



Notice

5 November 2020

Framework and approach for Western Power's fifth access arrangement review

Consultation

The Economic Regulation Authority is seeking views from stakeholders on matters that could be included in an issues paper on the framework and approach for Western Power's fifth access arrangement review.

The Electricity Networks Access Code 2004 has been amended to support the delivery of the State Government's Energy Transformation Strategy. As part of these amendments, the ERA is required to develop a framework and approach and four new guidelines that will apply to Western Power's fifth access arrangement review.

The framework and approach sets out the services that will be regulated through the access arrangement and the broad nature of regulatory arrangements. It is intended to facilitate early public consultation on the access arrangement. It will also assist Western Power to prepare its proposal, which is due to be lodged on 1 February 2022.

The new guidelines will assist with valuing net benefits, new facilities investment test determinations, multi-function assets and a new demand management innovation allowance mechanism. To ensure consistency and streamline the consultation process, the ERA will develop the new guidelines together with the framework and approach.

The rate of transformation in the electricity sector combined with the introduction of new regulatory requirements will make the next access arrangement review particularly complex. Establishing an effective framework and approach and guidelines is an important step to ensure Western Power's fifth access arrangement can accommodate industry, market and regulatory changes to provide the network services required by users.

Consultation with stakeholders will be crucial to ensure issues are properly considered and regulatory decisions are in the long-term interests of consumers. The new framework and approach process will provide greater opportunity for stakeholder consultation.

The ERA has published a [scoping paper](#) to inform stakeholders of the regulatory requirements and to seek preliminary views on matters that could be considered in the development of an issues paper. This may include matters in the current access arrangement that need to be reviewed or new matters arising from changes in the industry and regulatory environment.

The ERA will publish an issues paper in early 2021. It will then consult on a draft framework and approach prior to publishing the final document by 2 August 2021.

Invitation for submissions

The ERA invites interested parties to make submissions on the scoping paper.

Submissions close 4:00 pm (WST) Friday, 4 December 2020.

Submissions should be lodged online using the form on our website
www.erawa.com.au/consultation.

Further information

General enquiries

Elizabeth Walters
Ph: 08 6557 7958
info@erawa.com.au

Media enquiries

Natalie Warnock
Ph: 08 6557 7933 | Mob: 0428 859 826
media@erawa.com.au