



## INFORMATION PAPER

# Ability for Western Power to deploy Stand-alone Power Systems

The Minister for Energy has given approval for regulations to be made under section 43(3) of the *Electricity Corporations Act 2005* (Corporations Act). These regulations will enable Western Power to provide SPS as a network replacement service within its distribution licence area.

### Overview

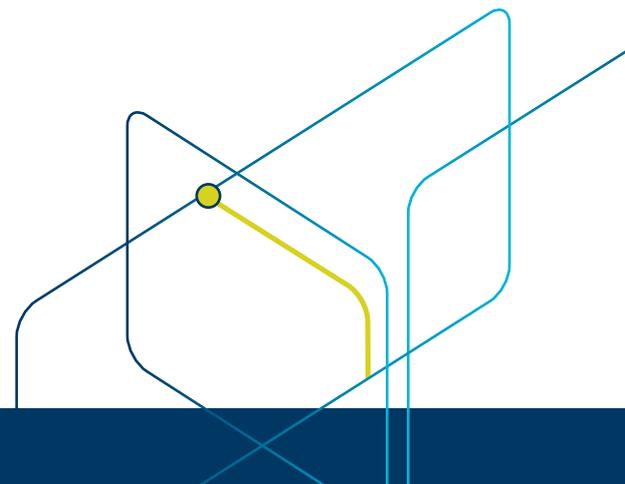
On 6 April 2020, the Governor of Western Australia gave Royal Assent to the 'Electricity Industry Amendment Act 2020' (the Amendment Act). The Amendment Act included a number of changes to relevant energy legislation to support the use of SPS, including:

- providing a legal definition of an SPS;
- confirming that Western Power has a statutory function, under section 41 of the Corporations Act, to provide SPS in a like manner to its existing electricity networks;
- allowing Western Power to provide SPS to supplement its network operator function to enhance the efficiency with which it can operate its business;
- providing that Western Power has the same power to access land for the purposes of SPS deployment as it does for traditional network infrastructure; and
- confirming that SPS can be regulated by the Electricity Networks Access Code 2004 (Access Code).

Changes to the Access Code (published in the Government Gazette on 18 September 2020) allow Western Power to recover the costs of SPS through regulated network tariffs, as SPS will be classified as part of the 'covered' (regulated) network.

Notwithstanding these amendments, the Corporations Act limits the performance of Western Power's functions to the South West Interconnected System (SWIS), which is defined as the interconnected transmission and distribution systems, generating works and associated works located in the South West of the State. This means Western Power is not able to provide SPS that are not physically connected to the poles and wires of the distribution network.

This information paper discusses the requirements for regulations to be made to facilitate SPS deployment by Western Power.



## Current SPS deployment arrangements

In 2016, Western Power commenced a [12 month trial](#) to test the suitability of SPS across six rural properties located in the Great Southern region of Western Australia. The trial exceeded expectations by significantly improving power reliability to customers and was extended for a further three years.

Over the trial, participants experienced a significant improvement in reliability, avoiding more than 200 hours of power interruptions with over 90% of power generated coming from solar PV. Customer satisfaction increased from a rating of six out of ten pre-trial to more than nine out of ten with SPS in place. The trial customers continue to receive their electricity through SPS.

Following the success of the trial, in December 2019, Western Power commenced [Round 1 of its SPS Program](#), which has seen 52 units installed across the Mid West, Wheatbelt, South West and Great Southern regions of Western Australia. Western Power is now planning for Rounds 2 to 4.

To date, in the absence of regulations, Western Power has deployed its SPS under interim arrangements which include:

- retaining (de-energised) distribution lines in situ after a customer has been provided with an SPS to ensure the customer remains connected to the network (in order for Western Power to comply with section 43(1) of the Corporations Act);
- installation of change-over switches installed at the distribution pole, which are used to maintain an interconnection with the grid by allowing for the switching between grid and SPS energy supply; and
- locating SPS units and associated trenching and cabling next to existing (distribution/transmission) network infrastructure in order to ensure they remain 'interconnected' to the SWIS.

## Proposed SPS deployment arrangements

To enable Western Power to deploy SPS without the requirement to retain a network connection, it is proposed that regulations be made under section 43(3) of the Corporations Act to allow Western Power to operate outside the interconnected SWIS.

Specifically, the regulations will allow Western Power to deploy SPS within its distribution licence area but without a physical connection to the SWIS. Western Power's distribution licence area is a geographical area and is published on the Economic Regulation Authority's (ERA) [website](#).

These amendments are not intended to enable Western Power to expand its service provision beyond the existing network. Their purpose is to enable Western Power to provide SPS as a network replacement service within its distribution licence area and avoid costs and impracticalities associated with maintaining a physical connection to the SWIS.

The geographic area specified in the regulations is the area as it is defined at the date the regulations are gazetted. Should the licence area be altered, the regulations will need to be updated.

The regulations will be provided to the Minister for Energy for final approval once the public comment period has closed and feedback has been considered.

## Feedback

Any comments on the [regulations](#) should be emailed to [submissions@energy.wa.gov.au](mailto:submissions@energy.wa.gov.au) by 17 December 2020.

## Energy Policy WA

(08) 6551 4600

[www.energy.wa.gov.au](http://www.energy.wa.gov.au)

[www.brighterenergyfuture.wa.gov.au](http://www.brighterenergyfuture.wa.gov.au)

[info@energy.wa.gov.au](mailto:info@energy.wa.gov.au)