



INFORMATION SHEET

On-site power supply arrangements

Have your say about how these services should be regulated!

Have your say about regulating on-site power supply arrangements, like solar power purchase agreements or subscriptions to solar/battery providers.

What is an on-site power supply arrangement?

An on-site power supply (OPS) arrangement or OPSA allows a customer to use all or part of the electricity from an energy system. The energy system is installed on the customer's property, but owned and controlled by someone else (the OPS service provider). The customer also gets some electricity from the grid.

A common example is where a business installs their own solar system on a customer's rooftop. The customer does not pay anything upfront for the system. Sometimes, customers pay for the electricity (on a cents per unit basis). In other cases customers pay a subscription fee to use electricity provided by the solar system.

At the end of the OPSA contract term the customer will often take ownership of the energy system, either automatically or for a small fee.

Why are regulatory changes being considered?

The WA Government is concerned that OPSA customers don't have the protections that are available when a customer buys electricity from a licensed retailer, like Synergy or Horizon Power.

For example, OPS service customers can't go to the Electricity Ombudsman to help sort out a problem with their OPS service provider.

The WA Government wants to make sure that, where possible, all electricity customers have the same standard electricity rights.

Energy Policy WA is running a consultation process to help find the best way of giving OPS service customers access to these rights.

What are the options?

Doing nothing is the cheapest option for businesses that provide OPS services, but it doesn't improve customer protections for these services.

If all OPS service providers were required to be licensed this would provide the most customer protections, but also involve the greatest costs. The costs are for oversight by the regulator (the Economic Regulation Authority) and auditing of the licence requirements, including:

- offering standard contracts approved by the regulator;
- support for household customers experiencing financial hardship or family violence;
- access to the Electricity Ombudsman;
- rules about how often customers are billed and what information is on bills; and
- reporting on customer numbers and services provided, along with reporting on how the company is performing against its obligations (currently retail licence holders need to report on 143 different measures of performance and customer statistics).

Some licence requirements don't make sense for OPS services. However, they can't easily be changed for one type of service.

While the costs will be paid for by the business providing the service, they will likely be passed on in charges to consumers. If costs can't be passed on or absorbed, businesses may not be able to continue offering OPS services to customers.

As a middle ground, the Alternative Electricity Services (AES) registration framework provides a cheaper option for OPS service providers than

licensing, but still provides standard electricity rights for consumers.

If a decision is made to regulate OPS services under the AES framework, the OPS service provider would need to:

- register with the Economic Regulation Authority;
- become a member of the Electricity Ombudsman scheme; and
- provide specified standard electricity rights by complying with an AES Code.

The AES Code could do either of two things:

- make OPS service providers sign up to the New Energy Technology Consumer Code that is overseen by the Clean Energy Council; or
- ensure customers have standard electricity rights specific to OPS services.

The New Energy Technology Consumer Code has been developed to increase the standard of service for businesses providing new energy technologies like solar panels or batteries. However, this Code is mainly focused on what happens when a customer purchases the energy technology, rather than the case of an ongoing contract or service relationship with a customer.

Only the option that includes tailored and specific obligations for OPS service providers in the AES Code would ensure customers have specific electricity rights like:

- mandatory up-front information to customers about the service provided;
- requiring written supply agreements including information such as prices, fees and charges and how they may be changed over time;
- requiring that important information such as amount of electricity produced or consumed is regularly provided to consumers on bills (or via an app or online platform);
- ensuring that support is provided to household customers experiencing financial hardship or family violence; and
- access to the Electricity Ombudsman.

Who should give feedback?

Energy Policy WA is keen to hear from anyone that is already a customer or provider of an OPS service, or is thinking about this for the future.

For those that are very interested in this topic, a consultation paper is available on the Energy Policy WA website that outlines more detail on the options discussed above.

The consultation paper asks specific questions. There is a response template to help you share feedback on some or all of these questions.

You are also welcome to just write a letter or send us an email:

- outlining your views;
- telling us your own experience; and/or
- responding specifically to some or all of the questions included in the consultation paper.

If you want a simple and quick way of contributing to this consultation process just email EPWA-AES@dmirs.wa.gov.au and tell us:

- How satisfied you are with your OPS service?
- What is the best and worst thing about being an OPS service customer?
- Is there anything that surprised you about your OPS service?
- Is there something you wish you had known before signing up to the service?
- Is there anything you think needs to change with how this service is regulated right now? Why/why not?

Written submissions and letters can be emailed to EPWA-AES@dmirs.wa.gov.au or posted in hard copy to Locked Bag 100, East Perth WA 6892.

The closing date for comments is 19 April 2024.

What will we do with your feedback?

Energy Policy WA will carefully consider all the feedback provided to guide its advice and recommendations to the WA Government.

Submissions received will be published on the Energy Policy WA website shortly after the end of the consultation period. Energy Policy WA will also publish further information on the Government's final policy decision in due course.

If you prefer your name to remain confidential, please indicate this in your submission. Please also clearly indicate if there is information or data in your submission that is confidential and should be removed before publication.

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