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14<sup>th</sup> Jun 2018

To Senéad Mangan

**Subject:** Draft Decision on Proposed Revisions to the Western Power Network Access Arrangement – AA4

Thank you for the opportunity to comment.

My comments to the Draft Decision are attached to this Submission DD-FOUR

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

Kindly refer to the attachment.

Yours sincerely,



Stephen Davidson



Continued on Attachment

Attachment 1: Stephen Davidson, Submission FIVE (Comments on Issue 21 and Issue 23), 11 December 2017, General Comments, page 1, last three paragraphs:

Stephen Davidson, Submission TWO (General Comments & Comments on Issue 13), 11 December 2017, General Comments, page 1, last three paragraphs:

**Page 2, Issue 22, Supplementary matters, 9.2 Line losses:**

This clause is incomplete as it does not cover the whole SWIN.

Qualify the 1<sup>st</sup> sentence by adding the qualifier to the following effect: “, *for parts of the transmission system covered under the Wholesale Electricity Market Rules (WAEMR).*”

Clarify the intended meaning of the opening phrase, 1<sup>st</sup> sentence, “Requirements for the treatments of line losses ...”, as it is not self explanatory.

Add the following new paragraph at the end of clause 9.2.1:

*“It is obligation of Western Power to minimize line losses on the distribution system and on parts of the transmission system covered under Chapter 5 of the Technical Rules (which is not covered by the WAEMR), in order to minimize the cost of electricity to transmission and distribution users”.*

Reference is made to paragraph 1271 and Recommended Amendment 41 on page 263 of the draft Decision.

Thank you for accepting my suggestion to the effect of to amend section 9.2.1 of the Proposed Access Arrangement to clarify that Western Power has obligations for the power losses under the Technical Rules.

The amended wording of section 9.2.1 proposed by the Authority does not include losses on the distribution system, which appears to be a typo that needs to be corrected.

Practical significance of correcting this typo is enormous, as vast majority of power system losses occur in the distribution system (not in parts of the SWIN transmission system covered under Chapter 5 of the Technical Rules).

In addition, I repeat word “treatment” has no technical meaning, and we always try to minimize the power system losses, so this should also be clarified for clarity of meaning. No change to the content.

If unsure, then could consult the AEMO (as the system and market operator of the WEM), and if deemed necessary qualify their advice reported in paragraph 1264 on page 281 of the draft decision with respect to the objective of minimizing power system losses.

I therefore propose now to amend the 2<sup>nd</sup> paragraph of the amended wording of section 9.2.1 of paragraph 1271 to read, to the effect of: Reference

*“It is obligation of Western Power to minimize line losses on the distribution system and on parts of the transmission system covered under Chapter 5 of the Technical Rules (which is not covered by the WAEMR), in order to minimize the cost of electricity to transmission and distribution users”.*