

Notice Invitation for submissions

Proposed reference service and reference tariff for bi-directional connection points



DATE:

14 September 2009

DOCUMENT PREPARED BY:

Western Power

GPO Box L921, Perth WA 6842

ABN 18 540 492 861



Overview

Western Power is inviting you to comment on its proposed changes to network tariffs for customers that connect to the network with small scale renewable energy systems.

As part of its commitment to creating a sustainable network, Western Power is creating a new reference service and tariff and ensuring these services are compatible with the Renewable Energy Buyback Scheme. The attached document, *Proposed reference service and reference tariff for bi-directional connection points*, defines the scope of the proposed service and tariff for homes that feed energy into the network from renewable sources.

Western Power requests feedback and comments from the public and interested parties prior to making a formal submission to the Economic Regulation Authority to ensure that the reference service and reference tariff meets the needs of users and applicants.

Responses are requested on four areas:

1. whether the proposed reference service meets the requirements of users
2. feedback on the proposed reference tariff structure
3. feedback on the proposed on peak, off peak and shoulder times for the reference tariff
4. whether the proposed reference service and reference tariff are compatible with the Renewable Energy Buyback Scheme

It is important to note that Western Power's proposal is in relation to the network service and network tariff which is generally payable by retailers. Generally end customers pay a retail tariff (set by their retailer). The end customer may not be directly impacted by this proposed reference service and reference tariff.

Please visit www.westernpower.com.au/communitycomment by 5pm 25 September 2009 for your opportunity to comment.

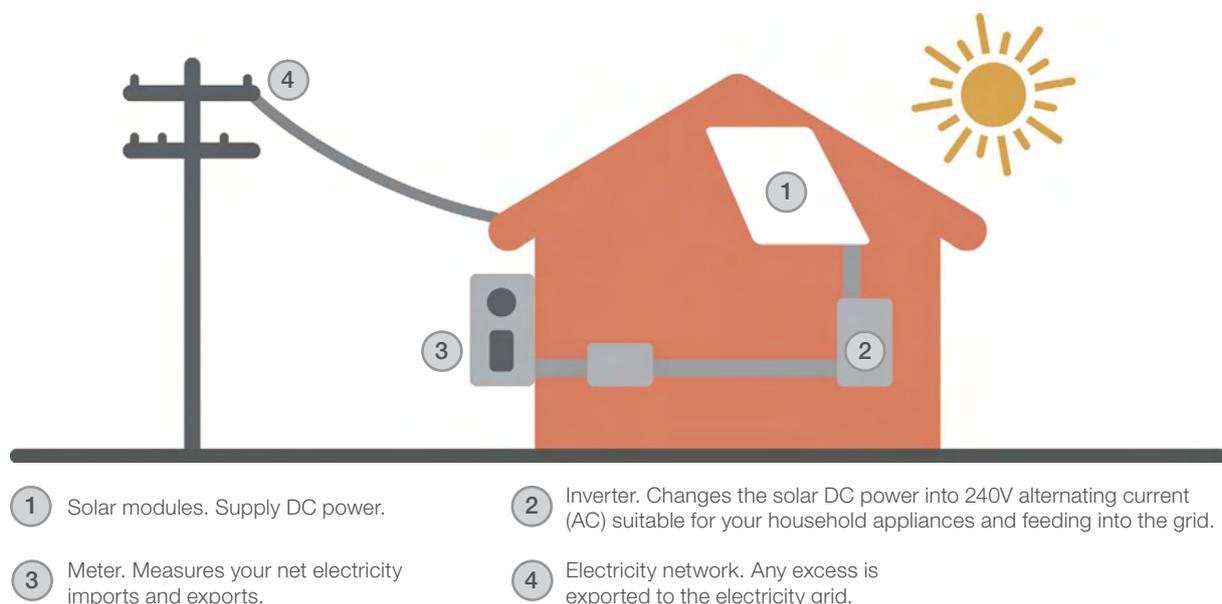
Background

Western Power has engaged Network Advisory Services (NAS) to help define the reference service and reference tariff for distribution users with bi-directional energy flows. NAS has set out its draft recommendations in regards to the reference services and reference tariffs in the report attached to this notice.

A copy of the full proposal can be found on Western Power's website

www.westernpower.com.au/communitycomment

A summary of the recommendations is set out on the following pages.



Proposed Reference Service

The following table sets out the recommended reference service for distribution users with bi-directional energy flows due to small scale embedded generation.

Reference Service Name:	Reference Service C1 – Time of Use (Residential) – Bidirectional Service
Reference Service Description:	A bidirectional service combined with a connection service and a standard meter service at a bidirectional point on the low voltage (415 volts or less) distribution system.
Eligibility Criteria:	<p><i>Users</i> are eligible to use this <i>service</i> if:</p> <ol style="list-style-type: none"> 1. The bidirectional point is located at a residential premise with an inverter system rated up to 10 kVA for single phase connections and 30 kVA for three phase connections; 2. The consumer’s inverter system must comply with the requirements of AS 4777 and the Technical Rules 3. Installation at the bi-directional point of an interval meter supplied or provided by Western Power having capability for import and export channels and five register information collection; and 4. The <i>consumer’s facilities and equipment</i> comply with the Technical Rules, the WA Electrical Requirements and AS 3000.
Applicable Reference Tariff:	“RT14” in the <i>Price List</i> published in Appendix 5 of the <i>Access Arrangement</i> (Note: See discussion below for proposed tariff)
Applicable Standard Access Contract:	“Electricity Transfer Access Contract” published in Appendix 4 of the <i>Access Arrangement</i>
Applicable Service Standard Benchmarks:	Refer to Section 3.18 and 3.19 of the <i>Access Arrangement</i>

Submissions are invited from interested parties on whether the proposed reference service meets the requirements of users.

Proposed Reference Tariff

The following sets out the recommended reference tariff for distribution users with bi-directional energy flows due to small scale embedded generation.

The proposed reference tariff consists of:

- (a) A fixed use of system charge which is payable each day;
- (b) An on-peak use of system variable charge calculated by multiplying the on-peak energy price by the quantity of on-peak electricity consumed at the bi-directional point (expressed in kWh);
- (c) An off-peak use of system variable charge calculated by multiplying the off-peak energy price by the quantity of off-peak electricity consumed at the bi-directional point (expressed in kWh);
- (d) A shoulder use of system variable charge calculated by multiplying the shoulder energy price by the quantity of shoulder electricity consumed at the bi-directional point (expressed in kWh);
- (e) A fixed metering charge which is payable each day;
- (f) An on-peak variable metering charge calculated by multiplying the on-peak variable price by the quantity of on-peak electricity consumed at the bi-directional point (expressed in kWh);
- (g) An off-peak variable metering charge calculated by multiplying the off-peak variable price by the quantity of off-peak electricity consumed at the bi-directional point (expressed in kWh); and
- (h) A shoulder variable metering charge calculated by multiplying the off-peak variable price by the quantity of shoulder electricity consumed at the bi-directional point (expressed in kWh);

Submissions are invited from interested parties on the proposed reference tariff structure.

Western Power recommends the following times for the on-peak, off-peak and shoulder times to provides greater cost reflectively and an incentive for the customer to alter consumption patterns to reduce cost:

Monday – Friday (excludes public holidays)				
12:00am – 7:00am	7:00am - 2:00pm	2:00pm – 8:00pm	8:00pm - 10:00pm	10:00pm – 12:00am
Off-peak	Shoulder	On-Peak	Shoulder	Off-Peak

Saturday - Sunday (includes public holidays)		
12:00am – 7:00am	7:00am - 10:00pm	10:00pm – 12:00am
Off-peak	Shoulder	Off-Peak

Submissions are invited from interested parties on the proposed on peak, off peak and shoulder times for the reference tariff.

Renewable Energy Buyback Scheme

The required amendment requires that the proposed reference service is compatible with the Renewable Energy Buyback Scheme (REBS). NAS has assessed the recommended reference service and reference tariff against the REBS scheme and found that it is compatible with the REBS scheme with a qualification that an adjustment may need to be made to the current retail tariff offering.

Submissions are invited from interested parties on whether the proposed reference service and reference tariff are compatible with the Renewable Energy Buyback Scheme.

Invitation

Western Power invites submissions from stakeholders in general regarding the proposed reference service and reference tariff and on the specific matters highlighted above.

Comments and submissions should be in either printed or electronic form, and should be received by 5 pm Friday 25 September 2009, addressed to:

Manager
Regulation, Pricing and Access Development
Western Power
GPO Box L921
Perth WA 6842
Facsimile: (08) 9326 4984
Email: communitycomment@westernpower.com.au

Confidentiality

In general, all submissions from interested parties will be treated as being in the public domain and placed on either Western Power's or the ERA's website.

If an interested party wants to make a confidential submission, it should clearly indicate the confidential sections of their submission and outline in reasonable detail the request for the confidentiality.

The receipt and publication of any submission on Western Power's or the ERA's website shall not be taken as indicating that Western Power or the ERA have knowledge, either actual or constructive, of the contents of a particular submission. In particular, whether the submission in whole or in part contains information of a confidential nature and no duty of confidence will arise for the Western Power or the ERA in these circumstances.

General inquiries
Hugh Smith
Telephone: +61 8 9326 6116
Facsimile: +61 8 9326 4984
Email: hugh.smith@westernpower.com.au

Document prepared by: Western Power
ABN 18540492861 © Copyright
Any use of this material except in accordance with a written agreement with Western Power is prohibited.

Media inquiries
Marisa Chapman
1300 139 240