



### Summary of stakeholder submissions received through the public consultation process for stand-alone power systems (SPS)

Organisation	Regulatory instrument	Summary of issue raised	Resolution/amendment
Synergy	Electricity Industry (Licence Conditions) Regulations 2005	<p>Synergy considers the proposed amendment regulations should also require the network operator to engage with applicable retailers in relation to:</p> <ul style="list-style-type: none"> <li>• SPS connection,</li> <li>• operation (including maintenance and modification) and decommissioning, to facilitate a good customer experience in relation to SPS.</li> </ul>	<p><b>Regulation amended.</b></p> <p>Energy Policy WA made the following amendment:</p> <ul style="list-style-type: none"> <li>• SPS Customer Engagement Strategy amended to the SPS Engagement Strategy to ensure that it covers retailers as well as customers;</li> <li>• The SPS Engagement Strategy as a condition under r.10 includes a provision to set out protocols for engagement and coordination with retailers who sell, or propose to sell, electricity through SPS.</li> </ul>
	Electricity Regulation (Obligation to Connect) Regulations 2005 r. 5A(2)	<p>The regulations should specify that the distributor’s contract referred to in regulation 5A(2) must be “fair and reasonable” and that this requirement should be a condition of a distribution licence.</p>	<p><b>No change.</b></p> <p>There is no reference to 'fair and reasonable' in the existing Obligation to Connect Regulations. The wording under r. 5A(2) replicates existing wording. There is no appetite to introduce new wording into the regulations.</p>

Organisation	Regulatory instrument	Summary of issue raised	Resolution/amendment
		<p>The regulations should be amended to state in the event a distributor requires a third party to enter a contract to (in effect) pay for an SPS then the contract must specify that the distributor cannot charge an amount that is greater than the cost that efficiently minimises the costs in accordance with accepted good industry practice as it would be applied by a prudent distributor.</p> <p>(Synergy considers that the current wording is discretionary). This requirement should be a condition of a distribution licence.</p>	<p><b>No change.</b> The regulations are drafted independent of ownership/who provides the assets.</p>
		<p>The regulations should specify that in the event an SPS forms part of a covered network then the cost of the SPS to be recovered from a third party must also satisfy the new facilities test under clause 6.52 of the Electricity Networks Access Code 2004 (Access Code).</p>	<p><b>No change.</b> Energy Policy WA considers that there is no need to import Access Code requirements into the Obligation to Connect Regulations.</p>
	<p>Electricity Regulation (Obligation to Connect) Regulations 2005 r. 5A(2)(a)</p>	<p>Reference to “provide an SPS” in regulation 5A(2)(a) is clarified to make it clear whether this relates to the connection of an SPS or the connection and operation of an SPS.</p>	<p><b>No change.</b> Energy Policy WA considers it unlikely an SPS would be connected but not operated.</p>
	<p>Electricity Regulation (Obligation to Connect) Regulations 2005 5A(3)</p>	<p>Regulation 5A(3) states: “The distributor may require that a contract be entered into with the distributor for the transport of the electricity to be supplied by the SPS.” Synergy queries whether this provision is a drafting error because it contemplates that the distributor would enter a contract with themselves for the transport of electricity.</p>	<p><b>No change.</b> This drafting replicates existing obligations in the Obligation to Connect Regulations.</p>

Organisation	Regulatory instrument	Summary of issue raised	Resolution/amendment
	Electricity Regulation (Obligation to Connect) Regulations 2005 r. 10 (2)	<p>Synergy queries whether the reference to “50MWh of electricity per annum” in regulation 10 (2) is intended to apply at an SPS connection point or not.</p> <p>As the provision is currently drafted the threshold would apply in aggregate to all customer sites and not limited to an SPS connection point.</p>	<p><b>No change.</b></p> <p>R. 10 (2) applies to a 'customer'. Contestability is applied in terms of a customer and is not cumulative/aggregated.</p>
	<i>Electricity Industry Act 2004; and Electricity Corporations Act 2005</i>	<p>Synergy queries whether EPWA has reviewed the definitions of “South West Interconnected System” within both Electricity Industry Act 2004 and Electricity Corporations Act 2004 Acts to determine whether an SPS falls under both definitions as this may have electricity licence area and electricity corporation function ramifications.</p>	<p><b>No change.</b></p> <p>Energy Policy WA amended the area of operations regulations <a href="#">Electricity Corporations (Electricity and Retail Corporation Area of Operation) Amendment Regulations 2021</a> to address this issue.</p>
	Renewable Energy Buyback Scheme (REBS) and the Distributed Energy Buyback Scheme (DEBS) – <i>(neither of these schemes were the subject of the proposed amendments)</i>	<p>Synergy’s REBS and DEBS operate based on two key principles:</p> <ol style="list-style-type: none"> <li>1. the energy purchased from the customer by Synergy is the surplus renewable energy generated and transferred (i.e. exported) into the SWIS; and</li> <li>2. Synergy can take delivery of the export from a customer’s premises through the SWIS.</li> </ol> <p>However, under a SPS supply arrangement Synergy cannot take delivery of the electricity it has purchased within the SWIS and therefore cannot on-sell that electricity to customers elsewhere in the SWIS.</p> <p>The obligation to purchase renewable energy / distributed energy under REBS/DEBS via an SPS poses a potential financial detriment to Synergy.</p>	<p><b>Under consideration.</b></p> <p>Energy Policy WA understands the principles on which the energy buy-back schemes are based. This issue is under further consideration and a final policy decision will be made in due course.</p>
<b>Horizon Power</b>	Electricity Industry (Obligation to Connect) Regulations 2005	<p>Horizon Power considers four months insufficient to comply with r.6 (2B) which sets out the period for providing an SPS (procurement and installation) to a customer. A time limit of six months rather than four months is considered more appropriate.</p>	<p><b>Regulation amended.</b></p> <p>Energy Policy WA understands that there has been supply chain disruption to the industry because of COVID-19 and agreed to increase the timeframe for complying with r.6 (2B) from four to six months under the Electricity Industry (Obligation to Connect) Regulations 2005.</p>

Organisation	Regulatory instrument	Summary of issue raised	Resolution/amendment
	Electricity Industry (Stand-Alone Power Systems) Regulations 2021	Horizon Power indicated that there are several cases for an SPS where the numbers of customers could exceed five and requests that EPWA consider whether there may be an alternative formulation that would allow flexibility to deal with such cases.	<b>No change.</b> The Electricity Industry (Stand-Alone Power Systems) Regulations 2021, which prescribe the number of customers an SPS can serve as five, will not preclude Horizon Power from deploying an SPS to serve more than five customers.
<b>Australian Energy Council (AEC)</b>	Electricity Industry (Licence Conditions) Regulations 2005	The AEC suggests that it should be a condition of the distribution licence held by Western Power and Horizon Power that they must actively consult with retailers, customers, and other relevant stakeholders in putting-together the Strategy.	<b>No change.</b> Western Power and Horizon Power are required to provide details of their SPS Engagement Strategy on their respective websites allowing customers and/or other retailers the ability to provide feedback or seek further clarification if needed.
		The Strategy should establish how customer complaints can be lodged, and addressed, with Western Power or Horizon Power before the matter is escalated to the electricity ombudsman.	<b>No change.</b> This will not be a regulated obligation, but Energy Policy WA has recommended that the SPS Engagement Strategy include details regarding the customer complaints procedure.
<b>Western Power</b>	All	Western Power is supportive of the regulatory amendments and noted that it will continue to monitor the implications of the proposed changes on the delivery of the SPS program over time and will continue to engage with Energy Policy WA in relation to any new insight or unexpected or unintended consequences of the proposed regulation changes.	

## Energy Policy WA

(08) 6551 4600 | [info@energy.wa.gov.au](mailto:info@energy.wa.gov.au)

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

**Disclaimer:** The material provided in this information sheet is general in nature and a guide only. It does not take your personal circumstances into account and so you cannot rely solely upon this material when deciding to act. Additional matters or factors may be relevant to you. Where appropriate, seek professional advice.