



Notice

19 October 2021

Western Power model alternative options contract Consultation

The Economic Regulation Authority is seeking stakeholder views on Western Power's [model alternative options contract](#).

The model contract forms part of Western Power's alternative options strategy that it is required to publish under the *Electricity Network's Access Code 2004*. The requirement for an alternative options strategy was introduced as part of the changes made to the Access Code in September 2020 to support the delivery of the State Government's Energy Transformation Strategy. The changes provide greater transparency and opportunity for third parties to provide efficient non-network solutions to Western Power.

When making the changes to the Access Code, Energy Policy WA noted that third-party service providers had found it difficult to identify, propose and contract for non-network solutions.¹ Consequently, Western Power was required to develop a model contract that would be approved by the ERA.

As required under section 6A.7 of the Access Code, the contract must:

- Be reasonable
- Be sufficiently detailed and complete to enable the alternative options provider to understand in advance how the model alternative option service contract will be applied.
- Include provisions that can be used to specify the rights and obligations agreed between the service provider and the alternative options provider in respect to at least the following matters:
 - Scope and standard of the alternative option
 - Security
 - Technical compliance requirements
 - Testing and maintenance
 - Record keeping, audits and inspection
 - Confidentiality and privacy

¹ Energy Transformation Taskforce, *Energy Transformation Strategy: Proposed Changes to the Electricity Networks Access Code – Consultation Paper*, May 2020, p. 19.

- Invoicing and payments
- Liabilities and indemnities
- Insurance
- Suspension and force majeure
- Default and termination
- Assignment and sub-contracting
- Dispute resolution
- Warranties.

Departures from the model contract are permitted subject to negotiation and agreement between Western Power and the third party.

The ERA must approve the model alternative option service contract if it is reasonably satisfied that it complies with the Access Code.

On 14 October 2021, Western Power submitted its model contract to the ERA for approval. The ERA is seeking views from stakeholders on whether the model contract is reasonable and meets the requirements of the Access Code. If stakeholders consider changes are required, please include details of the suggested change and reasons.

Any submissions received will be provided to Western Power for its consideration, which should include discussion as needed with relevant stakeholders. Western Power will then be required to submit a revised model alternative options contract to the ERA containing any changes made after consideration of the submissions and a report detailing the changes made or, where changes proposed in submissions had not been agreed to by Western Power, the reasons for not adopting those changes.

Invitation for submissions

The ERA invites interested parties to make submissions on Western Power's model alternative options contract.

Submissions close 4:00 pm (WST) Wednesday, 10 November 2021.

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