





16 May 2024

Amended ringfencing rules for the Port Hedland electricity network

Decision

The ERA has <u>approved</u> amendments to the ringfencing rules for the Port Hedland electricity network.

The ringfencing rules are required under the *Pilbara Networks Access Code*. The Code sets out the light-handed access regime that facilitates third-party access to covered networks in the Pilbara region, which includes the Port Hedland network.

The Code requires network service providers that also generate or retail electricity to submit ringfencing rules to the ERA for approval. The ringfencing rules ensure that vertical integration – that is, owning both distribution and generation or retail assets - does not lead to a reduction in competition.

The ringfencing rules must ensure that:

- Commercially sensitive information received by the network business is not used outside of the network business or for a purpose other than for which the information was acquired or developed.
- Charges paid by users of the network include only network costs.
- The network business does not discriminate against competitors or in favour of its own, or associates', generation or retail businesses.

The requirements allow for flexibility, recognising that the structure and nature of network service providers businesses can differ. The ERA can only require amendments to a service provider's proposed rules where the public benefit exceeds the cost of compliance.

APA DEWAP Pty Ltd submitted the proposed amendments to the ERA, following APA Group's acquisition of Alinta Energy Pilbara. The ERA published the proposed amendments for consultation. One submission was received from Horizon Power.

As required under section 139(3) of the Code, APA DEWAP must publish the approved ringfencing rules within 10 business days of this decision.

Further information

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