

6 February 2026

We are pleased to submit our comments on the Framework and approach for Western Power's sixth access arrangement review Issues Paper dated 1 December 2025.

Our feedback is by category rather than specific issues as there is overlap in the issues within a category. Whilst our feedback is influenced by our focus as a business and our project experiences, we have tried to lift this up to focus on what we believe is best for WA and all customers paying tariffs, not just what is best for ourselves and our projects.

### **Services Offered and payment for those Services**

1. There is a growing challenge that the residential consumption based tariffs combined with the installation of rooftop solar and now residential battery storage will continue to see a decline in Western Power's tariff revenue from the residential sector without a corresponding decline in the capital and non capital costs of the network that services them.

There remains in our opinion a large cross subsidy from those who don't have roof top solar to those who do, as the network cost of supplying an equivalent customer in each category is the same.

Large customers (both transmission and distribution) pay for the capacity that is allocated to them, whether they use it or not. This remains by far the most equitable way to charge for a shared network.

Our concern is if this is not addressed in AA6 then it will be a further 5 years before this inequity is tackled, which will impact the lower socio-economic consumers who typically cannot afford solar or do not live in a home that allows them to benefit from their own solar.

2. It is very hard to progress discussions with Western Power around non-reference services. Culturally, we do not believe Western Power see the development of a non-reference service with a specific customer connection as a negotiation. They bring a reference service mentality to the non-reference service space and dictate what they are prepared to offer. This inflexibility does not lead to the outcomes outlined in the Paper for AA6 in particular around timely connections, whole picture thinking and ensuring the most cost efficient option is chosen.

Some of this is understandable in an environment where the occurrence of non-reference services have been minimal. But in the last few years, with the transmission and distribution network being limited in terms of available capacity these discussions, in particular with commercial customers and land (residential and industrial) developers, have been far more prevalent. Often this can be a staged progressive connection and build out, and these customers and developers spend a significant amount of money ongoing (directly and through the developments they enable) through the payment of network tariffs and capital contributions, but there seems to be a material issue in progressing these types of connections.

This may require a specific team inside Western Power that is capable of dealing in the “grey” having the capability and authority to negotiate these non-reference services.

3. We applaud the progress Western Power is making on progressing the “dynamic connection” product as this has the ability to unlock a substantial amount of unused network capacity whilst moving the overload risk to the new customers connecting, allowing them to make a commercial risk decision around being curtailed or having behind the meter capacity to offset any curtailment.

Our concern remains around the speed at which this will become available. Again this will be targeted at commercial customers who need the speed of this adoption to be at a pace much faster than being contemplated by Western Power, or at least need connection certainty to allow them to proceed with a project, which will often take 1-2 years before any material load will connect to the network.

4. We have separately provided our feedback to EPWA with respect to the proposed Fixed Capital Contribution charges and its replacement of the shared costs component for transmission connections. In that feedback we highlighted our concerns on how this interacted with the objectives of economic regulation and the underlying concepts around existing customers not being impacted by costs associated with new customers. The indication from EPWA is they expect that the FCC will result in lower contributions than the shared costs model would produce and this would infer that existing customers will have to fund the shortfall through increased tariffs and Western Power would need to approve expenditure where the contribution and future revenues do not cover the costs (negative NPV). Neither of these outcomes seem aligned to the objectives that underpin the Access Arrangement.

## **Service Standards**

1. Our concern with service standards is they do not on face value drive a change in behaviour in Western Power. The net penalty of \$14.3m in 2024/25, which

included \$9.5m relating to long rural feeders, is an indication of this. As a project developer and owner looking to progress commercially viable solutions to problems such as long rural feeders that address these issues it is extremely disappointing to see the lack of focus and in particular any absence of engagement with organisations like ourselves to work more collectively around solving this poor performance in a particular asset class. In our opinion this is a cultural challenge in Western Power that has a desire to solve problems themselves ahead of engaging the market to extend its range of solutions and delivery capability to get them solved by others.

## **Connecting Customers**

1. In the transmission connections space we commend Western Power for the efforts taken to date to improve and shorten the connection application process through to access offer. In broad terms we do think this reduced the number of “tire kickers” which is a positive outcome and our engagement in the work now underway to further improve the AQP is likewise very promising. We do highlight though that our experience is not a quicker connection application, in fact it is slower and that is driven by:
  - a. Limited design resources – we have waited over six months to get to the front of the design queue for one project, even though the project is deemed connection ready and all fees payable for the IPC have been paid. Our attempts to find alternate design resources for our project did not result in a positive outcome. Simply put Western Power need a larger design capacity, in order to meet an ongoing transmission scale demand, especially if the state wants to attract large electrical loads.
  - b. Constantly missed milestones – Even once you get to the front of the queue, your work does not progress at the pace indicated by Western Power. In the last 12 months every milestone (typically delivery of a key report/output) has missed the planned milestone date. There could be a number of contributing factors to this which we won’t speculate on.
  - c. Constantly chasing up on actions – Whilst these projects have Access Consultants we work through, we have regular meetings to maintain progress and have to follow up regularly with emails chasing actions. This drives costs into our business as we need to closely manage the Access Consultant managing the team in Western Power.
2. In the distribution connections space the processes are very poor for small MW customer connections, and in particular where the customer is also doing embedded generation (often due to limited capacity available from the network). We have engaged with the ERA and EPWA on some of these projects through 2025, but the projects remain unresolved and the effort required to progress them significant. These projects are too small to be in Access Solutions (except the embedded generation often needs to be) and too big for Customer Connection Services. We believe a version of Access Solutions for Distribution, separate to Access Solutions for Transmission, dealing with above 1 MVA customer loads and generation applications, with trimmed down processes from

the transmission connection processes that are more relevant is the best path forward. This team is also likely to be where the majority of the non-reference services in the distribution network are likely to occur and where the innovative load and integrated DER connections will occur.

### **Pricing Control, incentives and adjustment mechanisms**

1. This is a complex issue and one to be carefully navigated. In simple terms you measure what you want managed and your incentivise achievement of the outcomes relevant to the measures. Western Power has a number of priorities some of which conflict, so care should be taken when preparing an incentive regime in whatever form to drive particular outcomes. In our view the priorities for Western Power that should be assessed in terms of delivery to the access arrangement are:
  - a. Maintaining the health and reliability of the existing network. The network is an aging network, in particular the rural overhead network, and this has both direct and indirect implications on the safety of the general public and of property.
  - b. Increasing the capacity of the distribution network. The vast majority of load (connection numbers and connection total MW size) is connected to the distribution network. The economy only grows if the distribution network grows to enable that. If the available capacity for connection in the distribution network reduces over time then it signals insufficient investment in the distribution network. In the last few years it has felt that Western Power has relied on “customer funded” projects to expand the distribution network.
  - c. Accelerating and enabling innovative solutions. As a state we cannot afford to replace an aging rural overhead network with the same network. We also cannot afford to expand distribution substations to enable additional capacity that only gets used for a small percentage of time. We all know that we cannot fix today's problems with the solutions we have been using up to now. Western Power does not need to be the innovator, but it needs to embrace market innovations and be prepared for some of these to fail or not deliver on all outcomes. It needs an incentive regime that encourages “having a go” and not be criticized for projects they supported that failed.
  - d. Commercial focus over process focus. Our felt experience is that Western Power has become very process focused, in particular queueing, rules applications, adherence to process and the like at the expense of commercial outcomes. The revenue a new connection will deliver along with investment in shared assets often seems to be forgotten or overlooked with a preference to focus on the documents needed and “getting all the ticks in a box”. This feels again like it is in Western Power's culture and this is concerning when the outcome is to deliver the most efficient option.

## Uncertainty

1. All businesses need to operate within an uncertain environment. If only we knew with certainty what would happen for the next 5 years! However we do recognize that the regulated revenue approach does not provide Western Power the same levers to pull that are available to other businesses. Our view would be that provisions to deal with uncertainty should remain but should be used sparingly in cases where there is very clear uncertainty over the Access period. In our view we know the network needs to change and evolve, this is certain what is more uncertain is the rate of change and the individual steps along the way. So the plans in AA6 must be more aligned with the change and evolution required and not based on the past, with flexibility to deal with rate of change uncertainty over the 5 year period.

We would welcome the opportunity to engage further with you on the feedback we have provided, including if required specific examples of projects we have under development which have influenced this feedback.