service providers and retailers whereby direct load control may in comparative terms off-set capital investment in networks and generation and reduce wholesale energy costs for retailers by reducing the quantity of electricity consumed in peak periods. Synergy considers that the same approach applies with respect to load limitation services.

85. Importantly, Synergy proposes these reference services also comprise an assessment by WP to determine whether the application of the reference service entitles the user to a prudent discount under section 7.9 of the Access Code. For the reasons described in paragraphs 54, 55, 56, and 57, it is not clear to Synergy that prudent discounts are being allocated in accordance with the intent of the Access Code, given WP's discount policy.

J. SYNERGY'S REFERENCE SERVICES REQUEST – CONNECTION SERVICES

(xxii) Remote disconnection

Description	Eligibility Criteria	Pricing Methodology
Connection service incorporated into all distribution reference service tariffs approved by the Authority under AA4.	A Type 4 meter is installed at the connection point that provides accumulation energy data, or interval energy data. Note: This would need to be a Type 4 meter with remote disconnection capability.	Incorporated as a fixed daily charge into reference tariffs with respect to reference services described as applicable (see above).
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates it can use this service during the life of AA4 with any of its entire customer base that has or will have a Type 4 meter. This equates to approximately 375,000 customers during AA4 representing a substantial proportion of the market for services in the covered network that would be likely to seek the retail product based on this new reference service (e.g. landlords, rental homes, holiday rentals, etc). Currently, Synergy issues 26,000 de-energisation service orders annually.		

(xxiii) Remote reconnection

Description	Eligibility Criteria	Pricing Methodology
Connection service incorporated into all relevant distribution reference service tariffs approved by the Authority under AA4.	A Type 4 meter is installed at the connection point that provides accumulation energy data, manual or remote interval energy data. Note: This would need to be a Type 4 meter with remote disconnection capability	Incorporated as a fixed daily charge into reference tariffs with respect to reference services described as applicable (see above).
Service demand Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service to develop retail products and provide retail services to its customers. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates it can use this service during the life of AA4 with any of its entire customer base that has or will have a Type 4 meter. This equates to approximately 375,000 customers during AA4 representing a substantial proportion of the market for services in the covered network that would be likely to seek the retail product based on this new reference service (e.g. landlords, rental homes, holiday rentals, etc). Currently, Synergy issues 24, 000 re-energisation service orders annually.		

(xxiv) Manual disconnection

Description	Eligibility Criteria	Pricing Methodology
Connection service incorporated into all distribution reference service tariffs approved by the Authority under AA4.	The meter is not capable of providing a remote connection/disconnection service.	Incorporated as a fixed daily charge into reference tariffs with respect to reference services described as applicable (see above).

Service demand

Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates it can use this service during the life of AA4 with any of its entire customer base that has or will have a Type 4 meter. This equates to approximately 375,000 customers during AA4 representing a substantial proportion of the market for services in the covered network that would be likely to seek the retail product based on this new reference service (e.g. landlords, rental homes, holiday rentals, etc). Currently, Synergy issues 26,000 de-energisation service orders annually.

(xxv) Manual reconnection

Description	Eligibility Criteria	Pricing Methodology
Connection service incorporated into all distribution reference service tariffs approved by the Authority under AA4.	The meter is not capable of providing a remote connection/disconnection service.	Incorporated as a fixed daily charge into reference tariffs with respect to reference services described as applicable (see above).

Service demand

Synergy will, subject to the price, eligibility criteria and terms that apply to the service, use this service. As outlined above and in light of our customer research and customer demand for affordability, behind the meter and distributed generation solutions Synergy considers this service better achieves the Code objective and will provide the basis to develop customer offerings that are likely to be sought by a substantial proportion of the market. Further to section B.5 of this submission, Synergy estimates it can use this service during the life of AA4 with any of its entire customer base that has or will have a Type 4 meter. This equates to approximately 375,000 customers during AA4 representing a substantial proportion of the market for services in the covered network that would be likely to seek the retail product based on this new reference service (e.g. landlords, rental homes, holiday rentals, etc). Currently, Synergy issues 24,000 re-energisation service orders annually.

Supporting reasons

86. Paragraphs 43, 69, 70, 71 apply to this services request.

K. WP'S PROPOSED MANDATORY TIME OF USE REFERENCE SERVICES (D1 AND D2)

87. Synergy as the largest user of WP's network rejects WP's proposed D1 and D2 reference services. Synergy, in this submission has set out its requirements for residential and business time of use reference services.

88. Under sections 2.7 and 2.8 of the Access Code, WP is required to use all reasonable endeavours to accommodate an applicant's requirement to obtain covered services, including an obligation to provide, to the extent reasonably practicable, only those parts of a covered service the applicant wishes to acquire.

89. Similarly, under section 5.2 of the Access Code, an access arrangement must specify as reference services, those services that are "likely to be sought" by a significant number of users and applicants or a substantial portion of the market and to the extent reasonably practicable, must specify reference services in such a way that a user or applicant is able to acquire only those parts of a covered service they wish to be provided with.

90. Mandating a particular reference service is inconsistent with sections 2.7 and 2.8 as well as section 5.2 of the Access Code.

91. Further, Synergy considers WP's attempt to mandate the D1 and D2 reference services, if approved by the Authority, may constitute a breach of the anti-hindering provisions in section 115 of the EI Act. This is because section 115 of the EI Act provides that a network service provider in relation to network infrastructure facilities covered by the Access Code must not engage in conduct for the purpose of, relevantly, hindering or preventing access by any person to services in accordance with the Access Code or the access to which a person is entitled under an access agreement.

92. "engaging in conduct" is defined in section 115(4) of the EI Act to include a reference to making a contract or arrangement or giving effect to a provision of a contract or arrangement.

93. Further, Synergy considers "preventing access by a person to services in accordance with the Access Code" may include a circumstance where WP attempts (e.g. via its proposed revisions to the access arrangement) to contract out of its obligation under section 2.8 of the Access Code (which requires WP must, to the extent reasonably practicable, in accordance with good electricity industry practice, permit an applicant to acquire a covered service containing only those elements of the covered service which the applicant wishes to acquire).

94. In addition, WP's proposed reference services D1 and D2 do not demonstrate how WP has determined the proposed reference services meet the requirements of section 5.2(b) of the Access Code. Consequently, Synergy submits it would be difficult for the Authority to determine that any of these two proposed reference services meets the requirements of section 5.2(b) of the Access Code, or the Code objective.

95. Establishing D1 and D2 as time of use tariffs and then having anytime energy pricing in 2018/17 is inconsistent as section 7.6(a) of the Access Code requires the incremental cost of service provision is recovered by variable tariff components. Further, Synergy has no forward price visibility on D1 and D2 beyond 2018/19 - meaning Synergy (and its customers) who receive a Type 4 meter will have no visibility on future prices for a reference service that WP proposes will be mandated.

96. Since May 2017 Synergy has advised WP it does not support mandating time of use reference services based on a customer's meter type. Synergy requires the ability to continue to exercise its rights under its ETAC to nominate either time of use or anytime energy reference services consistent with the retail product its customers select. Synergy's experience is customers require products that best suit their individual requirements and the best way to provide this is via

customer choice, not by mandating network reference services with tariffs that do not match customers' retail tariffs. In that regard Synergy notes:

- In the NEM time of use network tariffs are opt in and opt out.[35]

- WP's own data presented in its customer insights report indicated as many as 39% of customers were not supportive of time of use tariff structures demonstrating the current demand for a flat rate tariff is significant enough to warrant continuation of the existing anytime service. In the same report, consumer responses following education about tariff structures and usage management indicated education was an effective means of generating support for time of use structures. The implication being, mandating time of use is neither prudent nor necessary and that voluntary uptake can be encouraged through consumer engagement and education.[36]

97. Based on Synergy's market research:

    - only 43% of residential customers agree to be charged more/less at times of high/low usage;

    - 84% of residential customers agree or strongly agree Synergy should offer different plans to suit customer needs;

    - a very large proportion of residential customers (89%) said, regardless of meter type, customers should be able to decide which plan they are on;

    - only 36% of residential customers considered it reasonable to be switched to a time of use plan when they were switched to a smart meter; and

    - 70% of residential customers agree or strongly agree choice is more important to them than the type of plan or type of meter they have.

98. More than 97% of Synergy's residential customer base (or 975,000 customers) have an anytime energy retail tariff. The 3% take up of time of use retail tariffs is generally consistent with retail time of use take up rates in the NEM.

99. Key themes from stakeholder submissions received on the Victorian Department of Treasury and Finance AMI program review (over 400 submissions received) included[37] consensus by most or all stakeholder groups that flat tariffs should be available for any consumer who requests the option.

100. Customers currently have the right to choose the retail tariff that best meets their needs. In the event Synergy was not able to compel a customer to accept a time of use retail tariff following WP imposing a network time of use tariff (after a Type 4 meter installation at a customer's premises), then the customer will not receive any time of use price signal. Consequently time of use network tariffs will be borne by network users (predominantly Synergy) with no matching recovery from consumers so that the benefits of removing cross subsidies between those who consume more at peak times relative to those who do not and reducing peak consumption, will be lost.

[35] Refer table 8 of Synergy's "AA4 submission No. 5: Western Power's proposed price control mechanisms" for examples of NEM opt in time of use network services.

[36] Deloitte, WP - Customer Insights report, March 2016.

[37] Victorian Government Submission – Summary of submissions to AMI Review, 2011.

L. WP'S PROPOSED CHANGES TO RESIDENTIAL REFERENCE SERVICE ELIGIBILITY CRITERIA

101. Synergy as the largest user of WP's network rejects WP's proposed changes to residential reference service eligibility criteria.

102. Under its AA4 proposal[38] WP has proposed material amendments to the eligibility criteria applicable to various "residential" reference services (A1, A3, C1, C3 and proposed D1 and D3) where the exit point or bi-directional point (as the case may be) is required to be located at "residential premises" or a premises occupied by a "voluntary/charitable organisation". WP proposes making these material amendments to the eligibility criteria by introducing new definitions of the terms "residential premises" and "voluntary/charitable organisation". Those proposed new definitions (set out below) would have the effect of denying 984 homes with businesses, 205 not for profit and charitable organisations and 22,000 residential customers from continuing to receive a residential transport tariff as those customers will no longer meet the eligibility criteria due to their consumption amount or as a result of paying for electricity based on a contract or published price.

103. WP's proposed new definitions of "residential premises" and "voluntary/charitable organisation" are as follows:

"residential premises" means:

- if the *retail tariff by-laws* are in force:
    - premises in relation to which the *user's consumer* is, or is to be, charged Tariff A1 or Tariff B1 under those *by-laws*; or
    - premises in relation to which the *user's consumer* is, or is to be, charged Tariff K1 under those *by-laws* provided that Western Power determines, as a *reasonable and prudent person*, that the consumption at the premises is, or will be, less than 20,000 kWh per annum; or
- if the *retail tariff by-laws* are not in force:
    - premises where the electricity supply is solely for residential purposes; or
    - where the electricity supply is to premises used for both residential and other purposes, that part of the premises used solely for residential purposes if that part is independently supplied and separately metered; or
        - premises used for both residential and other purposes where the circuit
        - wiring is not separate provided that Western Power determines, as a *reasonable and prudent person*, that the consumption at the premises is, or will be, less than 20,000 kWh per annum.

"voluntary/charitable organisation" means:

- a *user's consumer* who is, or is to be, a *small use customer*; and
- if the *retail tariff by-laws* are in force, a *user's consumer* who is, or is to be, charged Tariff C1 or Tariff D1 under those *by-laws*; or
- if the *retail tariff by-laws* are not in force:
    - a small voluntary and charitable organisation meeting all the conditions listed in subsection 11(3) of those *by-laws* as if that subsection did apply, or

[38] Proposed revisions to the Access Arrangement for the Western Power Network, Appendix E, p 2.

- a charitable or benevolent organisation providing residential accommodation other than for commercial gain.

104. Synergy advised WP in August 2017 it does not accept the proposed changes to the definition of "residential premises" and the definition of a "voluntary/charitable organisation". Synergy's reasons are:

- WP has not substantiated nor provided evidence why the eligibility criteria for these services need to change. It appears the justification is to limit some premises with a business on the same site (such as a home business) and some charitable and not for profit organisations from receiving a residential transport service.

- It is not appropriate for network reference service eligibility to be based on Synergy's regulated retail tariffs because it discriminates against a charitable organisation which pays for electricity at a negotiated or a published price but not a C1 or D1 tariff.

- In relation to the matters to which the Authority must have due regard under section 26(1) of the ERA Act in relation to the functions it performs, Synergy notes WP's proposal:

  - will not promote regulatory outcomes that are in the public interest as it will deny a large number of electricity customers who currently receive a residential transport service from receiving it in the future (contrary to section 26(1)(a) of the ERA Act);

  - is contrary to the legitimate business interests of network users as it will require a user to disclose to WP the retail tariff a customer pays to the user as evidence the customer is eligible for a residential transport service. This is an entirely inappropriate outcome and inconsistent with the legitimate business interests of Synergy and other users, contrary to section 26(1)(d) of the ERA Act; and

  - has not been adequately justified by WP. Given the lack of substantiating evidence as to why the proposal is required the proposal could be construed as a misuse of monopoly or market power and hence contrary to section 26(1)(f) of the ERA Act.

- The proposal as drafted effectively denies every Synergy residential customer who is supplied on the basis of a time of use retail tariff a residential transport service. (This is because WP has limited the definition of 'residential premises' to only those customers who are charged or will be charged Tariffs A1, B1 under the By-laws, where Tariff A1 (an anytime residential tariff) is the tariff used by the majority of Synergy's residential customers. However, Synergy also has 22,000 customers who are on a time of use residential retail tariff.)

- WP's proposal will increase Synergy's current transport costs by $12.1 million per annum and result in approximately 23,000 of its residential premises with businesses, charitable and not for profit organisations and residential time of use customers no longer being eligible for a residential transport reference service (A1 and C1) but will be charged on the basis of business transport service (A2 and C2).

- WP's proposal results in price shock inconsistent with section 6.4 of the Access Code and does not meet the objective specified in section 7.4(d) of the Access Code.

- Under section 2.7 and section 2.8 of the Access Code, WP is required to use all reasonable endeavours to accommodate an applicant's requirement to obtain covered services, including an obligation to provide, to the extent reasonably practicable, only those parts of a covered

service the applicant wishes to acquire. Similarly, under section 5.2 of the Access Code, an access arrangement must specify as reference services, those services that are "likely to be sought" by a significant number of users and applicants or a substantial portion of the market and to the extent reasonably practicable, must specify reference services in such a way that a user or applicant is able to acquire only those parts of a covered service they wish to be provided with. Synergy as the largest user of WP's network does not seek, wish or require the eligibility criteria for a residential transport service to be amended, nor has WP adequately justified why they should be.