



## Consultation Paper

# Electricity Corporations (South West Interconnected System Prescribed Customers) Order 2021 – Electricity Retail Contestability Threshold

November 2021

## Background

The Electricity Corporations (Prescribed Customers) Order 2007 (**Order**) was made by the then Minister for Energy in accordance with section 54(4) of the *Electricity Corporations Act 2005* (**the Act**) and came into operation on 1 July 2007. The Order was made to apply the State Government policy position regarding retail electricity contestability in the South West Interconnected System (**SWIS**).

Section 54(2) of the Act provides that a distribution licence does not authorise the Electricity Networks Corporation (Western Power), or a subsidiary of that corporation, to supply services for the purpose of the supply of electricity to a prescribed customer by a person other than the Electricity Generation and Retail Corporation (Synergy), or by a subsidiary of that corporation.

A 'prescribed customer' is a customer of a class prescribed by order under section 54(4) of the Act. Section 54(5) of the Act provides that a class of customers may be prescribed by reference to an amount of electricity that has been consumed by a customer within a specified period, or an estimate of the amount of electricity that will be consumed by a customer within a specified period.

The Order currently designates that prescribed customers are of a class where each customer consumes, or could reasonably be expected to consume, not more than 50 megawatt hours of electricity per annum at an exit point.

## The issue

As noted above, the Order currently only refers to electricity consumption at an exit point. This is out of step with an increased prevalence of bidirectional services associated with the uptake of solar photovoltaic (PV) energy systems in the SWIS.

Bidirectional services refer to the exporting and importing of energy to, and from, the electricity network.

Energy Policy WA notes that without any changes to the Order electricity customer network connections that fall outside of the exit service definition may not be captured by the restriction in the Order.

On this basis the customer connections that fall outside of the designation as an exit point would be considered contestable and available to be supplied by retailers other than Synergy, including customers with solar PV installations. This is not consistent with the intent of the Order and the current State Government policy position on electricity retail contestability within the SWIS.

Energy Policy WA considers that there is a need to amend the Order to preserve the current Government policy position on electricity retail contestability in the SWIS. That is, for customers with electricity consumption not exceeding 50 MWh per annum at an exit point to be restricted to having Synergy as the designated electricity retailer.

## The proposed solution

The Minister for Energy has endorsed Energy Policy WA progressing an amended version of the Order to preserve the current Government policy position on electricity retail contestability in the SWIS. A copy of the proposed Electricity Corporations (South West Interconnected System Prescribed Customers) Order 2021 (**SWIS Order**) is attached to this paper.

The new draft SWIS Order provides that customer connections with electricity consumption not exceeding 50 megawatt hours per annum at a supply point are to be restricted to having Synergy as the designated electricity retailer. The definition of 'supply point' in the SWIS Order includes either a 'bidirectional point' or an 'exit point' as defined in section 1.3 of the Electricity Networks Access Code 2004.

The draft SWIS Order uses a similar approach to a separate order made under section 54 of the Act that applies to Horizon Power in the Pilbara (the Electricity Corporations (Pilbara Prescribed Customers) Order 2021).

## Request for stakeholder input

Energy Policy WA is seeking stakeholder input as to any drafting errors or unintended consequences of the attached draft SWIS Order by **5:00 PM (AWST) on 10 December 2021**. Feedback can be emailed to [submissions@energy.wa.gov.au](mailto:submissions@energy.wa.gov.au).

Any enquiries on this matter should be directed to Matthew Martin, Director – Consumer Policy at [Matthew.Martin@energy.wa.gov.au](mailto:Matthew.Martin@energy.wa.gov.au) or (08) 6551 4640.

### Energy Policy WA

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Western Australia

**Electricity Corporations (South West  
Interconnected System Prescribed Customers)  
Order 2021**

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## **Electricity Corporations (South West Interconnected System Prescribed Customers) Order 2021**

Made by the Minister.

### **1. Citation**

This order is the *Electricity Corporations (South West Interconnected System Prescribed Customers) Order 2021*.

### **2. Commencement**

This order comes into operation as follows —

- (a) clauses 1 and 2 — on the day on which this order is published in the *Gazette*;
- (b) the rest of the order — on the day after that day.

### **3. Declaration of class of customers (Act s. 54(4)(a))**

- (1) In this clause —

***commencement day*** means the day on which this clause comes into operation;

***supply point*** means —

- (a) a bidirectional point as defined in the *Electricity Networks Access Code 2004* section 1.3; or
- (b) an exit point as defined in the *Electricity Networks Access Code 2004* section 1.3.

- (2) The class of customers declared to be prescribed customers for the purposes of section 54(2) of the Act is each customer who, on and from commencement day, never consumes, and could

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reasonably be expected by the Electricity Networks Corporation to never consume, 50 MWh or more of electricity in a 12-month period at each supply point through which electricity is supplied to that customer.

- (3) However, a customer is not a member of the class described in subclause (2) if the customer consumed 50 MWh or more of electricity at a supply point in any 12-month period between 1 July 2007 and the day before commencement day.

**4. Order revoked**

The *Electricity Corporations (Prescribed Customers) Order 2007* is revoked.

Minister for Energy