Framework and approach for Western Power's sixth access arrangement review: Synergy's response to the Economic Regulation Authority's Issues Paper

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Contents

EXECUTIVE SUMMARY

Matter	Synergy's response to the Economic Regulation Authority's (**ERA**) Framework and approach (**F&A**) Issues Paper for Western Power's sixth access arrangement review (**AA6**). The ERA must make and publish an F&A applicable to Western Power in accordance with subchapter 4.A of the Electricity Networks Access Code (**ENAC**). The F&A must be consistent with the ENAC objective, which is: "to promote efficient investment in and efficient operation and use of, services of networks in Western Australia for the long-term interests of consumers in relation to: (a) price, quality, safety, reliability and security of supply of electricity; (b) the safety, reliability and security of covered networks; and (c) the environmental consequences of energy supply and consumption, including reducing greenhouse gas emissions, considering land use and biodiversity impacts and encouraging energy efficiency and demand management."
Context	Western Power's AA6 regulatory reset provides an opportunity to send positive signals to consumers, industry and investors on the progress and future potential of Western Australia's (**WA**) energy transition. Through the AA6 review process, Western Power, Synergy and the ERA can facilitate the energy transition by: • Aligning network reference services with retail products to promote the efficient uptake of technologies such as battery storage, solar systems and electric vehicles (**EVs**). • Using pragmatic network tariff design to send efficient price signals to promote private (and public) investment in the right technologies, in the right location, at the right time and help achieve energy policy objectives. • Providing accurate and timely visibility of network constraints, data and planned investments, helping industry and investors understand where they can connect their new assets to provide the greatest benefit. • Providing visibility of the transmission build required to support the energy transition over the next two decades, generation and storage requirements over the same timeframe, and a realistic assessment of what can be delivered during the AA6 period and what it will cost. The incentive mechanisms, price controls, service standards and tariff structures under review through the AA6 reset process can help achieve all the above. Synergy believes greater transparency of information, forecasts and forward-looking plans is the key to alleviating uncertainty and recommends this be factored into the F&A. Synergy echoes the ERA's view that AA6 is a pivotal time for the development of the South West Interconnect System (**SWIS**). Synergy is committed to helping decarbonise WA's economy for the benefit of Western Australians and welcomes the opportunity to work with Western Power, State Government and the ERA throughout the AA6 review process to achieve this.

Scope	The ERA's F&A Issues Paper is designed to assist stakeholders to understand the regulatory requirements and process for determining the AA6 F&A. Synergy's feedback on the issues highlighted in that paper is summarised below.
Issues	**1. General approach and content of Western Power's AA6 proposal** Synergy's expectations for Western Power's AA6 proposal are: • The lowest cost network solution is adopted by Western Power irrespective of whether it involves capital or non-capital costs. • Each reference tariff in respect of a reference service should reflect Western Power's efficient costs of providing that reference service; i.e. there is no cross subsidisation or inequitable cost recovery between network tariffs, specifically transmission and distribution tariffs. • Network services are operable by a network user. • Transmission connection timeframes (including the application process) are improved. • Network services are evidenced to reflect user requirements. Greater transparency is key to reducing uncertainty and achieving the Government's energy transition objectives. Customers and other stakeholders would benefit from Western Power providing greater clarity of its investment plans for the next two decades, visibility of network constraints, and a realistic assessment of its delivery capabilities for the AA6 period. Synergy requests Western Power provides clear explanations of what each element of its AA6 proposal is seeking to deliver and how that aligns with the ENAC objective and also the State Electricity Objective (**SEO**)[1]. This should not just apply to its expenditure business cases, but also its service offerings, tariff design, incentive mechanisms and adjustment mechanisms. **2. Services offered and payments for those services** Synergy and Western Power are currently collaboratively engaging on the need for new and modified reference and ancillary reference services, as well as identifying where redundant reference services can be removed per section 5.2 of the ENAC. Aligning network services and tariffs with retail services and tariffs is vital to achieving WA's energy transition. Synergy recommends Western Power develops a suite of transmission and distribution network products, eligibility criteria and associated tariffs that can be used by network users and their customers to encourage behaviours that will facilitate WA's energy transition, rather than purely recover network costs.

[1] To promote efficient investment in and efficient operation and use of, electricity services for the long-term interests of electricity consumers in relation to:
- quality, safety, security and reliability of supply;
- the price of electricity; and
- the environment, including reducing greenhouse gas emissions.

Refer section 3A of the *Electricity Industry Act 2004*.

To meet network users' and their customers' needs, Western Power should develop network services and tariffs that promote investment in EVs, transmission and distribution connected renewables and battery storage solutions. Synergy also recommends Western Power considers product offerings that would better promote the increased electrification of major loads.

Accordingly, Synergy recommends Western Power includes the following new or modified reference and ancillary reference services:

- Transmission connected battery storage time of use reference service (new).
- A22, A23, C20 and C21 reference service – electric vehicles (modified).
- B3, C15 reference service – distributed generation discount (modified or new).
- A9 and A10 reference service – streetlights (modified).
- C23 reference service (modified).
- Vacant site ancillary reference service (new).
- D2 ancillary reference service – capacity sharing (modified).

Section 3 of this submission provides detail on Synergy's AA6 network service requirements.

3. Metering services

Advanced metering infrastructure (**AMI**) is a key enabler of the energy transition. The data and insights afforded by AMI presents opportunity to develop new, more dynamic product and services, which can respond to and influence consumer behaviours. Synergy recommends Western Power maximises the value of AMI by looking at how this uplift in data availability and quality can be used to create price signals that will make better use of the network, ultimately aiding the transition.

Synergy recommends Western Power considers what new services might be required to accommodate five-minute settlement of the wholesale market (subject to clarity around the timeframe for its introduction).

In addition to any new services, Synergy requires a number of the current metering services to continue in AA6. However, there is scope to rationalise the number of unidirectional and bidirectional metering reference services by combining these into a single metering service that provides for energy data transferred into and out of Western Power's network.

4. Payments

Synergy advocates for direct cost allocation where practicable, adopting a causer pays principle. Synergy is concerned by the potential for distribution customers to bear a disproportionate cost of transmission investment and recommends Western Power clearly demonstrates the drivers of each transmission and distribution investment and how those costs will be equitably recovered from transmission and distribution users.

With regard to connection payments, Synergy supports changes that would improve cost certainty and connection timeframes for prospective network users. This includes uplifting Western Power's resources and capability (if required) to process

transmission applications and deliver those connections in a timely and cost effective manner.

5. Service standards

Streetlight service performance continues to be a major concern for Synergy and its customers. Streetlight outage service standards are currently not effective in improving streetlight repair times and remain one of the biggest complaints from Local Government Authorities (**LGAs**). Synergy recommends the ERA reviews the streetlight service standard benchmarks and targets and develops service measures that better reflect the actual service being experienced by customers. Section 6 of this submission provides Synergy's guidance to the ERA in that regard.

6. Connecting customers

The ability to connect new generation, storage and loads is essential to WA's energy transition. Despite progress by Western Power in recent years to improve the connections process, Synergy is concerned that the current time taken to conduct studies, modelling and connect new facilities will not keep pace with WA's decarbonisation efforts and industry expectations without further change.

Synergy suggests the current extended connection timeframes may be due to a capacity and resourcing issue rather than a process issue. Synergy recommends the ERA requires Western Power to clarify what action can be taken to quicken the connection process and work with industry and prospective customers to identify how best to increase delivery capacity and/or share the workload more efficiently. Section 7 to this submission details opportunities for improvement.

Greater visibility of network constraints, along with the timing and deliverability of network augmentation works to alleviate those constraints, would assist all network users. Particularly those making and progressing connection applications.

7. Price control, incentive and adjustment mechanisms

Synergy supports the current form of price control and recommends the ERA considers options to strengthen the incentive for Western Power to improve its demand forecasting capabilities and deliver against its expenditure forecasts.

The energy transition will inherently involve uncertainty and risk. Western Power is best placed to manage a number of those risks (network build, connection times, demand risk, etc.). Synergy therefore supports any changes to the form of price control or adjustment mechanisms that places greater onus on Western Power to mitigate risk rather than transferring risk to network users and customers.

8. Uncertainty

The AA6 regulatory review and determination process is a valuable opportunity for industry to understand Western Power's investment plans and what that means for the SWIS and Wholesale Electricity Market (**WEM**). Existing network users, their customers and prospective investors would value a detailed energy infrastructure plan covering 15 to 20 years with estimated costs and tariff impacts. Industry and prospective investors require greater certainty of what is deliverable against the infrastructure plan and what can be done to provide Western Power with the resources to undertake the network build.

1 Introduction

Synergy welcomes the opportunity to respond to the ERA's F&A Issues Paper. As the state's largest electricity generator, battery storage operator and energy retailer, Synergy has a vital role in supporting WA's energy transition and realising the State's decarbonisation objectives.

Synergy holds various Electricity Transfer Access Contracts (**ETACs**) with Western Power that cover its retail operations, thermal generation, renewable energy and storage portfolios. The combined value of these contracts is more than $1.4 billion annually. Western Power's services, tariffs and delivery capability therefore have a material direct impact on Synergy's operations, services and the end cost to electricity consumers.

This interrelationship between Synergy and Western Power means it is vital both organisations are aligned on what investments are required to support WA's energy system, and deliver energy and decarbonisation policy outcomes. Synergy is keen to work closely with Western Power and the ERA during the AA6 reset process and throughout the AA6 period to ensure network and retail services are coordinated, customer focused and support the energy transition.

1.1 The F&A process and content

The F&A is a vital component of the access arrangement (**AA**) review process. Not only does it establish regulatory elements such as the incentive mechanisms, reference services and form of price control, but it also sets the expectations all parties have of Western Power. The F&A provides important context for energy stakeholders, and guides Western Power's focus for the subsequent access arrangement publication.

In its F&A Issues Paper, the ERA highlights the need for Western Power to set out the long-term vision and plan for the development of its distribution and transmission network, and how the proposal for the AA6 period fits within that plan. The ERA also expects Western Power to identify the challenges for the AA6 period and articulate how it intends to meet these challenges, while taking account of customer requirements.

Synergy echoes the ERA's views and encourages Western Power to use the AA6 review process to provide transparency of its investment plans, how those plans are aligned with energy policy, and its capability to execute those plans. Providing more information about what network infrastructure is required, where and at what cost, will alleviate some of the uncertainty around the energy transition and the pace of decarbonisation. Further, if Western Power can present a view of what can realistically be delivered with current resources, this will help the Government, industry and investors understand what each needs to prioritise to achieve an orderly and timely transition.

Section 4.A2 of the ENAC requires the ERA to consider the following aspects as part of the F&A:

(a) Investment adjustment mechanism (**IAM**)

(b) Gain sharing mechanism (**GSM**)

(c) Service standards adjustment mechanism (**SSAM**)

(d) Demand management innovation allowance (**DMIA**) mechanism

(e) Form of price control, having regard to the objectives in section 6.4 of the ENAC.

(f) List of and classification of network and metering services including whether services are reference services or non-reference services, the eligibility criteria for each reference service, the structure and charging parameters for each distribution reference tariff and a description

of the approach to setting each distribution reference tariff in accordance with sections 7.2 to 7.12 of the ENAC

(g) Method for setting the service standard benchmarks (**SSB**s) for each reference service

Synergy considers that, to meet the ENAC objective, it is critical Western Power clearly identifies and publishes in its F&A response (and ultimately its AA6 proposal), how each of the above F&A elements will achieve the ENAC objective and SEO. There must be a clear line of sight between the AA6 proposal and the intended outcomes at a network user- and customer-level and the ultimate impact on the energy industry. This is particularly important for reference services and network tariffs.

1.2 Key considerations for the F&A

Synergy provides its detailed response to the matters raised in the ERA's F&A Issues Paper in sections 2 to 9 of this response.

Synergy highlights the following key considerations for the F&A:

- Synergy supports the State Government's SWIS Transmission Plan and the need for significant transmission network augmentation and the benefits that investment can bring. In doing so, Synergy seeks visibility from the ERA through the F&A as to how it will ensure transmission costs will be equitably recovered from transmission and distribution network users via respective network charges. Synergy does not support an approach whereby transmission costs are disproportionately borne by distribution users.
- Should the proposals in Energy Policy Western Australia's (**EPWA**) Fixed Capital Charge: Consultation Paper be implemented, regulatory changes will need to be made to the *Electricity Industry Act 2004* (**EI Act**) and ENAC along with the development of new regulations under the EI Act. However, the capital contributions policy, set as part of the AA6 process will also need to be amended. Synergy seeks visibility from the ERA in its draft F&A decision as to how it will manage this regulatory uncertainty.
- There has been significant change in WA's WEM since new market start on 1 October 2023 characterised by wholesale price volatility and unprecedented changes to the Electricity System Market Rules (**ESMR**). Western Power will need to clearly articulate the drivers of each of its cost categories included in AA6. The ERA will need to be satisfied only those costs that Western Power can demonstrate are directly attributable to the provision of network services are recovered through AA6. The costs associated with the provision of Western Power's market-based services (such as distribution system operator) should be recovered through the users of those services via WEM fees. Synergy seeks clarity from the ERA through the F&A process as to how it will ensure there is no over-recovery of costs by Western Power between the network and wholesale market segments.
- Given the State Government's decarbonisation policy and the inclusion of environmental impact as part of the ENAC objective, Synergy seeks visibility through the F&A process as to how the ERA will assess the environmental benefits of Western Power's AA6 proposal. For example, Synergy recommends the ERA closely examines how Western Power will incentivise consumer uptake of energy efficiency and demand management activities via reference service offerings to reduce the amount of network investment required to provide sufficient network capacity and stability during peak demand and export periods.

- The ERA's F&A Issues Paper highlights the criticality of Western Power sharing information to reduce network user and consumer uncertainty regarding the energy transition. Key information in that regard is the publication of robust demand forecasts, cost and benefit estimates and reasonable detail of proposed network investment spend including the probability of the investment occurring (noting Western Power has a high degree of discretion as to how it spends its revenue once approved by the ERA).
- In considering reference tariffs, Synergy recommends the ERA reviews the extent to which Western Power has considered how its distribution network tariffs will work in practice (i.e. operability) in terms of retailers passing these charges through to customers.
- In addition to the challenges and uncertainties the ERA has raised in its F&A Issues Paper, Synergy recommends the ERA in its F&A decision also requires Western Power to submit proposals that clearly demonstrate how it will address the challenges of a higher network cost environment over the AA6 regulatory period and how Western Power will utilise tariff design, incentive structures and efficient and prudent expenditure that achieve the ENAC objective.
- The F&A Issues Paper notes network users are spread over a large geographical area within the SWIS, and that Western Power should seek for its AA6 proposal to be tailored geographically to ensure outcomes and outputs have taken into account consumer preferences. However, Synergy notes section 7.7 of the ENAC may limit this requirement. The ERA may need to consider the impact of this ENAC requirement with respect to tailored geographic network solutions in its F&A decision.

2 General approach and content of Western Power's AA6 proposal

Issue 1

We are seeking stakeholder views on their expectations for Western Power's AA6 proposal.

The AA6 period will be a pivotal stage of WA's energy transition. Synergy supports the ERA's expectation that Western Power provides more robust information than in previous access arrangement reviews, including clearer articulation of what Western Power will deliver during AA6 and how this delivers the ENAC objective.

Synergy considers the F&A should set an early expectation that Western Power's AA6 proposal will be outcome and output focused. In particular, Western Power should provide a clear line of sight between:

(i) the challenges and objectives being addressed;

(ii) the services, tariffs, incentive mechanisms and investment programs proposed; and

(iii) the customer, network user and whole of system outcomes that will be achieved.

Transparency and accountability are key to reducing uncertainty and achieving the State Government's energy transition objectives.

Given the pace of change, Synergy considers it critical for Western Power to also set out a credible long-term network plan (15 to 20 years) and explain how proposed AA6 expenditure and initiatives fit within that plan. This has been echoed by many industry stakeholders and large customers who have expressed some frustration on the lack of a clear plan of what energy infrastructure and technologies are required, where, and when, to assist WA's decarbonisation efforts.

While the SWIS Transmission Infrastructure Plan, Whole of System Plan and SWIS Demand Assessment have provided some guidance, these documents provide insufficient detail on timing, deliverability and current network constraints. Synergy understands the challenges of developing a long-term investment outlook, however, any uplift in transparency of information and key network requirements would be well received by industry.

Synergy suggests any infrastructure plan should include transparent demand and distributed energy resources (**DER**) forecasts, visibility of key network constraints and congestion, and a realistic assessment of delivery capability. Not only would this help focus network users, but it would also help manage market participant and investor confidence and help industry participate in finding a solution to WA's energy challenges.

Synergy encourages Western Power to provide information in a form that customers and stakeholders want and can readily understand and use, supported by consultation throughout proposal development (including post-draft decision engagement). At a minimum, Synergy recommends the ERA's F&A requires Western Power's AA6 proposal to include:

- Clear, measurable outputs and outcomes for key programs and services, with performance indicators reflective of network-user requirements, that can be monitored during AA6.
- A forward-looking investment pipeline for the next decade, supported by local area plans and visibility of constraints, congestion and proposed alleviation works.

- Options analysis demonstrating the most efficient solution is selected (including non-network solutions, and capital versus non-capital alternatives).
- Transparent cost and demand forecasting assumptions, including sensitivities for electrification, EVs, distributed generation (DER and virtual power plants (**VPPs**)) and storage.
- A clear explanation of how costs will be allocated and recovered (including transmission versus distribution drivers, and expected tariff impacts).
- A reporting and engagement plan for AA6 that supports ongoing accountability and continuous improvement.
- A robust deliverability assessment, including resourcing and supply chain risks and mitigation actions.

This information is critical to enable network users to undertake a reasonable assessment and provide informed feedback to the ERA in response to Western Power's AA6 proposal following publication in 2027.

Regarding the AA6 proposal itself, Synergy expects that Western Power's proposal is compliant with the ENAC objective and that:

- The lowest cost network solution is adopted by Western Power irrespective of whether it involves capital or non-capital costs.
- Each reference tariff in respect of a reference service should reflect Western Power's efficient costs of providing the reference service i.e. there is no cross subsidisation or inequitable cost recovery between network tariffs, specifically transmission and distribution tariffs.
- Network services are operable by a user.
- Transmission connection timeframes (including the application process) are improved.
- Network services are evidenced to reflect user requirements.

3 Services offered and payments for those services

Issue 2

What changes are needed to the current list of reference services and tariff structures to support new technologies and energy models, while providing incentives that will reduce overall costs for consumers.

The WA energy sector has changed dramatically in the last 10-15 years. The industry has seen large uptake in DER, EVs, large-scale grid-connected batteries and a significant increase in intermittent electricity generation. This has changed who is using the network, how they use the network, and what they expect from the network. However, regulated network services and tariffs have not kept pace, specifically uptake incentives.

Network services and tariff structures need to evolve to reflect changes in customer behaviour and technology. Synergy considers AA6 is an opportunity to better align network reference services with retail product offerings, so that network and retail tariffs work together to send efficient price signals and support WA's energy transition.

Synergy recommends the ERA requires Western Power to review its current suite of reference services and associated tariffs and explicitly document for each service:

- Its intended purpose.
- Target customer segment.
- Expected uptake.
- How the service and tariff design will contribute to the ENAC objective and the SEO.

3.1 Design principles for reference services and tariffs

Key reference service and tariff design principles should include:

- **Operability and choice** – Network users should be able to acquire only the elements of service they require, consistent with section 5.2 of the ENAC.
- **Alignment with customer and retailer needs** – Tariff structures should be practical to implement in retail products and understandable to customers.
- **Efficient price signals** – Charges should encourage investment in the right technologies, in the right place, at the right time (including time of use and, where appropriate, location-based signals enabled by AMI data).
- **Cost reflectivity and fairness** – Apply causer pays principles and avoid cross-subsidies, including between transmission and distribution users.
- **Recognition of flexibility value** - Where resources such as storage provide network benefits (for example by alleviating constraints at certain times), tariffs and service structures should recognise those benefits and pass them through to network users and thus customers.

Synergy and Western Power are currently engaging on the need for new or modified AA6 reference services that meet network user and end use customer needs, as well as supporting the energy transition and will continue to work together on this matter during the AA6 review process.

3.2 New or modified reference services required by Synergy

Synergy notes the importance of reference services that reflect emerging technology types and business models. Appropriately designed distribution and transmission network services and tariffs can incentivise investment in:

- EVs.
- Distribution connected renewable generation, controllable loads and VPPs.
- Distribution connected battery energy storage.
- Transmission connected renewables.
- Transmission connected battery energy storage.
- Electrification of major loads.

All these technology types are critical to decarbonisation of WA's economy and will support the withdrawal of Synergy's coal fired fleet by 2030.

Experience during AA5 shows that some network reference services and tariffs are not well aligned with what network users and their customers want. For example, the A22, A23, C20 and C21 EV reference services. Synergy has provided further information on its network reference service usage in Attachment 1 (confidential – not for publication).

As part of the AA6 review, Synergy recommends the ERA requires Western Power to consider its suite of reference services and demonstrate their uptake and the intent behind their design, mapped against the ENAC objectives and SEO, and demonstrate they are each consistent with section 5.2 of the ENAC. This will help identify what network services are valued by users, what is missing and what services can be consolidated.

Synergy requests Western Power provides greater transparency of non-reference services currently offered, including pricing principles, service levels and uptake, by publication. This will allow stakeholders to assess the effectiveness of the non-reference service mechanism, including whether some non-reference services should be standardised as reference services, consolidated, or retired. Synergy notes the ERA's view, and concurs that commercially sensitive information should not be published but considers categorised and/or aggregated information could reasonably be published.

By adopting this pragmatic approach to reference service and tariff development, Western Power and Synergy will be able to provide clearer price signals that users can respond to. This approach will also allow the causers of costs and users of services to be identified, which will allow costs to be allocated in a fair and reasonable way.

Synergy is keen to work with Western Power and the ERA throughout the AA6 process to co-design fit-for-purpose network services and tariffs that improve customer outcomes and support the transition at least cost. Section 5.2 of the ENAC was intended to ensure that customers (as defined in the ENAC) have definitive statutory rights to obtain a network service that met their requirements rather than these being determined in isolation by the network operator.

Synergy's reference service and tariff requirements are detailed in the following sections.

3.2.1 Transmission connected battery storage time of use reference service (new)

Synergy is WA's largest operator of storage connected to Western Power's transmission network. Synergy requires a time of use transmission reference service that provides for the efficient use of the transmission network by sending cost reflective price signals to charge and discharge battery at different periods of network need.

Synergy is engaging with Western Power with respect to this new reference service request consistent with section 5.2 of the ENAC.

Synergy supports a transmission connected battery storage reference service that:

- Reflects the efficient costs of providing entry, exit and bi-directional network services to transmission connected storage.
- Is designed so that, where practicable, network charges and/or incentives recognise the benefits storage can provide to the network at certain times and locations.

3.2.2 A22, A23, C20 and C21 reference services (modified)

Synergy has not utilised the following reference services in AA5:

- Low Voltage Electric Vehicle Charging Exit Service.
- High Voltage Electric Vehicle Charging Exit Service.
- Low Voltage Electric Vehicle Charging Bi-directional Service.
- High Voltage Electric Vehicle Charging Bi-directional Service.

As part of its AA5 reference service submission, Synergy proposed an alternative reference service and tariff design to the ERA and Western Power. However, Synergy's proposed design was not ultimately adopted. Synergy is currently revisiting its proposed AA5 EV service design in terms of applicability to meet its needs, the needs of its customers and to provide for greater network utilisation by incentivising EV uptake in AA6.

Synergy is engaging with Western Power with respect to the above EV reference service requirement consistent with section 5.2 of the ENAC.

3.2.3 B3, C15 reference services (modified or new)

Synergy has not utilised the following reference services in AA5:

- Entry Service Facilitating a Distributed Generation or Other Non-Network Solution.
- Bi-directional Service Facilitating a Distributed Generation or Other Non-Network Solution.

WA's energy transition is driving significant household and business uptake of solar and battery. The potential for customer DER to assist Western Power to maintain security as well as reducing the need for capital investment to meet peak demand has increased due to initiatives such as the State Government battery rebate scheme and retail products such as Synergy's Battery Rewards.

Synergy is seeking revisions to these services (or a new service) that provides a network incentive to end use consumers, via a network user, to increase uptake of electricity storage, generation and or electricity management devices or services.

Key to the lack of uptake by Synergy of the B3 and C15 reference services to date is the requirement for a network user to firstly, identify a network constraint and secondly, evidence to Western Power that its distributed generation or other non-network solution will reduce Western Power's capital or non-capital costs. The requirement can be time consuming, expensive with no guarantee of a reference service outcome.

Synergy is seeking a new (or modified) reference service that provides for unidirectional and bi-directional electricity transfer, preferably under a single service, by means of a published discount rate that would apply when Synergy provides an orchestrated DER service (for example via a VPP that utilises roof top solar, home battery, EV or community battery etc.) in response to a request by Western Power to manage a network constraint. The availability and use of this service in response to

a service request and dynamic operating envelopes initiated by Western Power, would enable network users to respond to network constraints by financially incentivising their residential, commercial and industrial customers to export, curtail or absorb energy based on real-time network events, including at an individual distribution feeder level.

This service request is consistent with the ENAC objective and would demonstrably support the State Government's energy policy, specifically the uptake of 100,000 household batteries via its battery subsidy scheme.

Synergy is engaging with Western Power with respect to the B3 and C15 reference services seeking revisions (or new services) that will incentivise customer DER uptake and improve network utilisation consistent with the ENAC objective and a network user's right to seek services in accordance with section 5.2 of the ENAC.

3.2.4 A9 and A10 reference service (modified)

Synergy and its LGA customers have experienced significant issues with streetlight service provision, specifically streetlight outages, transparency on duration, types of outages and repair times. To address these issues, significant change is required to the A9 and A10 service standard benchmarks (refer to section 6.2 of this submission). In addition, Synergy requires the A9 and A10 reference service to be modified to require Western Power to provide the following data to a network user monthly:

- Streetlight faults by local government area.
- Streetlight fault asset identification.
- Streetlight fault (actual) repair time with transparency on when outage was reported, was restored and the type of outage.
- Clarity on various outage types (lamp, cable fault etc.), expected service level agreements (**SLAs**) and actual timeframes for restoration.
- Details on types of assets, transparency of what assets have been replaced each billing cycle, and progress updates on LED replacement activities.

The above data is required by Synergy to enable it to:

- Determine whether it is receiving a streetlight reference service.
- Reconcile Western Power streetlight charges to ensure accuracy and transparency in the charges that are passed through to streetlight customers.
- Provide streetlight customers, particularly LGAs, with transparent and reliable data and information to evidence the service standard that they are paying for.
- Meet evolving LGA reporting and information requirements.

3.2.5 C23 reference service (modified)

Synergy operates a number of community batteries that provide market-based services such as Non-Co-optimised Essential System Services (**NCESS**). These batteries utilise the C23 low voltage distribution storage bidirectional service, with an interval meter configured to the RT38 time bands.

Synergy worked with Western Power to establish the first connections under the C23/RT38 arrangement. Through this process, Synergy identified a number of changes it recommends Western Power progresses through the AA6 review process. Specifically, Synergy recommends Western Power:

- Removes ambiguity in the RT38 wording (e.g. improve clarity on which measure of "capacity" should be used: inverter rating, export limit or transformer limit).

- Increase the granularity of the capacity bands used for the fixed charged component. This will allow fixed charges to scale more smoothly related to battery size an ensure the tariff better reflects the types of asset being installed.
- Considers how the RT38 tariff aligns, or should align, to market-based services such that there are no unintentional or perverse outcomes.
- Develop and document a standard process for connecting low voltage distribution grid-connected batteries.

3.2.6 Vacant site ancillary reference service (new)

Synergy is seeking a new ancillary reference service that enables it to:

- Surrender an existing connection point from its ETAC when it no longer has an electricity customer at the connection point and no consumption is occurring at connection point (i.e. a vacant site).
- Re-apply to have the connection point re-instated on its ETAC when a customer subsequently requires electricity to be restored at that connection point.

Currently the only means of removing a connection point from a network user's ETAC is to request the D1 Supply Abolishment Service, which results in:

- A permanent disconnection of electricity supply.
- Meter removal.
- Connection point abolition.

In contrast, Synergy's ancillary reference service request would result in temporary removal of a connection point from a network user's ETAC in such situations where a user's customer has a long term vacant property pending redevelopment.

To be clear, Synergy is not seeking the new service in standard customer move in and move out scenarios. The service would apply in situations where a customer advises Synergy it wishes to terminate its electricity supply on a long term vacant site basis.

Currently, for a vacant site with no physical electricity supply nor customer, Synergy is incurring Western Power's daily supply charge but has no ability to pass on the cost. The only means for a network user to manage this financial risk is to permanently abolish supply at the connection point, at not an insignificant cost, and then seek a new connection point to be established at an additional cost when a customer subsequently redevelops the site and enters into a retail supply contract. Synergy considers this practice to be inconsistent with the ENAC objective. (Synergy can share with the ERA on a confidential basis the number of its current vacant sites and associated network cost.)

Synergy is engaging with Western Power with respect to this new reference service request consistent with section 5.2 of the ENAC.

Additionally, there are instances where Synergy requests Western Power performs a manual de-energisation service on a vacant site, but Western Power advises it is unable to perform the de-energisation due to technical network or access reasons. Synergy continues to receive fixed and variable (consumption) network costs for these sites with no ability to pass on these costs.

3.2.6.1 D2 ancillary reference service (modified)

The D2 ancillary reference service provides the ability to share network capacity between different connection points. This is where a user's contracted capacity is decreased at one or more connection points under its ETAC and there is a corresponding increase in contracted capacity at one or more

connection points under its own ETAC or connection points under another user's ETAC contract. The ancillary reference service intent is consistent with the ENAC objective, specifically promoting the efficient use of the network.

Synergy has not utilised the D2 capacity allocation service during the AA5 period. However, given Synergy's renewable energy and storage investments during the AA5 and AA6 periods, Synergy considers there is significant potential for it (and other network users) to utilise the D2 ancillary service in AA6 to improve network utilisation, specifically in relation to storage and wind farm operation via the sharing of nominated declared sent out capacity or contract maxim demand.

To remove barriers to the uptake of the D2 ancillary reference service, Synergy considers the following AA5 eligibility criteria needs to be reconsidered:

- Application of the D2 ancillary reference service being limited to the A7, A8, A11, C7, C8 and C22 reference services.
- D2 eligibility criteria No.8 (i.e. the requirement for a network user to enter into an operating agreement with Western Power that sets out the practical, technical and other operational details of the capacity allocation (swap) arrangements between the network user(s) at the relevant connection points and Western Power).

Synergy is engaging with Western Power with respect to the D2 ancillary reference service modification required to meet its user requirements consistent with section 5.2 of the ENAC.

4 Metering services

Issue 3

We are interested in stakeholder views on what changes may be needed to metering services to reflect that most customers have advanced meters.

AMI is a key enabler of the energy transition. Synergy supports Western Power's AMI deployment and acknowledges its high roll out to date. AMI functionality such as remote meter readings, half hourly interval data provision, remote disconnection and reconnection has provided significant customer benefit to date. For example, AMI has reduced reliance on estimated meter reads, which has historically been the cause of customer billing complaints to Synergy and the Energy Ombudsman. Synergy therefore recommends Western Power and Synergy continue to look at what additional benefits AMI can deliver.

The granularity and accuracy of AMI energy data presents a real opportunity to develop more dynamic retail products and services, improve network utilisation, and support efficient demand management. Using energy data to inform service and tariff design can influence the way customers use the electricity network by sending price signals to facilitate WA's energy transition. Synergy therefore recommends Western Power and Synergy continue to work together with State Government to understand how AMI data can be further used to shape a suite of products that support the delivery of energy policy outcomes.

Synergy supports maintaining a choice of metering services in AA6, including manual reads where remote provision is not possible or practical.[2] Offering a choice of metering reference services enables network users to obtain energy data at a frequency that best meets their nominated transport reference service and in the case of Synergy, its customer needs. Synergy recommends the ERA requires Western Power to:

- Review and streamline the metering reference services so that services of the same type are not duplicated solely based on unidirectional and bidirectional measurement (where the underlying service and tariff are effectively the same).[3]
- Maintain clear service definitions and service levels for data provision, including timeliness, data quality and validation outcomes.
- Ensure alignment between the access arrangement metering services and the Model Metering SLA, including governance for updates and change control.

Synergy also recommends Western Power considers what additional services may be required to support potential future changes such as five-minute settlement (**5MS**) in the WEM. The current metering service collects 30-minute usage data daily. Should 5MS be implemented the market will require five-minute data for some customers to support billing and reconciliation. However, Synergy would still need to maintain the current services to ensure it is able to efficiently and cost-effectively receive and manage the data volume and complete the necessary billing and reconciliation processes. Synergy will conduct further analysis on what new metering service may be required and will work

[2] There are currently 20 different metering reference services (M1-M20) offered by Western Power to network users in AA5. This principally reflects a network user's need for manual and remote energy data provision; and different energy data provision frequency.

[3] For example, the M7 (AMI) and M14 (AMI) meter references services could be combined as well as combining M18 and M20. Creating a single AMI metering reference service that provides for both unidirectional and, where applicable, bidirectional energy data will reduce administrative overhead for network users with respect to nominating metering reference services and reconciling the charges.

with Western Power and the ERA to develop any new services during the AA6 process as the timing and scope of 5MS becomes more fully understood.

5 Payments

Issue 4

We are interested in stakeholder views on improvements that could be made to the framework for payments for services (including new and upgraded connections) that are not included in network tariffs.

Synergy supports network payment arrangements that are transparent, cost reflective and consistent with a causer pays approach. In the context of significant investment during the energy transition, particularly in the transmission network, it is critical Western Power clearly demonstrates the drivers of investment and costs allocated to the appropriate users.

Synergy bears the full cost of network services for all non-contestable customers. That is, the >1 million residential customers and more than 50,000 small and medium businesses, with almost all of these being distribution network customers. As such, Synergy is interested in the allocation of costs between transmission and distribution tariffs. This will be particularly important in the context of significant investments to augment the transmission network over the next 15 to 20 years.

In previous AAs, the ERA and Western Power have considered the impact of price shock on customers and used various method of minimising significant price movements within and between AA periods. Historically, revenue smoothing has been effective in minimising price movements. However, network users have also seen more severe methods used such as deferred revenue and, in the fourth AA (**AA4**) a proposal to 'switch' revenue streams between transmission and distribution customers[4].

Synergy is concerned that the scale of the transmission augmentation works required to support the energy transition presents an even larger potential price shock to distribution connected customers than resulted from AA4. Given Synergy's franchise and small use customer retail tariffs are regulated by the State Government[5], this poses significant financial risk to Synergy, specifically in relation to the A1 retail tariff that is significantly not cost reflective.

Western Power and the ERA will need to consider how best to address this issue without simply apportioning any revenue under-recovery created by capping transmission prices to the captive distribution customer base by default. Synergy supports cost allocation methods that evidence actual network usage and do not unfairly shift burdens between customer groups. Moreover, to achieve the most efficient and cost effective transition, Synergy considers costs should be allocated to those in the best position to manage the uncertainty, risk and costs associated with those investments.

Synergy recommends the ERA requires Western Power to clearly set out, for each major program and project, whether the primary drivers and beneficiaries are transmission or distribution users and how that translates into cost allocation and tariff impacts. This information will allow the ERA and stakeholders to make an informed assessment about the costs allocated to each user group and the tariffs that should be paid.

[4] Specifically, Western Power proposed "to mitigate the price increase on transmission customers is to defer the recovery of $234.1 million of AA4 transmission target revenue to future access arrangement periods and bring forward the recovery of the same amount of previously deferred distribution revenue to the AA4 period. Put simply, we are substituting the collection of $234.1 million transmission revenue during AA4 for $234.1 million of distribution revenue instead." Without such reallocation, transmission tariffs would have needed to rise by roughly 18% per year over AA4 to recover the full transmission revenue requirement. Access arrangement information: Access arrangement revisions for the fourth access arrangement period, 2 October 2017, paragraph 961.

[5] Refer *Energy Operators (Electricity Generation and Retail Corporation) (Charges) By-laws 2006*.

Regarding connection payments, Synergy recognises stakeholder concerns about timeliness and transparency of connection quotes. Synergy supports reforms that improve certainty of costs for prospective network users (including consideration of standardised charges as is currently being consulted on through Energy Policy WA's Fixed Capital Charge: Consultation Paper). However, Synergy highlights that while improving certainty of connection payments may provide potential investors greater confidence of costs, it will not necessarily enable Western Power to connect the facilities any faster (see sections 6 and 7 of this paper for more information).

6 Service standards

Issue 5

We are interested in stakeholder views on setting disaggregated service standards for reliability and improving service standards relevant to business processes.

Service standard benchmarks and the associated incentive mechanisms are important tools for ensuring that efficiency incentives do not come at the expense of customer outcomes. Synergy supports the ERA's focus on disaggregated service standards for reliability and on service standards that better reflect customer experience and critical business processes.

Synergy considers a greater focus should be placed on the following:

- Connections process.
- Streetlights service performance.
- Force Majeure triggers and requirements.
- Delivering the environmental outcomes required by the ENAC objective and SEO.

Each of these is discussed in the sections below.

6.1 Connections

Synergy considers incentives a vital part of the regulatory framework. Given the current material issues with facility connection timeframes, the ERA may be considering whether service standards and financial incentives should be introduced for key elements of the connection process.

Rather than move straight to an incentive-based solution, Synergy recommends careful thought be given to the cause(s) of the current delays in the connection process and whether they can be resolved without the need for a new regulatory mechanism. As discussed in section 7, Synergy considers the current issues may be more a result of capacity (resourcing) constraint, rather than simply an inefficient process.

Synergy therefore recommends the ERA's focus for this F&A and AA6 review should be on what can be done to increase Western Power's capacity to deliver new connections, rather than apply a service standards adjustment mechanism at this point in time.

6.2 Streetlights

Streetlighting service performance remains a key concern for Synergy and LGAs. The current service standard benchmark for streetlight repair, as set out in section 4.4.2 of the AA5 approved AA, is inadequate. It does not deliver improved streetlight service delivery. It introduces ambiguity, misunderstanding and complexity related to expected restoration timeframes, roles and responsibilities, and overall accountability due to the:

- Broad nature of the service standard and reliance on average service delivery.
- Absence of a service standard for cable faults.
- Absence of a network user compensation when repair service standards are not met.
- Lack of transparency of actual outages times, types of outages and expected service standards to accurately passthrough charges to customers that aligns with the service they're receiving.

Synergy has also received significant LGA feedback on streetlight repair performance as well as experiencing significant operational issues with respect to A9 and A10 reference service nomination and performance data provision. Synergy provides more information about its experience and those of its customers in relation to streetlight service delivery in Attachment 2 (confidential and not for publication).

Synergy recommends:

- The ERA reviews streetlighting service standards to ensure they reflect actual outage and repair performance experienced by customers, supported by transparent reporting. Synergy further recommends the ERA consider stronger financial incentives (rewards and penalties) for services that are clearly underperforming to drive investment (as required) in sustained improvement. Synergy considers targeted trials (for example, enhanced monitoring and fault detection) could be an appropriate use of innovation allowances where they demonstrate a clear pathway to improved outcomes.
- The ERA requires Western Power to review and improve transparency of arrangements for unmetered supply (for example, public lighting and similar loads), including how volumes are estimated and updated over time and how changes in technology (such as LED upgrades) are reflected in data and charges.
- Western Power continues development and annual refresh of its public lighting strategy but requests Western Power engages with network users, particularly Synergy, in addition to its current practice of engaging with LGAs on the strategy.
- The ERA and Western Power assess the contemporary standards that other streetlight providers are required to meet when assessing and amending streetlight repair service standard benchmarks that will apply to Western Power in AA6 and beyond. In particular, Synergy requests the ERA reference the New South Wales Public Lighting Code 2024.

Synergy requests the current streetlight repair service standard benchmark[6] to be amended to:

(a) Establish service standard benchmarks for metropolitan and regional areas with respect to the following categories:

(i) general streetlight fault

(ii) complex streetlight fault repair

(iii) priority streetlight fault repair.

(b) Provide for Western Power to apply a prescribed credit to a network user's streetlight charge invoice where Western Power fails to meet designated A9 or A10 service standard benchmark for that year.

6.3 Force majeure

Force majeure is applicable to service standard benchmarks under Western Power's approved AA5 and the model ETAC also approved by the ERA. However, a force majeure event for service standard benchmark purposes may not necessarily result in a force majeure event being notified to a network user under an ETAC. Consequently, Synergy recommends a force majeure event under a service standard benchmark should only apply if a network user has been notified of force majeure event in writing under the network user's ETAC.

[6] Refer section 4.4.2 WP-AA5-Approved-Access-Arrangement-Clean-PDF-Version.PDF

6.4 Environmental

The ENAC objective includes environmental consequences and the encouragement of energy efficiency and demand management. The current AA contains service standards to assess the quality of supply for a reference service but there are no environmental benchmarks or targets specified for reference services. Synergy recommends the ERA considers whether service standards, reporting or incentive arrangements should explicitly support environmental outcomes such as those that enable efficient integration of DER, reduce peak demand impacts and minimise emissions outcomes for customers over time.

7 Connecting customers

Issue 6

We are interested in stakeholder views on what improvements could be made to Western Power's connection processes and whether additional mechanisms are needed to incentivise Western Power.

Timely connections of new generation, storage and load are essential to delivering an orderly and affordable energy transition. As connection volumes and system complexity increase, the timeliness and quality of Western Power's connection process is critical.

Despite process improvements in recent years, connection timeframes for complex transmission and distribution connections remain a material constraint and risk to planned generation replacement and major electrification projects. Synergy and its customers have experienced slow connection timeframes for new generation, storage, and major loads.

Synergy recommends the ERA require Western Power to clearly articulate:

(i) The binding constraints on connection delivery;

(ii) The actions it will take to increase resourcing and capability; and

(iii) The extent to which these actions will change service offerings, costs and cost recovery methods during AA6.

Synergy has considered whether the delay may be due to a lack of delivery capacity and resourcing, rather than a failure in process (which has been the primary focus of Western Power through its recent process improvement works). Should Western Power have insufficient resources to keep pace with the volume of connection requests and power system studies required to connect new generation in a timely manner, then Synergy would support increased Western Power capability being funded via AA6.

Synergy recommends the ERA:

- Requires Western Power to consider options to expedite connection works urgently, with a view to both a short and long-term solution. Synergy would expect this could include third-party support from qualified contractors or consultants (e.g. to undertake or review modelling) through pre-approved panel-type arrangements or similar. This would then also need to be supported by Western Power seeking to uplift its internal hiring, training and retention strategies.
- Considers whether additional mechanisms are required for AA6 or future AAs to improve performance and accountability, including:
  - Public reporting of queues and timeframes for both transmission and distribution connections, including improved visibility of behind-the-meter approval processes.
  - Introducing a standardised reference service for common connection study and modelling services, with clear service levels and published pricing principles (supported by adequate resourcing).
  - Providing greater visibility of network constraints, congestion and the timing and deliverability of works required to alleviate those constraints.

As discussed in section 6 of this submission, the ERA may be considering adding a connections service standard benchmark to the current suite of incentive mechanisms. While Synergy is not opposed to introducing a connections service standard mechanism, Synergy recommends the ERA first considers the above remedies before it pursues a formal service standard and associated incentives.

If the current challenges facing Western Power's connection process are simply due to capacity constraints in the face of a high volume of connection requests, introducing an incentive/penalty regime may not prove an effective solution. For example, if the additional resources required to accelerate the connection process are not funded or are unavailable, introducing a service standard benchmark may only serve to highlight the problem rather than solve it. Any mechanism to incentivise faster connections would need to be carefully constructed so that it fully considered resourcing constraints and what uplift in capacity can be reasonably achieved.

Synergy is committed to working with Western Power and the ERA to identify pragmatic changes that will improve connection delivery and reduce uncertainty for network users, investors and customers.

8 Price control, incentives and adjustment mechanisms

Issue 7

We are interested in stakeholder views on changes to the price control and incentives and adjustment mechanisms that would:

- Improve Western Power's accountability for delivering the access arrangement and complying with it.
- Deal with uncertainty while maintaining incentives for efficient expenditure and accountability for Western Power to deliver.
- Ensure the most efficient option is chosen regardless of whether it is capital or non-capital costs.

Synergy supports the current modified revenue cap form of price control. Synergy considers this framework provides appropriate incentives for Western Power to manage demand risk and pursue efficient network solutions, while allowing customers to benefit from efficiencies over time.

Given the scale of investment and uncertainty expected during AA6, Synergy also supports adapting the incentive and adjustment framework to improve accountability for delivery, maintain efficiency pressure and ensure the most efficient solution is chosen regardless of whether it is capital or non-capital in nature.

8.1 Accountability for delivering the access arrangement

Synergy notes the current framework affords Western Power significant discretion in how it spends approved target revenue once set. To strengthen accountability and stakeholder confidence that Western Power can deliver on its investment plans, Synergy recommends the ERA requires Western Power to provide greater transparency on:

- What expenditure and deliverables were proposed in AA5 but not delivered, and the reasons for any material variances.
- The degree of confidence and probability of delivery for major AA6 programs and projects, including key dependencies and constraints.
- How major programs will be monitored during AA6, including output and outcome measures and public reporting.

Such transparency is required to enable network users to form a view whether the ENAC objective is met.

8.2 Forecasting and efficiency incentives

Synergy recommends the ERA considers options to strengthen incentives for improved demand forecasting and delivery against expenditure forecasts, particularly where forecast errors can result in inefficient investment or material network and ultimately tariff impacts.

8.3 Capital vs non-capital costs

WA is experiencing rapid uptake of residential batteries across the SWIS. This is driven by a combination of customer preference, state and federal rebates, and new retail product offerings such as Synergy's Battery Rewards. Synergy would be pleased to share details of this uptake with the ERA on a commercially confidential basis.

The uptake of DER within the SWIS presents a significant opportunity to place downward pressure on network tariffs provided Western Power adopts solutions that involve non-capital costs rather than capital costs. However, to date there has been limited transparency as to what extent Western Power has adopted or intends to adopt to non-capital solutions.

Synergy supports arrangements that remove any bias toward capital expenditure where a non-capital solution would be lower cost overall. Synergy recommends the ERA requires Western Power to transparently forecast and report non-capital expenditure that is used to defer or avoid capital investment (including use of the D-factor mechanism), supported by ex-post evaluation of outcomes and benefits.

In particular, Synergy recommends that in the F&A the ERA requires Western Power to:

- Provide reference services that facilitate DER uptake by network users (refer section 3).
- Include a forecast and reasonable detail of the non-capital costs Western Power expects to incur in lieu of capital investment, identifying the opportunity for deferral or avoidance of capital works.
- Provide an ex-post AA5 assessment of the non-capital costs Western Power expected to incur in lieu of capital costs.

Such transparency is required for network users to:

- Form a view whether the requirements of section 5.2 of the ENAC has been met.
- Assess the effectiveness of the D-factor mechanism.
- Provide confidence that increases to Western Power's regulated asset base is only relates to the prudent and efficient costs of providing services to network users.

8.4 Avoiding double recovery and improving cost transparency

With the continuing evolution of the ESMR, Western Power may incur costs associated with new functions and services. Synergy recommends the ERA requires clear cost attribution to ensure that only efficient costs directly attributable to regulated network services are recovered through network tariffs and there is no over-recovery where costs should be recovered through market-based service charges or other mechanisms.

Synergy supports the use of targeted adjustment mechanisms (such as the IAM) for programs where outputs are uncertain or where costs are likely to vary materially, provided these mechanisms are designed with clear governance, reporting and ex-post efficiency review.

9 Uncertainty

Issue 8

The current regulatory framework includes a broad range of provisions that Western Power and the ERA can use to manage uncertainties. We are interested in stakeholder views on whether additional guidance about the use of these provisions is needed in the framework and approach.

The energy transition is inherently uncertain. The AA6 F&A can play an important role in reducing uncertainty for Western Power, end use customers, network users and investors by setting expectations for transparency, long-term planning and credible delivery commitments.

Synergy acknowledges a substantial transmission network build is required over the coming decades and supports prudent and efficient investment in the transmission and distribution network where it is aligned with the ENAC objective, SEO and Government policy. To support this, Synergy recommends Western Power provide a detailed 15 to 20 year energy infrastructure plan, including estimated costs, scenarios and indicative tariff impacts, and explain what is realistically deliverable during AA6.

Transparency of deliverability capability is critical to reducing uncertainty risk. With this in mind, Synergy recommends the ERA requires Western Power to provide and keep updated, information that helps stakeholders understand where and when network capacity will be available, including:

- Current and emerging network constraints and congestion (supported by a more dynamic and/or open source model of the power system – with anonymised data as required)and a clear view of planned alleviation works and timeframes.
- Transparent demand, DER and electrification forecasts, including sensitivities and key assumptions.
- A deliverability assessment covering workforce, supply chain and project sequencing risks and proposed mitigations.

By sharing an open and robust assessment of what needs to be done, where, when, and how much it costs, Western Power can help current and prospective network users understand where to invest and how private sector investment might be able to support the critical infrastructure build.

Synergy also supports the ERA providing additional guidance on how uncertainty mechanisms will be applied during AA6, including when mid-period revisions, trigger event processes or ex-post adjustments may be appropriate. Where possible, uncertainty should be managed through staged approvals, output-based allowances and transparent reporting, rather than transferring avoidable risk to customers.

Synergy seeks clarity in the F&A on how the ERA proposes to manage material regulatory uncertainties that may emerge during AA6 (for example, potential reforms to capital contributions and connection charging).