



18 May 2018

05-049-03-0001 DM

Ms Nicky Cusworth  
Chair, Economic Regulation Authority  
Level 4, Albert Facey House  
469 Wellington Street  
PERTH WA 6000

Dear Ms Cusworth

### **ERA DRAFT DECISION ON PROPOSED REVISIONS TO THE ACCESS ARRANGEMENT FOR THE WESTERN POWER NETWORK**

Thank you for the opportunity to comment on the Economic Regulation Authority (ERA) Draft Decision on Proposed Revisions to the Access Arrangement for the Western Power Network.

The Western Australian Local Government Association (WALGA or 'the Association') is the peak organisation for Local Government in Western Australia. The Association provides an essential voice for more than 1,200 Elected Members, approximately 14,500 Local Government employees, and the 2.4 million constituents that they serve and represent. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments.

Local Government has a keen interest in Western Power's Access Arrangement both as a significant consumer of electricity, and through its role in the provision of street lighting. WALGA recognizes that street lighting represents only a small proportion of the Western Power network, however it accounts for a significant proportion of Local Government spending (approximately one third of energy expenditure). In this regard, a priority for the sector in the next Access Arrangement is to reduce Western Power's market power in relation to street lighting.

In its initial submission to the ERA, WALGA set out a range of outcomes that Local Governments were seeking to achieve from the Access Arrangement. Chief among these is the accelerated replacement of street lighting with LED luminaires. WALGA recognizes that there is uncertainty surrounding this issue given Western Power's current LED tender and the potential signing of the Minamata Convention. It is understood that the ERA will examine these issues in making its final decision after more information is supplied by Western Power. WALGA requests that the ERA provide Local Governments with an opportunity to comment on the findings of this aspect of the Access Arrangement before a final decision is made.

Aside from the adoption of LED technologies, Local Governments were also seeking the next Access Arrangement to provide:

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- A clearer basis of services, more robustly defining the street lighting services that Western Power provides including agreement on technology;
- Progress on negotiations with Local Government for the incorporation of smart controls in street lights; and
- Greater transparency in the price modelling and maintenance data to help build confidence in pricing, service levels and technology choices.

WALGA outlined a number of issues in its submission that would need to be address in order to achieve these aims as outlined below.

- Street lighting services to be examined by an independent body and benchmarked against other providers in the National Electricity Market to determine whether these are being delivered efficiently.
- Examination of the option to introduce Peer to Peer trading in the SWIS during the coming regulatory period.
- Provision within the coming regulatory period to adopt a new metering type based on metering-grade information technology within smart street lighting controllers and similar devices.
- Adjusting the Regulated Asset Base to take into account changes in street lighting infrastructure when assets owned by Western Power move into Local Government possession and vice versa.
- Further transparency in relation to the components of asset charges for each type of luminaire.
- Greater transparency and regulatory oversight in relation to customer-funded relocation or upgrade of Western Power assets.
- Discounting the cost of street lighting removal and upgrades that are customer funded by the recognised depreciation of the asset.

The ERA was largely silent on these issues in its Draft Decision. WALGA requests that the ERA consider and respond to these matters in making its final decision on the Access Arrangement.

We look forward to working with the ERA to ensure that these issues are address for the benefit of Western Australia communities. For further information, please contact WALGA's Policy Manager – Economics, Dana Mason, on 9213 2096 or [dmason@walga.asn.au](mailto:dmason@walga.asn.au).

Yours sincerely



**Cr Lynne Craigie**  
**President**