





1 April 2021

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

Issues paper

The Economic Regulation Authority has published an <u>issues paper</u> seeking views from stakeholders on the framework and approach for Western Power's fifth access arrangement review.

The issues paper sets out the ERA's preliminary considerations for the following matters for the upcoming review:

- classification of services
- reference services
- service standard benchmarks
- price control
- investment adjustment mechanism
- gain sharing mechanism
- service standards adjustment mechanism
- demand management innovation allowance mechanism.

The framework and approach is a new process for the ERA and is required by amendments made to the *Electricity Networks Access Code 2004* to support the delivery of the State Government's Energy Transformation Strategy.

In the past, an access arrangement review commenced with Western Power submitting an access arrangement proposal. The ERA was then required to consider the entire access arrangement and determine whether it met the Access Code objective and the specific requirements for an access arrangement.

The new process is a two-stage decision-making process. In the first stage, the ERA must decide some elements of the access arrangement before Western Power submits its access arrangement proposal. The ERA must set out its decision on these matters in a document called the "framework and approach".

The second stage of the access arrangement review is Western Power submitting its access arrangement proposal to the ERA for approval. Western Power's access arrangement proposal (which it is required to submit to the ERA by 1 February 2022) must be consistent

with the elements that the ERA has already determined in the framework and approach, unless it can demonstrate there has been a material change in circumstances.

## Invitation for submissions

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

Submissions close 4:00 pm (WST) Tuesday, 4 May 2021.

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

## **Further information**

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