



## **Notice**

14 December 2023

## Western Power Demand Management Innovation Allowance

Publication of 2022/23 Report

The Economic Regulation Authority has published <u>Western Power's 2022/23 Demand Management Innovation Allowance report.</u>

The revenue Western Power can collect through network charges over the period 2022/23 to 2026/27 (AA5) includes an allowance of about \$7 million for research and development on demand management projects that have the potential to reduce long term network costs. The report sets out details of expenditure Western Power is proposing to claim against the allowance.

Western Power is proposing to claim \$3.5 million it has incurred during 2022/23 on Project Symphony. Project Symphony is a joint project with the Australian Energy Market Operator (AEMO), Synergy and Energy Policy WA where customer owned distributed energy resources, including rooftop solar, battery energy storage and other major appliances such as air conditioning and pool pumps, are orchestrated as a virtual power plant to participate in a future energy market and provide network support services (peak reduction). The project was partially funded by the Australian Renewable Energy Agency (ARENA).

The ERA will determine whether the expenditure Western Power has claimed against the allowance complies with the requirements of the *Electricity Network Access Code 2004* and the <u>demand management innovation allowance mechanism guideline</u> published by the ERA at the next access arrangement review.

If Western Power does not spend the full allowance on projects that comply with the Access Code and guideline by the end of AA5, the money will be returned to customers.

## **Further information**

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