



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

Proposed Changes to the Electricity Networks Access Code – Priority Projects

Consultation Summary Paper
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Working together for a **brighter** energy future.

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Glossary

Term	Definition
Access Code	Electricity Networks Access Code 2004
EI Act	Electricity Industry Act 2004
EPWA	Energy Policy WA
SWIS	South West Interconnected System
WOSP	Whole of System Plan

Executive summary

Background

The [SWIS Demand Assessment](#) published in May 2023, identified a significant and urgent need for investment in the South West Interconnected System (SWIS) to support the reliability and security of the power system, and meet future low-emissions electricity demand.

The *Electricity Networks Access Code 2004 (Access Code)*, which sets-out the requirements for regulation of covered network in Western Australia, requires amendment to facilitate this investment by enabling greater flexibility in the determination of a “priority project”.

The proposed Access Code amendments will empower the Minister for Energy to make a “priority project determination”. By doing so, they will ensure that Western Power can facilitate critical, priority transmission investments in a timely manner, which will support the connection of new renewable generators and storage, and maintain power system security and reliability at the lowest overall cost to electricity users.

Stakeholder Consultation

Consultation on the proposed changes was open from 29 June 2023 to 4 August 2023. Energy Policy WA (EPWA) received eight written submissions which were all supportive of the changes.

Stakeholder commentary raised two further suggestions for consideration: the need for amendments to the Access Code Objective to support Western Australia’s energy transformation; and requirement for due diligence and oversight for the new powers granted to the Minister for Energy in determining a priority project.

This paper provides further detail on the feedback received by stakeholders on the proposed Access Code changes.

Next Steps

EPWA thanks all stakeholders who provided submissions for their interest and engagement. Feedback from the submissions received has been provided to the Minister for Energy and drafting of the amending instrument has now been finalised and published.

1. Introduction

1.1 Background

The energy transformation is continuing at a rapid pace, driven by ongoing installation of small- and utility-scale renewable technology, efforts by industry to decarbonise, and the State Government's ambitions to achieve net zero greenhouse gas emissions by 2050.

The pace of change is significant – in the previous 12 months, the outlook for electricity demand and supply in the South West Interconnected System (SWIS) has changed materially in light of public commitments from industry, announcements from the State Government regarding emissions reduction targets, the retirement of the State-owned coal-fired generation fleet and new generation and storage investments.

In this context, a Department of Treasury-led Taskforce undertook the [SWIS Demand Assessment](#) in order to assess the future energy needs of the SWIS. In its findings, the SWIS Demand Assessment identified significant and urgent network infrastructure investments required to support the reliability and security of the power system and meet future low-emissions electricity demand.

The *Electricity Networks Access Code 2004* (Access Code) sets-out the requirements for the regulation of covered networks in Western Australia, which includes the Western Power network underpinning the SWIS.

Changes to the Access Code are now required to ensure that the regulation of Western Power can facilitate critical, priority transmission investments in a timely manner, which will support the connection of new renewable generators and storage, and maintain power system security and reliability at the lowest overall cost to electricity users.

1.2 Consultation

In June 2023, EPWA published a [consultation paper](#) inviting stakeholders to comment on the proposed changes to the Access Code to grant greater flexibility in identifying a “priority project”. The paper includes the proposed changes to the Access Code, which include empowering the Minister for Energy to determine specific network investments as a priority project, as well as the new requirement for the reasons for determination to be published and gazetted.

EPWA received eight written submissions from stakeholders. EPWA acknowledges the considered responses provided as part of the consultation process and thanks stakeholders for their time, interest, and engagement.

This paper provides a brief overview of the submissions received and outlines next steps.

2. Proposed amendments to the *Electricity Networks Access Code 2004*

Chapter 1 – Introductory

Definitions

1.3 In this Code, unless the contrary intention appears:

...

“priority project” means:

(a) _____ a project specified as a priority project in a *whole of system plan*; or⁻¹⁰⁸

(b) _____ a project specified as a priority project in a *priority project determination*.

(a) “priority project determination” means a determination made by the Minister under section 15.1A.

Chapter 15 – Transitional

Minister may make determinations

15.1 The Minister may determine, after consultation with affected parties, how any matter in progress immediately before the commencement of Part 8 of the Act is to be treated, after that commencement, for the purposes of the provisions of the Code.

15.1A The Minister may determine that a project is a priority project for the purposes of the provisions of the Code.

15.2 The Minister must *publish* a determination made under section 15.1 or section 15.1A in the Gazette.

15.2A At the time of publishing a priority project determination the Minister must also publish the reasons for the priority project determination, including the basis on which the Minister considers that the priority project determination meets the Code objective.

The proposed amendments to the Access Code are made up of two parts:

1. The first amendment, which is to section 1.3, expands the definition of a “priority project” to include projects specified in a “priority project determination” made by the Minister for Energy.
2. The second amendment, to section 15.1A inserts the definition of a “priority project determination” and states in section 15.2A that the Minister for Energy must also publish the reasons for the priority project determination, including the basis on which the Minister considers that it meets the Access Code objective.

‘Reasons’ is a defined term in the Access Code, and involves a requirement to consider and include the following information:

- findings relied on by the decision-maker in reaching the decision;
- reference to the evidence on which the findings are based; and

- identification of the steps in the decision-making process, an explanation of the links between findings and the final decision, and a description of the role of policy in making the decision.

The proposed amendments include additional requirements of the Minister for Energy to outline how a priority project determination meets the Access Code objective. This inclusion emphasises the importance of promoting the long-term interests of energy consumers.

3. Stakeholder feedback

Energy Policy WA (EPWA) received eight written submissions which were all supportive of the proposed changes.

Stakeholder submissions on the proposed amendments to the Access Code are available to view on EPWA's website.

Stakeholder feedback raised two suggestions:

1. the need for amendments to the Access Code objective to support Western Australia's energy transformation; and
2. to consider more extensive requirements in providing justifications for determinations of priority projects.

A summary of the issues raised by stakeholders, and an explanation addressing these issues is provided below.

3.1 Amendments to the Access Code objective

All stakeholders supported the changes to the Access Code, but one raised that these amendments did not go far enough to facilitate the connection of new generation capacity identified as part of the SWISDA.

The recommendation suggested that the Access Code Objective be expanded to take into account community support and social licence, as well as the broader economic benefit obtained through investment in skills, training and local supply chains.

EPWA acknowledges need to consider the broader economic benefits that may be realised by the initial infrastructure investment afforded through priority project expenditure, and the importance of obtaining community buy-in and social licence as part of the energy transformation.

EPWA is currently progressing work to enable the amendments to the *Electricity Industry Act 2004* (EI Act) as part of the Energy and Governance Legislative Reforms. The planned changes to the EI Act will include the introduction of the new State Electricity Objective which is intended to resolve the current problem of having separate and sometimes inconsistent objectives across multiple legal instruments which govern the electricity industry in Western Australia.

Once introduced, the new State Electricity Objective will provide one objective for the State's electricity regulatory framework which will guide decision makers to consider the 'energy trilemma' of reliability, affordability, and sustainability for the long-term interests of energy consumers in Western Australia. This is intended to reduce the barriers to timely and efficient investment in lower-emissions technologies, while retaining the focus on the consumers' long-term interests.

3.2 Independence and oversight of priority project determination

One stakeholder suggested inclusion of a 'Sunset Clause', along with a need to ensure that the determination of a priority project was supported by an adequate level of independence and rigour as would be applied in a five-year Whole of System Plan (WOSP).

The amendments acknowledge a need for the regulatory framework to be more responsive to the changing circumstances, and ensure network investment can promote the long term interests of consumers. In particular, these changes are primarily driven by a need to maintain the security and reliability of electricity supply in the short term, and facilitate the connection of new low-emissions generation and storage to meet the State's net zero greenhouse gas emissions targets by 2050.

In the short period since the inaugural WOSP, there have been a number of significant changes to the outlook for the energy sector (including industry commitments and Government decisions). As the energy transition continues at pace, there may be future requirements for the Minister to designate priority projects, and the proposed changes are intended to ensure the regulation of covered networks remains responsive to these changes and continues to achieve the Access Code objective.

Lastly, the inclusion of amendments to section 15.2A, along with amendments to the determination of a 'priority project', require the Minister for Energy to publish reasons for why the determination has been made. This ensures that there is clear transparency about the rationale and scope of priority project determinations.

4. Next steps

EPWA thanks all stakeholders for their considered contributions. Stakeholders feedback has been reviewed and drafting of the amending instrument has now been finalised. The amendments will be progressed through the parliamentary process and gazetted before the end of 2023.

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