





8 November 2022

## **Western Power**

## 2021/22 Service Standard Performance Report

The Economic Regulation Authority has published Western Power's <u>Service Standard Performance</u> <u>Report</u> for the year ended 30 June 2022. Every year the ERA is required to monitor and publish Western Power's actual performance against the service standard benchmarks in its access arrangement.

Western Power met all of its service standard benchmarks except for the Urban System Average Interruption Frequency Index (SAIFI).

Western Power is also subject to a service standard adjustment mechanism which determines financial rewards or penalties that are included in Western Power's target revenue at the next access arrangement period. The targets set for the mechanism are more stringent than the service standard benchmarks. If Western Power meets the service standard target it receives no financial reward or penalty. If it performs above or below the service standard target it is financially rewarded or penalised.

Apart from the Perth CBD, reliability performance of the distribution network deteriorated in comparison to the 2020/21 period and was below the service standard targets in the access arrangement. Western Power attributes the deterioration in performance to an increase in interruptions due to wind borne debris and vegetation, emergency outages for hazards and equipment failure.

The performance of the transmission network improved in 2021/22 except for loss of supply event frequency (LoSEF) for interruptions exceeding one system minute. Western Power attributes the deterioration to storm activity affecting a number of transmission lines and bushfire and pole top fires.

Based on its performance against the service standard targets in 2021/22, Western Power has incurred a net penalty of \$18.5 million that will be deducted from target revenue for the next access arrangement period. This is higher than the \$10.7 million penalty incurred for 2020/21.

The ERA is reviewing the service standard benchmarks for future years as part of the access arrangement review currently in progress. In the draft decision published on 9 September, the ERA has required amendments to Western Power's proposal that will make the standards Western Power is expected to deliver much clearer and ensure the standards in the access arrangement for rural customers are in line with the prescribed standards in the *Electricity Industry (Network Quality and Reliability of Supply) Code 2005.* Further information can be found in the ERA's <u>draft decision</u>.





## Notice

## **Further information**

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