



27 July 2022

Our Ref: CWF-20220727

Ms Jenness Gardner
Chief Executive Officer
Economic Regulation Authority
Level 4, 469 Wellington Street
PERTH WA 6000

Attention: Elizabeth Walters

Dear Ms Gardner

RE: SUBMISSION ON WESTERN POWER ACCESS ARRANGEMENT FIVE (2022/23-2026/27)

Thank you for the opportunity to comment on the additional information Western Power has provided for Access Arrangement 5 (AA5).

The additional information provided is primarily focused on tariffs and their structures to manage distributed energy resources. While this is important, and Collgar Wind Farm (Collgar) appreciates Western Power providing this information, Collgar remains concerned about the lack of information about future transmission network investment.

Collgar understands Western Power is in a challenging position regarding network planning and investment. This is in part due to the Whole of System Plan (WOSP) process, including that the first WOSP didn't identify the network investment that is widely accepted to be required to enable the energy transition and that the second WOSP is not scheduled to be complete until the end of 2023.

Integration of more renewables into the South West Interconnected System, along with the electrification of large loads (often outside the metropolitan area), was already requiring new network investment, particularly in regional hubs such as Kalgoorlie. The recent State Government announcement that all state-owned coal-fired generation will close by 2030 adds to the urgency for detailed network planning given it will drive increased investment in renewable generation at earlier timeframes.

At present, it is unclear how the new generation needed to replace retiring plant and meet new demand will be able to connect to, and commercially operate on, the existing network in the timeframe needed. There is a risk that large loads that are important contributors to the State's economy will not have sufficient and/or reliable access to the electricity they need given network limitations.

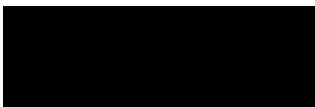
Collgar acknowledges this is a broader policy matter than cannot be addressed through AA5 alone. However, the absence of the AA5 proposal recognising the likely scale of network investment

needed is not ideal. Collgar would prefer that Western Power outlines the approach to, and timing of, its future network planning and how it intends to fund the required investment. It is likely that existing funding arrangements, as outlined in the Access Code and Contributions Policy, as unlikely appropriate for some of investment needed, and therefore alternative funding models ought to be considered.

Collgar expects Western Power will provide an in-period submission following release of the second WOSP. Collgar previously requested Western Power provide sensitivity analysis to show how potential network investment scenarios are likely to impact network charges and flow through to customers. This important information has unfortunately not been provided and therefore the likely scale of the investment, and any subsequent increase in network charges via an in-period submission, is unknown. Collgar would prefer to have visibility on potential future network charges as this informs Market Participants' budgeting, investment decisions and commercial arrangements.

Collgar encourages Western Power to work closely with Energy Policy WA (EPWA) to ensure that future network needs are sufficiently planned and coordinated such that the network evolves to be in the right place at the right time to facilitate the energy transition.

Yours sincerely



REBECCA WHITE

REGULATORY AND TRADING MANAGER