



Economic Regulation Authority  
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## **SUBMISSION ON THE ERA FRAMEWORK AND APPROACH ISSUES PAPER FOR AA6**

The Department of Energy and Economic Diversification (DEED) welcomes the opportunity to provide a submission to the Economic Regulation Authority's (ERA) framework and approach issues paper as part of Western Power's sixth access arrangement (AA6) process.

This review is occurring at a pivotal moment for the Western Power network, which is a key enabler of Western Australia's energy transition and ongoing economic prosperity.

At this stage in the process, I wish to highlight the following priorities which I see as complementary to DEED's energy transition and economic diversification ambitions.

### **1. Planning for the future**

There are five access arrangements between the start of the upcoming regulatory period in 2028 and Western Australia's net zero emissions target date of 2050. DEED supports an AA6 submission that sets out how Western Power will contribute to a reliable, cost competitive, and decarbonised power system.

DEED is ready to support Western Power and the ERA in further developing the long-term plan for the network business that achieves the State Government's objective of a prosperous, low-emissions economy. For example, DEED's development of the next Whole of System Plan for the South West Interconnected System (SWIS) will occur in parallel with AA6, and involve engagement with Western Power, the ERA, and industry stakeholders.

### **2. Diversified transmission investment**

Investment in new transmission corridors is critical to the economic diversification and energy transition ambitions of DEED. As outlined in the SWIS Transmission Plan, the Clean Energy Link program will connect long-standing Strategic Industrial Areas (SIAs) across the South West, Goldfields-Esperance, Great Southern, and



Perth Metropolitan regions. This pipeline of transmission projects will provide certainty for industry to expand across Western Australia.

As well as promoting economic diversification and long-term growth, these network reinforcement projects will facilitate investment in new energy generation and storage assets.

The Clean Energy Link program is also critical to support the continued security and reliability of the power system following the closure of Synergy's coal fleet by 2030.

To this end, DEED supports the framework and approach and AA6 submission to address critical transmission network development in line with the SWIS Transmission Plan.

Further, in response to growing – including new industrial – energy needs, DEED supports the careful consideration of further emerging economic diversification opportunities and streamlined approvals processes to unlock the State's renewable energy potential. As highlighted in our Made in WA and Investment and Trade Plan (2025 – 2027), these include new clean energy projects, mining and mineral processing opportunities, and other forms of sophisticated industrial processing to deliver long term and sustainable economic growth.

### **3. Timely network connections**

DEED supports Western Power's efforts to ensure timely network connections at the transmission and distribution level. However, continued development in this area is required.

Network connection delays ultimately reduce the State's attractiveness as an investment destination, and hinder the timely development of new industry and the establishment of SIAs.

Additionally, long timeframes disrupt existing industry expansion and electrification plans. This can result in investment decisions which lock in higher emissions and less efficient processes over the long term.

Recognising the efforts made through its Major Customer Connections Review, DEED supports Western Power further progressing methods to reduce connection times across the transmission and distribution network.

### **4. Better integration of Distributed Energy Resources**

Customers continue to invest in distributed energy resources (DER) like rooftop solar and batteries, and the effective integration of these technologies will support a lower cost, lower carbon power system.



The State Government recognises the value of DER, and has supported uptake through the WA Residential Battery Scheme and implementation of regulatory changes.

First recognised as an action in the DER Roadmap in 2021, DEED continues to support Western Power developing its capability to become the Distribution System Operator (DSO). This role is essential to the integration of DER in the SWIS, and will relate to greater visibility of the distribution network, more dynamic management of distribution network flows through dynamic operating envelopes, and the enhanced procurement of non-network solutions from DER.

New Electricity System and Market Rules introduced in January 2026 establish Western Power's role as the ~~Distribution System Operator (DSO)~~ in the regulatory framework. DEED is contemplating further regulatory amendments to clarify Western Power's role and responsibilities as DSO as part of ongoing policy development. As a result, Western Power should address the ongoing development of these capabilities in its AA6 submission.

The growing uptake of DER in the SWIS also requires an updated and more flexible tariff design to support better integration of these new technologies and associated business models. DEED supports Western Power's consideration of more innovative tariff structures which incentivise the most efficient use of its network.

## **5. Regional reliability**

Unreliable electricity supply in regional and remote parts of Western Power's network adversely affects outcomes for consumers, and the investment appeal of these areas. This issue is exacerbated by the increasing prevalence of severe weather events which damage infrastructure and can lead to prolonged network outages for customers.

Efforts by Western Power to address regional reliability, and the ERA allowance of \$88 million as part of AA5, have been welcome. Further, the success of Western Power's stand-alone power system program is an example of the network operator's ability to utilise innovative technical solutions to solve hard problems. Western Power's modular grid strategy will provide a long term solution to reliability across the SWIS.

In direct support of the State's economic diversification ambitions, DEED urges Western Power and the ERA to explore both traditional and novel solutions to improve connection reliability outside of the major population centres.

## **Conclusion**

I look forward to the outcome of your review and DEED's ongoing participation in the AA6 process. I recognise the complex challenge of balancing power system security and reliability, decarbonisation commitments, and economic growth and



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diversification objectives. To support this, DEED stands ready to assist the ERA and Western Power in this vital work.