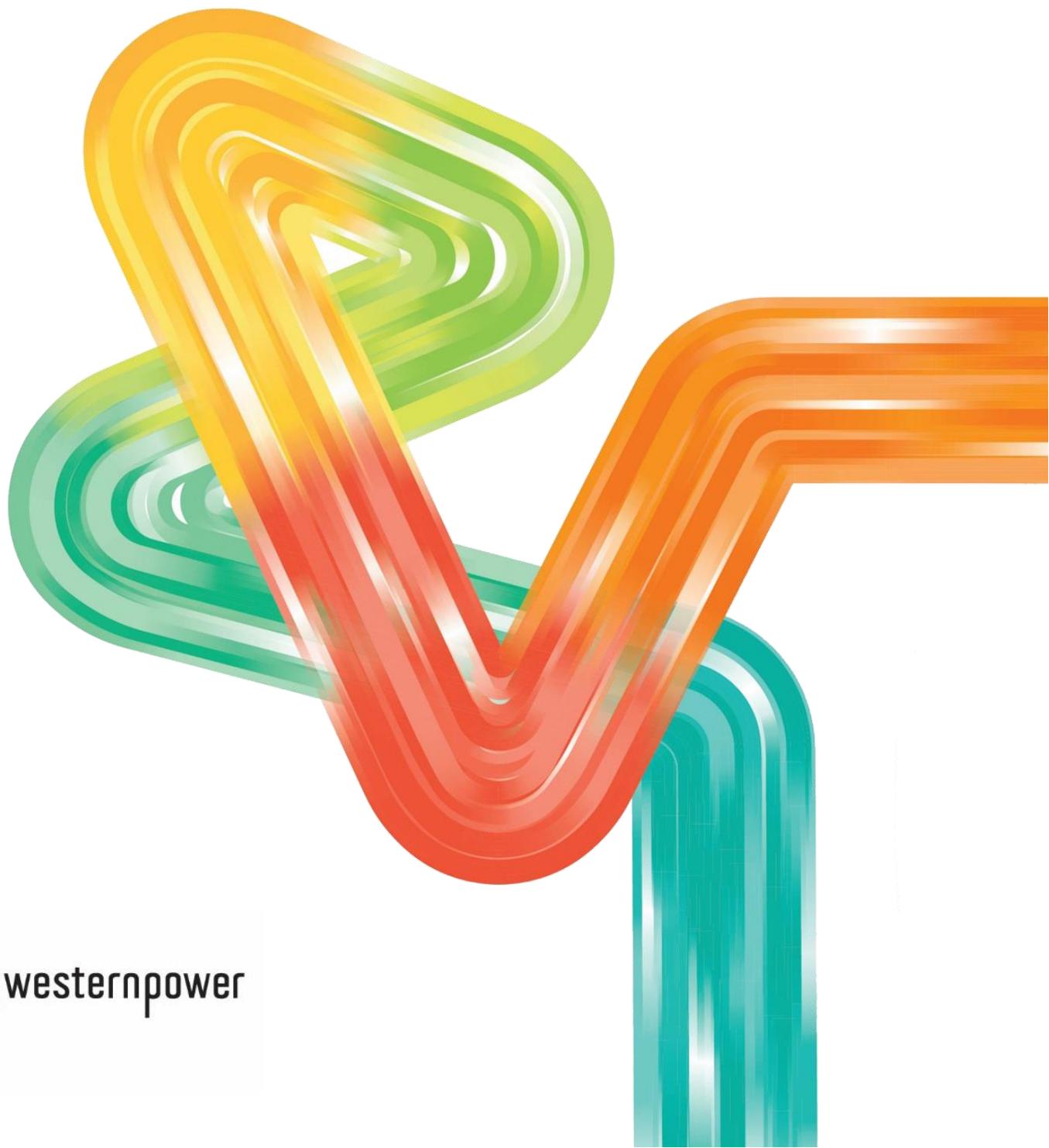


Framework and approach for Western Power's sixth access arrangement

Response to the ERA's issues paper

Companion summary

6 February 2026



What is this about?

Western Power is preparing for the next five-year regulatory period, known as the sixth access arrangement (AA6). This period runs from 2027 to 2032 and will be one of the most important in the history of the electricity network; it will determine how the network grows, modernises and responds to the State's long-term energy and economic goals.

The Economic Regulation Authority is now reviewing the “framework and approach” that will guide AA6. This step sets some of the rules before Western Power submits its full access arrangement proposal. These rules affect how network prices are set, how costs are recovered and how the network can respond to change.

The energy system in Western Australia is changing faster than ever. More rooftop solar, batteries and electric vehicles are connecting to the network. Climate related risks are increasing. At the same time, the State is working towards major decarbonisation goals as government and industries also move towards lower emission production.

Western Power needs a framework that can keep up with this pace of change and support stable, manageable costs for customers. The current rules were not designed for the scale of the transition now underway. With improvements, our customers, the Government and the network can be better positioned to manage emerging risks and take advantage of new opportunities.

What is being proposed?

Western Power is proposing a set of improvements to the regulatory framework supporting AA6. These changes are based on current practice in the east coast of Australia and overseas. They are designed to protect customers, support Government priorities and help the network respond to rapid change. The proposals include:

- **A fair and stable way to recover approved revenue**, so customers pay the right amount over time and network prices stay more predictable.
- **Flexible tools to manage uncertainty**, for example, by allowing the network to grow when demand increases, return funds when demand is lower, and adjust when operating costs change unexpectedly.
- **A stable, technology neutral tariff structure**, with small improvements to support customer needs and avoid unnecessary network costs.
- **Simple and transparent service performance measures**, so customers can see how the network is performing, and Western Power continues to demonstrate strong accountability.
- **Refinements to efficiency incentives**, so genuine cost savings are shared fairly with customers.

Together, these improvements create a more flexible and predictable framework that can respond to change while supporting stable and manageable costs for customers.

Why is this needed?

The current access arrangement framework was not designed for the pace and scale of today's energy transition. As a result, it creates risks for both customers and the State.

When demand or customer behaviour changes in unexpected ways, Western Power can under recover revenue and is not able to correct this later. When major cost pressures arise – such as supply chain issues,

extreme weather or changes in regulatory rules – the current framework provides limited ways to adjust. These gaps can lead to delays in important projects, higher long-term costs and more unpredictable network prices for customers.

Over time, these pressures also increase Western Power’s reliance on debt and reduce returns to Government. This limits the organisation’s ability to respond quickly to new priorities, including housing, industry development and decarbonisation.

The proposed improvements help manage these risks. They create a more flexible and transparent framework that can respond to change, support efficient investment and contribute to stable, manageable costs for customers. They also reflect Western Power’s ongoing focus on delivering services efficiently and ensuring the network is ready for the transition ahead. This will help support Western Australia’s long-term economic and energy goals.

What does this mean for customers and the community?

These improvements are designed to support practical, real-world benefits. If adopted, they would help:

- Support WA’s long-term energy and climate goals, including decarbonisation and economic development.
- Promote more predictable and stable network prices over time.
- Enable the network to keep pace with new homes, new industries and new technologies.
- Facilitate faster and more efficient investment in the infrastructure Western Australia needs.
- Strengthen protection against unexpected cost shocks, especially during periods of rapid change.
- Improve network reliability, including in regional areas where challenges are greater.