

Exposure Draft –Alternative Electricity Services Code of Practice 2026

Reading Guide for On-site Power Supply
obligations

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1 Overview

1.1 Introduction

On 25 July 2025, the Minister for Energy and Decarbonisation announced the decision to regulate two services under the new Alternative Electricity Services (AES) registration framework.

Those services are:

- the supply of electricity within an embedded network (now referred to as single property network (SPN)); and
- on-site power supply (OPS) services (formerly known as on-site power supply arrangements or OPSA).

The decision to regulate the first two services was made following comprehensive consultation.

Energy Policy WA is now consulting on the exposure draft of the Alternative Electricity Services Code of Practice (OPS) (the AES Code (OPS)).

This paper provides an overview of the key differences between the AES Code (OPS) and the 2024 draft OPSA Code.

Please refer to the Energy Policy WA website for more information on the:

- [AES registration framework](#), the role of the Economic Regulation Authority (Authority) and the Energy and Water Ombudsman Western Australia (Ombudsman);
- exposure draft of the [Electricity Industry \(Alternative Electricity Services\) Regulations 2025](#) (AES Prescribing Regulations) that prescribes the services and sets out who must register to provide a service;
- [previous consultation on OPS services](#), including the *2024 Consultation Regulatory Impact Statement on the regulation on On-site power supply services* (the OPS CRIS) and the associated *Proposed Alternative Electricity Service Code obligations for On-site Power Supply Arrangements* (the 2024 draft OPSA Code); and
- exposure draft of the [AES Code \(OPS\)](#).

What is the AES Code of Practice?

The AES Code of Practice will set out the obligations for providers of prescribed services when interacting with their customers. Both the AES regulations and AES Code of Practice will be updated as new services are added to the AES framework.

The exposure draft of the AES Code (OPS) currently being consulted on outlines obligations for OPS services only.

Obligations to apply to SPN service providers will be consulted on separately. When consultation on, and drafting of, the SPN obligations is complete, they will be added to the AES Code of Practice, likely as a separate schedule.

1.2 What does this reading guide cover?

Section 2 of the paper outlines how the service is defined.

Section 3 provides a high-level overview of the proposed OPS AES customer protections. It does not provide enough detail to be a stand-alone representation of the obligations and should be read alongside the exposure draft of the [AES Code \(OPS\)](#).

Section 4 provides an overview of the changes that were made since the 2024 consultation on OPS AES customer protections.

1.3 Consultation

Energy Policy WA, within the Department of Energy and Economic Diversification (DEED) is inviting stakeholder feedback on the AES Code (OPS). Submissions can be sent to EPWA-AES@deed.wa.gov.au by 5:00pm (AWST) 15 May 2026.

All submissions received will be published on the DEED website, unless a specific request for confidentiality is made. Please indicate on the covering page of your submission if you wish to have part or all of your submission treated as confidential.

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

1.4 Next steps

At the conclusion of this consultation period on draft OPS obligations, Energy Policy WA will consider all submissions received and provide further advice to the Minister for Energy and Decarbonisation.

Energy Policy WA will soon publish draft SPN obligations under the AES Code of Practice for feedback.

Any amendments to the AES Code of Practice resulting from both consultation periods will be made and progressed with the Parliamentary Counsel's Office.

Stakeholders will be notified by email when the AES Code of Practice is formally made.

1.5 When do the obligations come into effect?

Subject to any exemptions applicable, any person who provides a service prescribed in the AES Prescribing Regulations will need to:

- register with the Authority;
- become a member of the Ombudsman scheme; and
- comply with the AES Code of Practice

to provide the service.

It is anticipated that registration for OPS service providers and SPN service providers will become mandatory in early 2027. Providers need to comply with the AES Code of Practice once they are registered. These timings are indicative only and stakeholders will be informed of any changes.

Work to wind back on-selling exemptions under the Electricity Industry (Solar Power Purchase Agreements) Exemption Order 2016 (SPPA Exemption Order) will begin later in 2026, ahead of commencement of the AES registration framework.

2 Understanding on-site power supply services

2.1 What is an OPS system?

An OPS system is a system that stores and/or produces electricity. While an OPS system commonly includes solar panels and/or a battery storage system, it can take any form of electricity storage and generation system. For example, a wind turbine installed on a farm might be an OPS system.

2.2 What is an OPS AES?

The facilitation or creation of a person's entitlement or right to consume some or all of the electricity from an OPS system by way of an arrangement is an AES (or OPS AES), if it meets a few key characteristics:

The customer does not own the OPS system

Importantly, a customer who owns the electricity system but enters into an operating lease arrangement for the system with someone else, is considered as not owning the system for purposes of the AES Prescribing Regulations (see regulation 11(3)).

The OPS system is installed on the customer's land

An OPS registration holder installs an OPS system on the land where the customer lives or operates their business.

This includes situations where the OPS system is installed on the same single property where a SPN supplies electricity to the customer.

The customer pays the OPS provider

The customer has an arrangement with the OPS registration holder to consume or use electricity from the OPS system. The arrangement may describe how/when the customer can access the electricity from the system. It may also set out that the customer pays:

- a set amount per period like a membership or subscription, regardless of electricity use (an emerging model becoming increasingly popular, particularly for households);
- a certain price per kWh - typically used in SPPAs (often a take of pay model where the customer has to buy all the energy produced by the system regardless of the level of use); or
- another payment model.

The customer retains another source of electricity supply

The OPS AES is ancillary to another source of electricity supply from a retail licence holder or a SPN AES registration holder. The customer may not consume any electricity from this other electricity source and solely rely on the OPS system to meet their energy needs, but they would still have access to it, should the need arise.

This other source of electricity supply will be regulated through a retail licence or the AES registration framework (allows access to essential protections provided in the Code of Conduct for the Supply of Electricity to Small Use Customers or the SPN AES-specific obligations of the AES Code of Practice).

An arrangement is not considered to be an OPS AES if:

- it is an off-grid supply situation (e.g. supply from a stand-alone power system); or
- the customer is connected to the distribution system of an entity, for example a mining company operating under a distribution licence exemption.

3 Overview of OPS provider obligations under the AES Code (OPS)

This section summarises key proposed OPS obligations in the draft AES Code (OPS).

Topic and associated AES Code section	Overview of the proposed obligations
Third party compliance with the AES Code of Practice (clause 5)	<p>Clause 5 makes the OPS service provider, or registration holder, responsible for the conduct of any marketing agents the provider engages.</p> <p>The Code does not prevent a provider from engaging a third party for canvassing or marketing on its behalf, but if the third party fails to comply with the Code it is the same as if the provider itself had failed to comply.</p>
Marketing conduct (clause 6)	<p>Outlines the appropriate conduct for marketing or canvassing. For example, respecting 'no canvassing' signage visible at the premises and providing sufficient identification information to prospective customers.</p>
Disclosure statement (clause 7)	<p>A written disclosure statement needs to be provided before entering an OPS contract. The disclosure statement would need to include, among other topics:</p> <ul style="list-style-type: none">• information on costs to be incurred by the consumer;• potential limitations on the use of electricity from the OPS system (whether the OPS system might be controlled by the OPS provider and how);• potential for use of the OPS system as a back-up energy supply in case of interruption of the supply of electricity from the grid; or• maintenance arrangements.
OPS contract (clause 8)	<p>A contract is required to be signed before starting to deliver OPS services.</p> <p>The OPS contract would need to provide key information on the terms and conditions of the OPS service, including any exit fees in case the customer wishes to terminate the contract early, or how the OPS system might be controlled.</p> <p>The OPS contract must contain a minimum 10-day cooling-off period.</p>
Other obligations (Part 3, division 3)	<p>Easily accessible and free-of-charge essential information about the OPS services, including on:</p> <ul style="list-style-type: none">• current pricing, fees and charges;• how the price and any fees and charges payable may be varied;• what may happen when the OPS provider changes during the term of the OPS contract; and• arrangements in place during any disruption to OPS system supply for maintenance or repairs.
Metering (Part 3, division 4)	<p>A compliant OPS meter would need to be connected to an OPS system.</p> <p>OPS providers would be able to charge a reasonable fee for a special OPS meter and testing, under certain circumstances.</p>

Topic and associated AES Code section Overview of the proposed obligations

Billing
(Part 4, division 1)

Minimum billing standards, for:

- billing frequency and format;
- minimum information to be provided on bills;
- how bills must be calculated, when the customer is charged on a cents/kWh basis;
- retention period for billing data; and
- process to review a bill at the customer's request

OPS providers may agree with the customer to provide billing information on an online portal, instead of receiving a paper or electronic bill.

OPS providers that charge a membership or subscription fee would still need to provide OPS system production or consumption information during each billing period.

Overcharging and undercharging
(Part 4, division 2)

Requirement to notify the customer and offer appropriate options to pay the outstanding amount (undercharging) or reimburse the overcharged amounts (overcharging). No interest is payable.

Financial hardship and family violence assistance
(Part 5)

Requirement for separate hardship and family violence policies to assist affected residential customers.

Need to consider a non-residential customer's request for a payment plan in case of payment difficulties.

OPS system disconnection and reconnection
(Part 6)

Obligation for a defined process for disconnecting an OPS system (including for notifying the customer) and for reconnecting the OPS system.

Complaint and dispute resolution
(Part 7)

Need for a complaints and dispute resolution procedure that is consistent with AS/NZS 10002:2022.

OPS providers would not be able to charge a customer for raising a complaint or dispute.

4 Changes made in the AES Code (OPS)

This section summarises key changes introduced in the latest draft AES Code (OPS) compared to the 2024 draft OPSA Code and the reasons why they were made.

Topic	Nature of the change	Reason for the change
Disclosure statement and OPS contract	<p>The list of information required in the disclosure statement and contract has been updated to improve visibility on essential OPS service terms.</p> <p>The language has also been simplified to reduce ambiguity and make it clearer what information a provider should include in those documents.</p>	<p>The changes address feedback that customers require clarity about the complexity of OPS arrangements, the length of those contracts and any associated exit fees.</p> <p>The changes help to ensure prospective OPS customers better understand the OPS service before entering a contract.</p>
Meter access and meter reading	<p>An OPS provider is no longer obligated to give OPS customers access to the OPS meter. However, the OPS provider must read the OPS meter at the OPS customer's request.</p>	<p>As an OPS meter can be an inverter, not all OPS meters can be directly read by the OPS customer.</p> <p>The change provides a practical solution for OPS customers to access metering information on demand.</p>
Billing	<p>Clause 21 of the draft AES Code (OPS) now clarifies that only OPS providers who charge customers based on OPS system production, use or storage of electricity should read or provide an estimate for the purpose of billing.</p> <p>The AES Code (OPS) also specifies that a customer cannot be charged to receive a paper bill.</p>	<p>Some OPS customers pay a flat membership fee where the amount of electricity the OPS system has produced, used or stored does not impact the bill.</p> <p>This change provides equitable access to billing information to customers with low digital literacy.</p>
Financial hardship assessment	<p>The process for an OPS provider to assess a customer for financial hardship remains similar to the previous draft Code.</p> <p>However, the ability for a customer to nominate another party to assist in this process has been broadened. Instead of using the concept of a consumer representative, the customer can now nominate anyone to communicate with an OPS provider on their behalf as part of the hardship assessment.</p>	<p>The revised process removes confusion about the role of the relevant consumer representative and better aligns with current practices when providers support customers experiencing payment difficulties.</p>
Late payment fee	<p>The AES Code (OPS) now specifies that an OPS service provider must not charge unreasonable late payment fees (clause 10). (An OPS provider may charge a late payment fee.)</p>	<p>This provision was introduced to ensure fairness in the recovery of unpaid fees and charges.</p>

Topic	Nature of the change	Reason for the change
Life support equipment	<p>The following obligations were removed:</p> <ul style="list-style-type: none"> • recording and keeping a register of customers that have life support equipment at their premises; • having a system and processes in place to keep contact details up to date; • considering the impact that an interruption or disconnection could have on a life support customer. <p>New obligations now require OPS providers to include information in the disclosure statement and the OPS contract (Clause 7(3) and Clause 8(1)), as to whether the OPS system can operate independently from grid supply¹.</p>	<p>A reasonable amount should correspond to the administrative cost of recovering the payment.</p> <p>Those obligations were removed to address feedback that OPS customers remain connected to a grid (like the South West Interconnected System or Horizon Power network) and already benefit from life support protections from their primary electricity supplier, whether it is a licensed retailer or a SPN provider (referred to as grid supply).</p> <p>Removal of those obligations prevents duplication with the supplier's obligations and removes ambiguity around roles and responsibilities during a power interruption.</p> <p>Disclosure requirements have instead been added to address concerns that OPS customers, including those using life support equipment, do not always understand the limitations of the OPS system's capability to provide back-up supply in the event of grid outages.</p>
Disruption notification	<p>The AES Code (OPS) no longer includes any provisions for planned or unplanned disruptions to the supply of electricity from the grid.</p> <p>Clause 13 of the AES Code (OPS) Code now sets out obligations for OPS providers to notify customers of any disruption to service from the OPS system due to planned maintenance or repairs.</p>	<p>OPS providers provide an ancillary supply of electricity supply through the OPS system but they have no interaction with the customer's main electricity supply.</p> <p>Disruption from the grid is managed by licensed electricity distributors (like Western Power or Horizon Power) or an SPN provider (if applicable).</p> <p>In the event of planned or unplanned outages, those licensed distributors or SPN operators must respectively comply with notification requirements specified in the Code of Conduct for the supply of Electricity to Small Use Customers or the SPN obligations in the AES Code of Practice.</p>

¹ Electricity to the customer from a licensed network or a SPN.

