

10 March 2023

Mr Jai Thomas
Coordinator of Energy
Energy Policy WA
Department of Mines, Industry Regulation and Safety

Sent via email: EPWA-info@dmirs.wa.gov.au

Energy Policy WA – Electricity Industry Amendment Bill – Consultation Paper

Dear Mr. Thomas,

Energy Networks Australia (**ENA**) appreciates the opportunity to respond to the Department of Mines, Industry Regulation and Safety's consultation on the proposed introduction of a State Electricity Objective (**SEO**) under the Energy and Governance Legislation Reforms.¹

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

ENA supports the introduction of singular and overarching SEO in Western Australia. As outlined in the Consultation Paper, the introduction of a singular SEO will provide a consistent, overarching objective for the State's electricity regulatory framework, and will remove duplication and potential inconsistent objectives across regulatory instruments.

ENA also strongly supports inclusion of the environment, including emissions reduction, into the SEO. Network service providers are essential partners in supporting government commitments to achieve a decarbonised, modern, and reliable grid, and consideration of the environment in the electricity objective will appropriately broaden the scope of the regulator's decision-making powers.

However, sufficient guidance, for both regulators and regulated entities, is necessary to give certainty to how the proposed three limbs of the SEO should interact and how to appropriately balance long term goals. This guidance should assist participants in understanding how the SEO will be applied, thereby allowing stakeholders to reasonably understand likely changes in analytical or assessment processes.

¹ Department of Mines, Industry Regulation and Safety – Energy Policy WA, [Electricity Industry Amendment Bill: Consultation of the proposed State Electricity Objective](#), [insert release date – normally month and year].

Proposed State Electricity Objective

When considering the drafting of the final SEO, ENA recommends that the Department give consideration to the following amendments:

- » inclusion of security in the first limb ('quality, safety, **security** and reliability of supply of electricity') to reflect the importance of this goal to a well-functioning electricity system. This would also align with the National Electricity Objective in the National Electricity Market (**NEM**), which also recognises the security of supply of electricity,
- » recognition of the long-term interests of consumers of **energy** rather than solely electricity. This amendment acknowledges the potential for interactions between electricity and gas markets and would align with the proposed amendments to the National Electricity Objective and National Gas Objective in the NEM², and
- » a potential broadening of the proposed definition of electricity services to include both the generation **and storage** of electricity given the likely increased role for storage in the energy transition and beyond.

ENA also recommends that the Western Australian Parliament give priority to adopting the amended National Gas Law once the proposed amendments to incorporate an emissions reduction component into the National Gas Objective have been passed. The incorporation of an emissions reduction objective relevant to Western Australia assists in the transition to renewable gases and supports the gas sector's own decarbonisation journey.

If you wish to discuss any of the matters raised in this response further, please contact Victoria Baikie, Economic Analyst, on vbaikie@energynetworks.com.au.

Yours sincerely,



Garth Crawford
Acting Chief Executive Officer

² In acknowledgment of the potential for interactions between electricity and gas markets, the NEM consultation is proposing to (among other items) replace references to "consumers of electricity" and "consumers of natural gas" with "consumers of energy" in the National Electricity Objective and National Gas Objective.