



Government of **Western Australia**
Department of **Mines, Industry Regulation and Safety**
Energy Policy WA

Proposed licence exemptions for the construction of electricity and gas distribution systems by third party developers

Consultation paper

September 2023

Working together for a **brighter** energy future.

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1. Overview

1.1 Introduction

The [Electricity Industry Act 2004](#) (Electricity Industry Act) and the [Energy Coordination Act 1994](#) (Gas Act) require, respectively, persons that construct or operate an electricity or gas distribution system to hold either a licence or an exemption from the requirement to hold a licence.

These obligations are intended to ensure that customers receive safe, secure and reliable electricity or gas supplies through distribution systems.

Energy Policy WA understands that property developers are often responsible for constructing electricity distribution systems at larger land subdivisions and potentially other situations, with ownership of the system being transferred to a licensed or exempt distributor to operate. Property developers may also be responsible for constructing gas distribution systems in some circumstances.

While a licence exemption is in place for property developers constructing gas distribution systems, there is no equivalent exemption for the construction of electricity distribution systems. Although third party developers may have been constructing electricity distribution systems without a licence or an exemption in place, other oversight mechanisms are applied to this activity, including technical and connection requirements imposed by the electricity distributor who will ultimately operate the system.

Energy Policy WA is not aware of any level of concern with the current arrangements for the construction of electricity distribution systems by third party developers that would justify the costs and regulatory burden of requiring an electricity distribution licence for this activity.

Energy Policy WA is therefore considering the merits of a licence exemption to largely formalise existing practices.

The purpose of this consultation paper is to seek feedback from interested parties on the proposal to implement a licence exemption for third party developers constructing electricity distribution systems, and whether this exemption should be limited to property developers constructing such systems at subdivided properties or be applied more broadly. In this paper, Energy Policy WA also considers whether the existing licence exemption for property developers to construct gas distribution systems remains fit for purpose.

- Section 2 of this paper sets out the regulatory framework and oversight mechanisms applicable to the construction of electricity and gas distribution systems by property developers.
- Section 3 sets out Energy Policy WA's preliminary findings which have informed the licence exemption proposals.
- Section 4 sets out the proposed licence exemptions and an assessment of the extent to which they meet the public interest test that must be considered by the Governor in order to approve an exemption.

Stakeholders should note that, in parallel to this process, the Department of Mines, Industry Regulation and Safety – Building and Energy Group (Building and Energy), is exploring options to clarify application of the [Electricity \(Network Safety\) Regulations 2015](#) to the construction of electricity networks by third-party developers.

1.2 Summary of proposal

Energy Policy WA proposes to amend the [Electricity Industry Exemption Order 2005](#) (the Exemption Order) to provide a licence exemption to property developers, and potentially more broadly to third-party developers, that construct electricity distribution systems at land subdivisions.

The existing exemption in the [Energy Coordination Exemption Order 2009](#) (the Gas Order) (relevant section reproduced in Appendix A) is proposed to be amended to formalise additional controls over the construction of gas distribution systems, aligned to current best practice.

The proposed exemptions would in both cases be subject to a condition that the party constructing the distribution system form an agreement with the relevant licensed or exempt distributor regarding system design and construction requirements before construction commences. The agreement would also be required to facilitate distributor inspections during the construction process ahead of the transfer of system ownership.

Importantly, the proposed licence exemptions would only apply to the **construction** of a distribution system and not relieve a developer of the requirement to be licensed to **operate** that distribution system.

Details of the proposed regulatory amendments and initial public interest test assessment are presented in section 4.

1.3 Request for stakeholder feedback

Energy Policy WA requests that stakeholders provide feedback on:

- the scope of the proposed licence exemptions;
- the appropriateness of the proposed exemptions and proposed conditions of exemption, as outlined in section 4; and
- whether there are any other matters not raised in this paper that Energy Policy WA should take into consideration.

Please specify if your comments apply to electricity and/or gas distribution systems.

1.4 Information requests

Requests for information relating to this process will be treated in accordance with the *Freedom of Information Act 1992* (WA) and Energy Policy WA processes.

1.5 Making a submission

Submissions are requested by 5.00pm (WST) on Tuesday 7 November 2023 and can be provided by email to EPWA-Submissions@dmirs.wa.gov.au. Please contact Charlotte Nobbs, Policy Analyst – Energy Policy WA, if you have any queries via EPWA-licence-exemptions@dmirs.wa.gov.au. All submissions received will be published on the Energy Policy WA website, unless a specific request for confidentiality is made.

1.6 Next Steps

Following public consultation, Energy Policy WA will consider the submissions made and provide a regulatory proposal to the Minister for Energy for approval.

Activity	Timing (indicative)
Publish consultation paper	September 2023

Activity	Timing (indicative)
Review submissions	November – December 2023
Seek Ministerial permission to draft licence exemptions in the Electricity Order and the Gas Order	December 2023
Drafting and preparation of licence exemption documents	January – February 2024
Ministerial Approval of draft exemptions	March 2024
Submission of draft amendments to Executive Council for approval	March 2024
Implementation	April 2024

2. Regulatory Framework

2.1 Electricity industry

The Electricity Industry Act was established at a time when licensed electricity distributors such as Western Power constructed distribution systems at land subdivisions, whereas it is now common for property developers to construct them.

Clause 3(1)) of the Electricity Industry Act defines an electricity distribution system as:

“Electricity infrastructure used, or to be used, for, or in connection with, or to control, the transportation of electricity at nominal voltages of less than 66 kV.”¹

This includes underground distribution systems that connect to homes, streetlights and other electrical infrastructure.

Property developers usually design and construct electricity distribution systems at property subdivisions into **more than four freehold lots**. Property subdivisions at developments resulting in three or fewer lots usually involve the licensed distributor (Horizon Power or Western Power) constructing the distribution system² under the authority of a licence.

Appendix B provides details on Western Power construction processes for electricity distribution systems at developments comprising more than four lots (the process is similar in the Horizon Power service area) and Figure 1 below presents an overview of the process for property developers constructing electricity distribution systems at larger subdivisions. While a similar process may also apply to construction of a gas distribution system, Energy Policy WA understands that this occurs less frequently.

Appendix C describes Horizon Power’s construction process for small developments of up to four lots (again the process is similar in the Western Power service area).

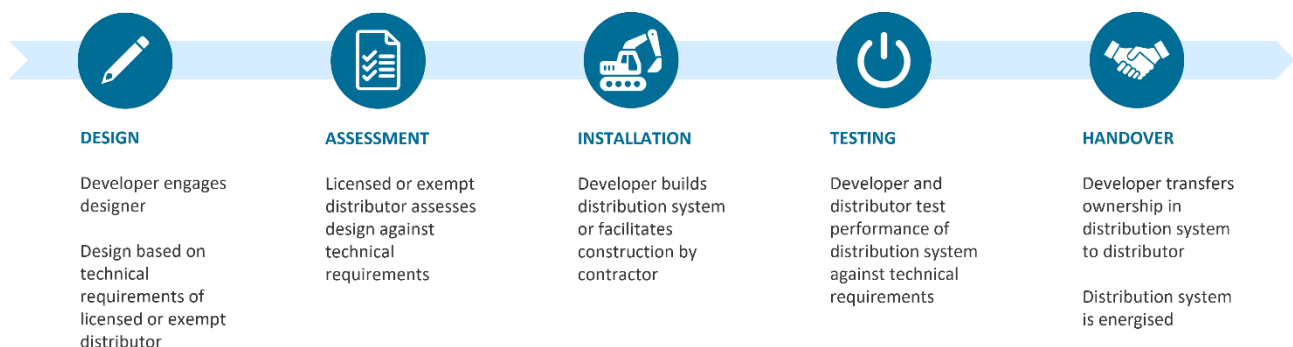


Figure 1: Overview of process to construct electricity distribution systems at larger subdivisions

Energy Policy WA understands that property developers have not been applying for licences to construct electricity distribution systems on the belief that where system ownership is transferred or gifted to the holder of a distribution licence or licence exemption, a licence or exemption is not required to construct the system.

¹ Clause 4 of the Electricity Industry Amendment (Distributed Energy Resources) Bill 2023 seeks to amend this definition such that the 66kV limit will not be hardcoded into the Act. The amendment will permit this boundary to be prescribed by regulations.

² Western Power [Underground Distribution Schemes Manual](#) (p.29) and Horizon Power [Underground Distribution Schemes Manual](#) (p. 29).

2.2 Gas industry

The Gas Act defines a gas distribution system as:

- a) *“a system of pipelines, mains, and gas service pipes, designed to operate at a pressure of less than 1.9 megapascals, for the transportation of gas to customers; or*
- b) *any other part of the gas distribution system (as defined in section 90 of the Gas Corporation Act 1994 repealed by section 93 of the Gas Corporation (Business Disposal) Act 1999) at the time when a distribution licence is first issued for all or any part of that system (regardless of the pressure at which it is designed to operate),*

and any associated apparatus, facilities, structures, plant, or equipment;”

ATCO Gas Australia Pty Ltd owns and operates the largest gas distribution system in the State servicing Perth, Busselton, Geraldton and other locations in the Mid-West and South-West regions. Energy Policy WA understands that property developers building a gas-connected subdivision within the ATCO service area usually select an ATCO preferred contractor to construct the gas distribution system if it is required. Unlike in the electricity industry, ATCO will itself engage the selected contractor to undertake the work and therefore construction occurs under authority of its distribution licence. A licence exemption would not be required in this case.

Property developers may however still construct gas distribution systems and transfer ownership to a licensed gas distributor, for instance in regional locations outside of the ATCO service area. Where the distribution licence holder is not responsible for engaging the contractor who constructs the distribution system, the property developer must hold a licence or licence exemption to construct the system.

The Gas Order currently provides a distribution licence exemption for property developers that construct gas distribution systems at land subdivisions (see Appendix A). Exemption conditions include that a property developer must provide the Coordinator of Energy and the Director of Energy Safety with evidence that it has an agreement with a licensed distributor about the design characteristics of the system prior to construction. Energy Policy WA considers in this paper whether these conditions remain fit for purpose and should be retained, given the level of oversight by a licensed gas distributor during the construction phase.

2.3 Regulatory framework

The following instruments form the regulatory framework for the licensing and oversight of persons that construct or operate electricity and gas distribution systems in Western Australia, including property developers.

2.3.1 Electricity Industry Act 2004

As discussed above, the Electricity Industry Act establishes the licensing and exemptions framework for persons that construct or operate electricity distribution systems:

Distribution licences	<ul style="list-style-type: none"> • Western Power and Horizon Power are the largest licensed distributors in Western Australia. • As of August 2023, there were no property developers in the State holding an electricity distribution licence. These developers may construct electricity distribution systems at land subdivisions that connect to networks owned and operated by the licensed distributors.
Distribution licence exemptions	<ul style="list-style-type: none"> • Section 8 of the Electricity Industry Act enables the Governor to, by order, exempt a person or class of persons from the requirement to hold a distribution licence if he or she is satisfied it would not be contrary to the public interest to do so. • The Governor may impose conditions to an exemption that a person must comply with to remain exempt, for example an obligation to supply records to the Coordinator of Energy or adhere to other regulatory instruments.
Network Connection Requirements	<ul style="list-style-type: none"> • The Electricity Networks Access Code 2004 (the Access Code) provides a framework for the preparation, approval and review of network access arrangements. • Property developers constructing electricity distribution systems are required to ensure that the systems will, once energised following completion, comply with the technical performance and design requirements of the licensed or exempt network to which they connect³. Developers constructing systems in accordance with these requirements may then facilitate transfer of ownership to the distributor.

2.3.2 Electricity Act 1945

This Act establishes a framework regulating the performance of electrical work, including construction of electricity distribution systems. This framework addresses the persons who may lawfully perform electrical work, the standards to which electrical work must be completed and the work practices applicable to the performance of electrical work. The relevant requirements are primarily contained in the subordinate Electricity (Network Safety) Regulations 2015 and the Electricity (Licensing) Regulations 1991.

³ [Technical Rules | Western Power | Electricity Network Operator](#) and [Technical Rules - MASTER.docx \(horizonpower.com.au\)](#)

<p><u>Electricity (Network Safety) Regulations 2015</u></p>	<ul style="list-style-type: none"> • The Regulations impose general and specific safety obligations on network operators with respect to the design and construction of electricity distribution systems. • In setting specific safety obligations, the Regulations split electricity distribution systems into two general classes, those belonging to expressly identified major network operators and those belonging to other network operators licensed or required to be licensed under the Electricity Industry Act. • Major network operators are required to develop, implement, and maintain an 'electricity network safety management system' for an electricity distribution system, compliant with AS 5577-2013. This provides major network operators with a degree of flexibility as to how they design and construct the electricity distribution system and the work practices which they employ. • Other network operators licensed or required to be licensed under the Electricity Industry Act are required to design and construct electricity distribution systems and employ work practices in accordance with prescriptive standards applied through the Regulations. • The Regulations do not apply to network operators operating under a distribution licence exemption unless they are expressly identified as being a major network operator.
<p><u>Electricity (Licensing) Regulations 1991</u></p>	<ul style="list-style-type: none"> • The Regulations establish a safety related licensing framework for persons that perform electrical work by imposing minimum requirements and regulating conduct. • Property developers engage licensed electrical contractors and workers to build electricity distribution systems to meet safety and performance requirements. • These Regulations also prescribe the applicable design and construction standards for the electricity distribution systems of exempt operators not expressly identified as being captured by the Electricity (Network Safety) Regulations 2015.

The construction of an electricity distribution system by a property developer with the intended transfer to a licensed or exempt electricity distributor to operate was not contemplated in the design of the Electricity (Licensing) Regulations 1991 or the Electricity (Network Safety) Regulations 2015. Consequently, the design and construction of such distribution systems may not be adequately captured by the Electricity (Network Safety) Regulations 2015 and is potentially captured in an unintended manner by the Electricity (Licensing) Regulations 1991.

In parallel to this consultation process Building and Energy is exploring options to clarify application of the regulations.

2.3.3 Planning and Development Act 2005

The *Planning and Development Act 2005* establishes the functions and authority of the Western Australian Planning Commission (the Commission) that is responsible for strategic land use planning and development, including determining basic requirements for the creation of new lots (such as access to an electricity distribution system). The Commission is responsible under the Act for approving applications for the subdivision of land.

Licensed electricity distributors provide clearance of model conditions regarding electrical servicing requirements to the Commission. Distributors cannot provide clearance unless the developer has met its technical and connection requirements.

An illustration of the land development process that includes the construction of electricity distribution systems at large subdivisions is provided in Appendix B.

2.3.4 Energy Coordination Act 1994

The Gas Act provides a licensing and exemptions framework for persons that operate or construct gas distribution systems.

Distribution Licences	<ul style="list-style-type: none">• There are two licensed gas distributors that operate systems that may connect to smaller distribution systems built by property developers at subdivisions:<ul style="list-style-type: none">– ATCO Gas Australia Pty Ltd operates systems in the Mid-West, South-West, Great Southern and Goldfields regions and is the main gas distributor in Western Australia.– Wesfamers Kleenheat Gas Pty Ltd (Kleenheat) operates in Albany, Leinster and Margaret River.
Gas Distribution Licence Exemptions	<ul style="list-style-type: none">• Section 11H of the Gas Act enables the Governor to, by order, exempt a person or class of persons from the requirement to have a distribution licence to construct or operate a gas distribution system if he or she is satisfied it would not be contrary to the public interest to do so.• Clause (3) of the Gas Order (see Appendix A) requires property developers to provide the Coordinator of Energy with evidence of an agreement with a licensed distributor before constructing the distribution system. This obligation is to ensure systems will provide customers with reliable gas on completion by outlining the design characteristics and obligations around maintenance and operation.• Property developers also need to provide the Director of Energy Safety with written notice of specific information including design and attributes of the proposed distribution system, the name and contact details of the entity constructing the system, the projected timeframe for construction and a map of the proposed location prior to construction.• Energy Policy WA and the Director of Energy Safety do not have records of any agreements provided by property developers under this provision of the Gas Order. It is possible that in the occasional circumstances where property developers construct the gas distribution systems themselves (as opposed to contracting with an ACTO approved supplier), they are not compliant with the conditions due to a misunderstanding over the requirement to hold a licence or exemption.

2.3.5 Gas Standards (Gas Supply and System Safety) Regulations 2000

The Gas Standards (Gas Supply and System Safety) Regulations 2000 require a licensed gas distributor to submit a Safety Case to the Director of Energy Safety for approval.

- A Safety Case outlines the processes and controls that the licensee has in place to ensure gas is safely and reliably supplied to customers through its distribution system.
- The Safety Case must identify the measures to prevent hazardous events occurring, including during construction.
- All licensed gas distributors must implement a Safety Case to be approved by the Director of Energy Safety.
- The ATCO Safety Case⁴ requires property developers to select a consultant from its approved panel and to construct distribution systems in accordance with its specific requirements. The Safety Case applies to contractors that ATCO engages to construct

⁴ A copy of ATCO's approved Safety Case can be found on the Economic Regulation Authority's website.

systems (which is the usual process for property subdivisions within the ATCO service area).

Property developers may engage contractors to construct a gas distribution system in locations outside of the ATCO service area. Contracts between property developers and contractors may incorporate the construction requirements in the Safety Case of the relevant licensed distributor as a prerequisite for system ownership being transferred to the distributor after completion.

Energy Policy WA understands that Kleenheat conducts approvals of the proposed design of distribution systems, conducts site inspections and tests during system construction, and implements further controls in its Safety Case.

3. Preliminary findings

Based on the information outlined in this paper, Energy Policy WA has made the following preliminary findings.

<p>Property developers follow different processes to construct electricity and gas distribution systems, respectively.</p>	<p>Property developers typically design and construct electricity distribution systems at property subdivisions of more than four freehold lots for transfer to a licensed or exempt distributor (as illustrated by Figure 1 and the diagram in Appendix B).</p> <p>In most cases, property developers constructing gas distribution systems within the ATCO service area select an ATCO preferred contractor for system construction at the subdivision, acting under the authority of the ATCO distribution licence (although developers may occasionally independently engage contractors in other distributor service areas).</p>
<p>Property developers are subject to different levels of controls and oversight through planning approvals when constructing electricity and gas distribution systems.</p>	<p>Planning approvals are subject to clearance of model conditions about arrangements being made (to the specification of the distributor), for the provision of electricity supply to each lot. As a result, licensed or exempt distributors are formally required to provide clearance of the work undertaken by developers to certify that it meets their technical and connection requirements. The clearance certificates are then submitted to the Commission for approval (see Appendix B).</p> <p>This planning oversight confirms that electricity distribution systems have been built to the requirements of the relevant distributor.</p> <p>This planning approvals mechanism however does not provide the same level of oversight to the construction of gas distribution systems.</p>
<p>The regulatory burden of a distribution licence does not appear to be justified for property developers constructing energy distribution systems.</p>	<p>Energy Policy WA is not aware of any level of concern about the current process by which property developers construct electricity or gas distribution systems at subdivisions that would justify the regulatory burden of a distribution licence. For additional context, the electricity and gas licensing framework does not impose construction requirements or monitor construction by licensed distributors.</p> <p>To the extent that there are any work practice deficiencies in the construction of electricity distribution systems by property developers, they are best addressed through clarifications to application of the Electricity (Network Safety) Regulations 2015.</p>

<p>Oversight over property developers constructing <u>electricity</u> distribution systems should be bolstered through other regulations, with conditions of exemption to provide the Director of Energy Safety greater transparency over who is undertaking this activity.</p>	<p>Property developers who design and construct electricity distribution systems must comply with regulatory land development requirements and commercial arrangements with the licensed or exempt distributor that will operate the systems. This framework of obligations ensure that the systems will, once energised, supply customers with safe, reliable and secure electricity.</p> <p>As mentioned above, Building and Energy is considering clarifying the application of the Electricity (Network Safety) Regulations 2015 to bolster these oversight mechanisms, including the adequacy of work practice and training to construct networks safely.</p> <p>Given these existing and proposed mechanisms, it is proposed that the Director of Energy Safety be responsible for providing additional oversight over the construction of <u>electricity</u> distribution systems and that an oversight role by the Coordinator of Energy is not required. This proposed additional condition is aimed at providing transparency to the Director of Energy Safety over who is undertaking the construction activity.</p>
<p>The 'developer exemption' in the Gas Order, if complied with, provides oversight from the Coordinator of Energy and the Director of Energy Safety over construction of <u>gas</u> distribution systems.</p>	<p>Unlike when property developers construct electricity systems at subdivisions, the land development process does not require licensed gas distributors to assess if a gas distribution system at a subdivision meets the Commission's Model Subdivision Conditions.</p> <p>It is proposed that the Gas Order should continue to ensure the Coordinator of Energy and the Director of Energy Safety provide oversight by requiring developers to:</p> <ul style="list-style-type: none"> • form an agreement with a licensed distributor that addresses the design, construction, audit, maintenance, testing and transferral of ownership in the gas distribution system to the distributor; and • provide information to the Coordinator of Energy and the Director of Energy Safety on these matters prior to construction.
<p>Gas licensed distributors already impose some obligations on property developers constructing gas distribution systems that should be formalised in the conditions of the Gas Order.</p>	<p>These obligations should be added to the Gas Order to provide additional oversight:</p> <ul style="list-style-type: none"> • Developers should be required to construct gas distribution systems in accordance with the agreement with the licensed distributor (as defined in clause 3(3) of the Gas Order). • Developers should ensure the licensed distributor can audit compliance of the system with the agreed requirements any time prior to ownership being transferred by the developer, not only after the construction phase as currently required in the Gas Order.

4. Proposal

Energy Policy WA proposes that a new licence exemption be provided in the Electricity Order, and the existing licence exemption continue to be provided in the Gas Order, to facilitate property developers that construct electricity or gas distribution systems at subdivisions, and later transfer them to a suitable entity to operate.

Energy Policy WA considers that requiring property developers to hold a licence under the Electricity Industry or Gas Acts would impose significant administrative and compliance costs without providing material benefits.

It is proposed that the exemptions:

- be conditional on the property developer constructing the distribution systems in accordance with an agreement with the operator of the distribution network that it will connect to on completion; and
- only apply to the construction of a distribution system and not relieve a property developer of the requirement to be licensed to operate that distribution system.

Details of the proposed conditions of exemptions are presented in subsections 4.1 and 4.2.

Energy Policy WA has conducted an initial public interest test on the proposal (see section 4.3). Feedback received to this consultation paper will further inform this assessment.

4.1 Electricity Order

Energy Policy WA considers that the regulatory burden of a distribution licence does not appear to be justified for property developers constructing electricity distribution systems. As a result, the proposed licence exemption seeks to largely formalise the status quo, with additional transparency to be provided to the Director of Energy Safety.

It is proposed that a general licence exemption is implemented to apply to circumstances whereby:

- a property developer constructs an electricity distribution system to supply separate customers at a subdivided or amalgamated property; and
- there is an agreement between the property developer and a licensed distributor that addresses the design, construction, testing, audit and maintenance requirements that, if satisfied, the licensed distributor will assume ownership of the system and operate it.

Given the existing oversight mechanisms including the planning approvals process, it is proposed that property developers would only be required to supply information to the Director of Energy Safety prior to construction of electricity distribution systems. Property developers would not need to provide any information to the Coordinator of Energy. The information to be provided would likely be consistent with that required by the Gas Order clause 3(3), but adapted to be relevant to electricity.

4.2 Gas Order

Energy Policy WA proposes to retain the licence exemption for the construction of gas distribution systems that is currently in place in the Gas Order (see Appendix A **Error! Reference source not found.**).

Unlike for the construction of electricity distribution systems, the Commission does not require licensed gas distributors to clear the design and construction requirements of a gas distribution system at a subdivision. The Gas Order instead allows the Coordinator of Energy and the Director of Energy Safety to provide oversight over the construction activity.

Simple amendments to the Gas Order should be made to ensure:

- Property developers that construct gas distribution systems do so in accordance with the agreement defined in clause 3(3) of the Gas Order.
- Property developers will facilitate inspection of the system by the distributor at any time prior to transferring ownership, not only after the construction phase as currently required in the Gas Order.

These amendments better align the specific conditions of the exemption with obligations currently imposed by distributors to property developers constructing gas distribution systems and therefore are not anticipated to add to costs or regulatory burden for property developers.

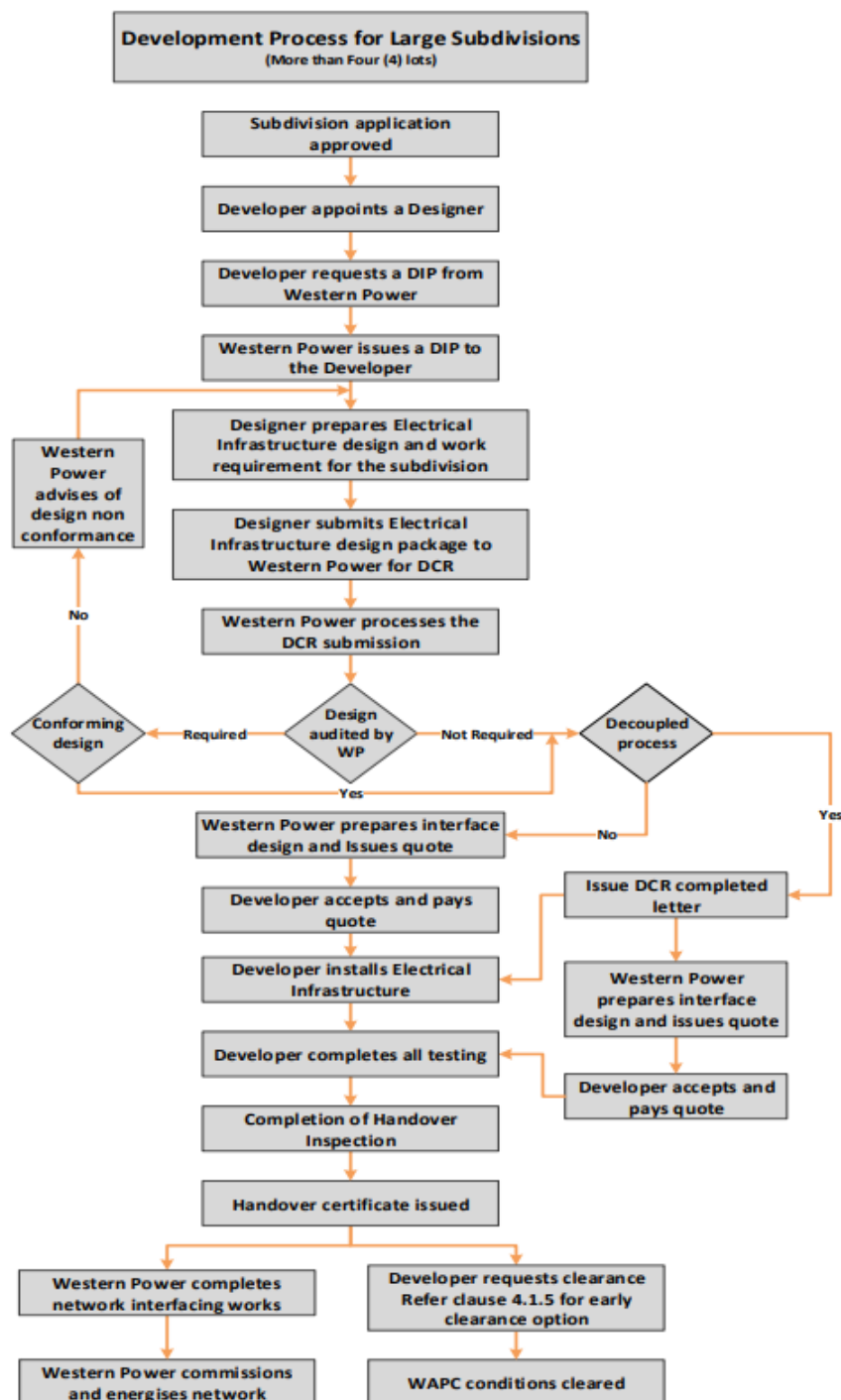
4.3 Public interest test

<p>Economic and regional development, including employment and investment growth</p>	<ul style="list-style-type: none"> • Licence exemptions for property developers to construct electricity and gas distribution systems provide for lower compliance costs as an alternative to licensing, while facilitating suitable oversight of the construction of these systems through conditions attached to the exemptions. • The exemptions will facilitate the construction of distribution systems by property developers at subdivisions across the State.
<p>Interests of electricity and gas consumers</p>	<ul style="list-style-type: none"> • Licence exemptions do not impose significant compliance costs on developers that construct distribution systems. Licensing related costs can be significant and would likely be recovered from consumers. • Technical and safety requirements that ensure customers will be supplied with safe, reliable and secure electricity and gas will be preserved if licence exemptions are implemented, via the conditions attached to them and other mechanisms (such as energy safety regulations).
<p>The interests of licensees</p>	<ul style="list-style-type: none"> • The interests of licensed distributors will not be impacted by the proposed licence exemptions. The requirements for new systems at subdivisions intended to become part of a licensed distributor's network will not be affected.
<p>Importance of competition</p>	<ul style="list-style-type: none"> • The proposed exemptions will facilitate competition in the construction of distribution systems, thereby facilitating lower costs and promoting timely completions.
<p>Environmental, social welfare and equity considerations, including community service obligations</p>	<ul style="list-style-type: none"> • There are no relevant environmental, social welfare or equity considerations.

Appendix A. Gas Order developer exemption

3. **Exemption from s. 11G(1) — developer constructing distribution system**
 - (1) A person who subdivides land (the *developer*) is exempt from the *Energy Coordination Act 1994* section 11G(1) in relation to the construction of a distribution system for the transportation of gas to lots resulting from that subdivision.
 - (2) The exemption provided for in subclause (1) is subject to the conditions set out in subclauses (3), (4) and (6).
 - (3) Before construction of the distribution system starts, or within such further time as the Coordinator allows, the developer must provide the Coordinator with evidence to the satisfaction of the Coordinator that the developer has entered into an agreement with the holder of a distribution licence (the *licensee*) making provision for the following matters —
 - (a) the licensee’s design and construction requirements for the distribution system;
 - (b) an audit by the licensee or its nominee of the distribution system, after construction is completed, to ensure compliance with the requirements mentioned in paragraph (a) and all relevant statutory requirements;
 - (c) arrangements for the transfer of ownership of the distribution system to the licensee;
 - (d) the allocation of responsibility for maintenance of the distribution system before gas is transported through it;
 - (e) a requirement for the licensee to be given plans and other documentation relating to the distribution system.
 - (4) Before construction of the distribution system starts, or within such further time as the Director allows, the developer must give the Director a written notice that —
 - (a) sets out or is accompanied by information about the design and attributes of the distribution system including pipe pressure, materials to be used in construction and projected gas load;
 - (b) sets out the name and contact details of the entity with primary responsibility for carrying out construction of the distribution system;
 - (c) sets out the projected timeframe for construction of the distribution system;
 - (d) sets out or is accompanied by a map showing the location of the distribution system.
 - (5) The Director may, by written notice given to the developer, specify guidelines that are to be observed in the construction of the distribution system.
 - (6) The developer must ensure that guidelines specified under subclause (5) are observed.

Appendix B. Development process involving construction of an electricity distribution system at large sub-divisions (into more than four lots) – Western Power example



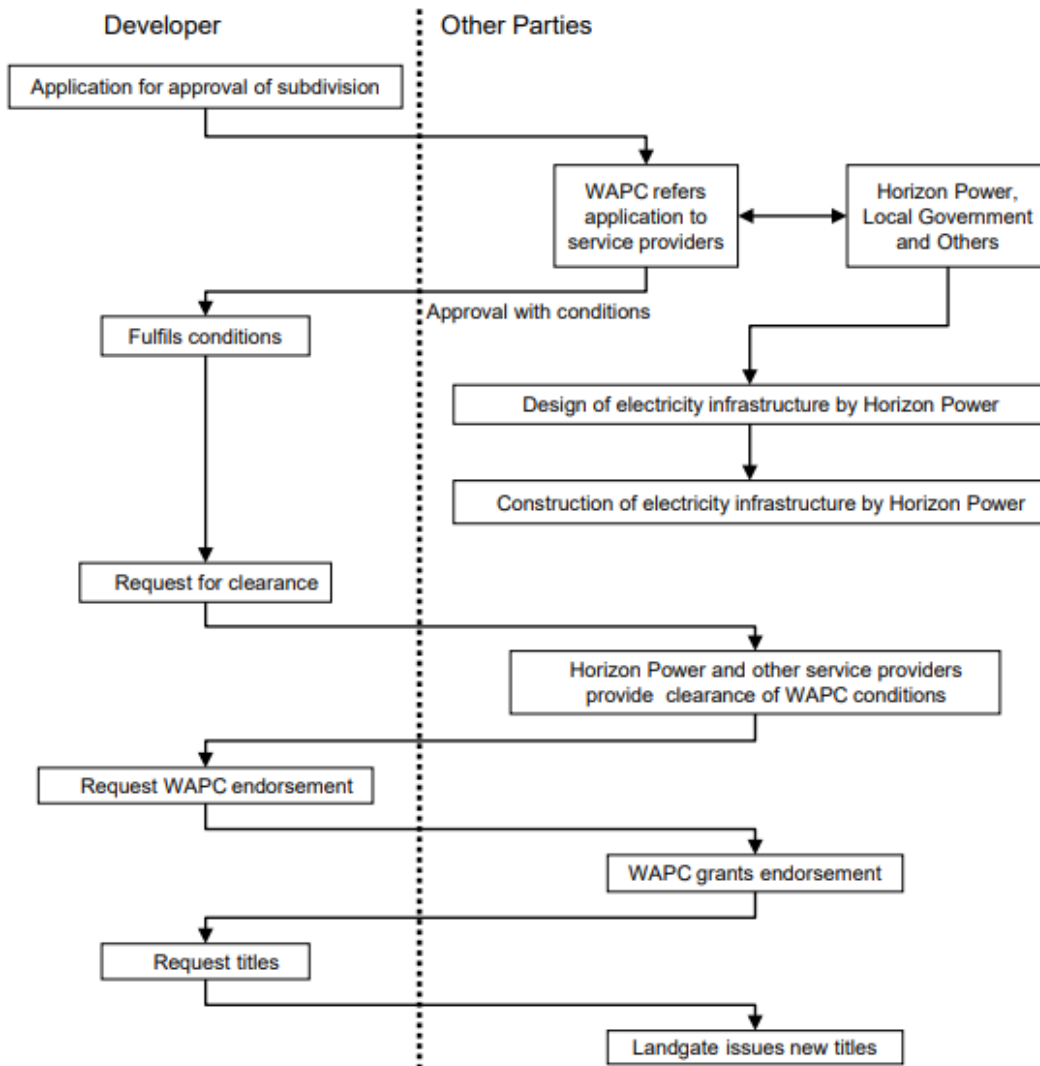
Source: Western Power [Underground Distribution Schemes Manual](#) 2019, p. 62.

Note:

- This process is similar of large subdivisions in Horizon Power licence areas: see p.31 of its [Underground Distribution Schemes Manual](#).
- 'DIP' refers to a 'Design Information Package' provided by Western Power to a designer to base its design of an electricity distribution system upon. 'DCR' is a 'Design Conformance Review' by Western Power to ensure the proposed system meets its technical requirements.

Appendix C. Development process involving construction of an electricity distribution system at subdivisions into less than four freehold lots – Horizon Power example

Source: [Horizon Power Underground Distribution Schemes Manual](#) p. 30.



Note:

- This process is similar for small subdivisions within the Western Power licence area: see p.59 of its [Underground Distribution Schemes Manual](#).

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