

# Eastern Metropolitan Regional Council

## Energy Sector Governance

### Proposed Changes to the Regulatory Framework Consultation Paper



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Submitted via Email: [submissions@energy.wa.gov.au](mailto:submissions@energy.wa.gov.au)

**Eastern Metropolitan Regional Council**  
226 Great Eastern Highway, Ascot WA 6104  
PO Box 234, Belmont WA 6984

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## 1. Energy Sector Governance

### 1.1. Proposed Changes to the Regulatory Framework Consultation Paper

Thank you for this opportunity to make this submission on the Consultation Paper above as an AEMO participant.

The EMRC operates two waste management facilities on behalf of six member councils in Perth's Eastern Region together with three Community Recycling Centres (Transfer Stations). Our waste management processes are directed towards using world's best practice to recycle material considered to be waste by some clients to products required by others in WA. In some cases the embodied energy in some forms of waste can be efficiently transformed into sustainable energy to be used by others.

Landfill gas is converted to electricity at one of our facilities, the Red Hill Waste Management Facility, as a 3.6MW base load generator, which is fed into the grid. A major pyrolysis plant is about to be commissioned at the EMRC's Hazelmere Resource Recovery Park to produce a further 3MW. The EMRC has plans to invest in further recycling facilities into the future that can also produce sustainable energy either as gas or electricity. In addition to this the EMRC is investigating the options for potential wind/solar farm development on its Red Hill site.

By their very nature, waste management facilities are never adjacent to residential or industrial plants. The issue is the high cost of transporting electricity over networks. The EMRC notes network costs have risen from 30% of the electricity tariff price stack to over 50% in the past three years during its planning processes.

The EMRC supports the overarching terms of reference for the WA Government's Energy Transformation Strategy, viz:

- maintain a secure and reliable electricity supply;
- ensure affordable electricity for households and businesses;
- reduce energy sector emissions;
- transition affected workers in the Collie region from the move away from coal; and
- promote local jobs and growth.

### 1.2. Affordable Electricity for Residents and Businesses

Affordable electricity for residents and businesses requires the network cost problem to be solved. The EMRC supports the proposed changes in the electricity market that must maintain a secure and reliable electricity supply, acknowledging that sometimes these viewpoints on cost and a secure and reliable supply can be conflicting.

The EMRC has also noted the various bodies within the Energy Transformation process so far has been comprised of government policy officers, calling on experts from the government electrical entities, the Economic Regulation Authority (ERA) and the Australian Energy Market Operator (AEMO). No doubt this is a function of the technical and legal aspects of the task. The Market Advisory Committee (MAC) had previously had industry representation and it would be problematic if industry representation is diluted when the Rule Change process moves away from the MAC.

The EMRC acknowledges that the appointment of the MAC, Rule Change Panel (RCP) and the independent Chairman has some industry business involvement.

Further, the Reviews to be conducted by the Coordinator are to expressly identify what the impact of proposed changes will have on the total cost of electricity to customers. In addition, the Coordinator must carry out an annual review of the total cost of electricity to consumers and report to the Minister the changes in components.

**Rule 2.17.2** - should include the annual review of the cost of electricity to the customer as a specific subclause.

The EMRC would welcome further discussion on this submission and the impacts of the proposed changes to the regulatory framework.

*Steve Fitzpatrick*

Stephen Fitzpatrick

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Date



**Contact Details**

Stephen Fitzpatrick  
Waste & Resources Recovery Specialist

Eastern Metropolitan Regional Council  
226 Great Eastern Highway, Ascot WA 6104

EMRC: 08 9424 2222  
Direct: 08 9424 2232  
Email: [stephen.fitzpatrick@emrc.org.au](mailto:stephen.fitzpatrick@emrc.org.au)  
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