Economic Regulation Authority

Notice

14 November 2025

Western Power Demand Management Innovation Allowance

2022/23 to 2024/25 report

The Economic Regulation Authority has published a report from Western Power that details how the company intends to use its demand management innovation allowance.

The revenue Western Power can collect through network charges over the five-year period from 2022/23 to 2026/27 includes an allowance of $7 million ($ June 2022) for innovative research and development on demand management projects that have the potential to reduce long-term network costs.

Western Power's report sets out the expenditure it proposes to claim against the allowance. It has identified expenditure of $7.55 million ($ nominal), spread over six projects:[1]

- **Project Symphony ($4.5 million)**

  Project Symphony was a joint project with the Australian Energy Market Operator, 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, were run 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.

- **Project Encore ($0.7 million)**

  Project Encore built on the findings of Project Symphony by using the technical solutions and integrations to further demonstrate the viability of orchestrated distributed energy resources operating in the Wholesale Electricity Market. It extended testing from the autumn/winter period to the summer period to assess the effect on peak demand.

- **Project Jupiter ($1.97 million)**

  Project Jupiter is a joint project with Synergy, the Australian Energy Market Operator and the Department of Energy and Economic Diversification. It builds on the findings of Project Symphony and Project Encore and is intended to develop the technical systems, customer pathways, value frameworks and regulatory settings to integrate and coordinate distributed energy resources at scale through virtual power plants. The project is partially funded by the Australian Renewable Energy Agency.

[1] Equates to $7 million ($ June 2022).

- **Strategic Electric Vehicle Integration project ($0.08 million)**

  This project is part of the Reliable, Affordable Clean Energy for 2030 Cooperative Research Centre.[2] The project brings together research capabilities across Australia to help address research questions faced by the industry. Western Power is a steering partner and considers the research and development work will expand its understanding of the challenges of electric vehicle integration.

- **Pathways to Net Zero Precincts ($0.08 million)**

  This project is also part of the Cooperative Research Centre. The project is developing templates to simplify and enable achievement of Net Zero by precincts. Western Power is one of the industry funders of the project.

- **Distributed Energy Resource Test Lab ($0.22 million)**

  Western Power has developed a simulated test environment where new DER technologies, control systems and integration methods can be trialled against real-world network conditions before being deployed in the field.

We 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 demand management innovation allowance mechanism guideline 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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[2] The research centre was established in 2020 with $68.5 million of Commonwealth funding. Additional resources come from its partners who include end users, networks, technology companies, government and energy researchers. RACE's primary objective is to drive innovation for a secure, affordable, clean energy future by bringing together top research capabilities to address complex system-level challenges faced by the industry. RACE for 2030