



Information

Tranche 2 amendments to the Access Code

Changes made following industry consultation

30 July 2021

A second tranche of amendments to the Electricity Networks Access Code (2004) (Access Code) were gazetted today as part of the WA Government's Energy Transformation Strategy.

Summary of the key amendments

Improving Access to the Western Power Network

Amendments are made to the Electricity Transfer Access Contract (ETAC), Applications and Queuing Policy (AQP), and Contributions Policy. These are the key documents that govern connection and access to Western Power's network.

The amendments clarify the operation of these documents under a constrained network access regime and are required to address a timing mismatch between the commencement of constrained access and Western Power's fifth Access Arrangement

Bringing forward the recovery of Western Power's deferred revenue

In Western Power's second Access Arrangement, the regulatory treatment of capital contributions was changed, resulting in an increase in Western Power's revenue, the majority of which was deferred. During Western Power's third Access Arrangement, the Economic Regulation Authority (ERA) set the recovery period ultimately to 42 years for distribution revenue and 50 years for transmission revenue.

The amendments to the Access Code provide for the recovery of this deferred revenue over Western Power's fifth Access Arrangement period, and are drafted such that the recovery of the deferred revenue will not result in an increase in network price when compared with Western Power's fourth Access Arrangement.

Other minor amendments

More flexibility has been introduced to the consultation process for the development of guidelines by removing maximum timeframes for consultation, allowing for additional consultation to be undertaken, and allowing extensions to deadlines for consultation (subject to the decision maker meeting certain requirements).

Excess network user charges will also be set at a level that acts as a disincentive to users exceeding their contractual entitlements to transfer electricity in and out of the network.

Changes to the proposed amendments following the consultation process

Following consultation with industry, Energy Policy WA has made the following changes to two amendments that relate to Improving Access to the Western Power Network.

Applications to increase an existing user's contracted capacity

Energy Policy WA proposed a new clause 10.2(e) and associated amendments to Western Power's AQP that would only require Western Power to accept applications to increase the user's contracted capacity if the user agreed to have all of its contracted capacity at the connection point to be curtailable.

As this is not essential for the implementation of constrained access, the proposed amendment has not been adopted and do not form part of the Tranche 2 changes that were gazetted.

Capacity allocation swap service

Energy Policy WA proposed amendments that would result in the removal of the reference services for capacity allocation swaps (reference services D2-D5) that were approved by the ERA in Western Power's fourth Access Arrangement.

Capacity swaps allow users to share capacity (generation and load) at different connection points under their access contracts. The concept of capacity allocation swaps for entry services is no longer applicable under a constrained network access regime and these services will no longer be available.

However, reference services relating to the sharing of load capacity will be retained for the remainder of Western Power's fourth Access Arrangement and their continued relevance can be reviewed as part of the fifth Access Arrangement process (given that these services have not been utilised by any market participant).