Alternative Electricity Services Code of Practice **2026**

On-site Power Supply obligations

SCA (WA) Submission on Exposure Draft

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Submitted by:

Strata Community Association (WA)

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Department of Energy and
Economic Diversification
Energy Policy WA

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1. Executive Summary

Strata Community Association (WA) [SCA (WA)] welcomes the opportunity to provide a submission on the Exposure Draft Alternative Electricity Services Code of Practice (On-site Power Supply) [AES ONS]. SCA (WA) represents the interests of the strata sector in Western Australia, supporting strata managers, service providers, owners and stakeholders across tens of thousands of strata titled schemes encompassing approximately 135,000 owned properties.

Strata properties in Western Australia range from small legacy residential developments through to large, modern mixed-use schemes incorporating shared sustainability infrastructure such as solar photovoltaic systems, battery storage, and emerging distributed energy resources (DER).

SCA (WA) supports the policy objective of strengthening consumer protections within alternative electricity arrangements. However, this submission raises significant concerns about the interaction between the proposed OPS Code of Practice and the forthcoming AES Single Property Network (SPN) regime, and the unintended consequences that interaction may have for strata schemes that have invested in shared renewable energy infrastructure.

The central concern is one of duplication. A strata scheme that owns on-site generation or storage assets may be captured simultaneously by both the AES SPN regime and the OPS Code of Practice, resulting in two parallel sets of compliance obligations applied to the same entity, the same assets and the same consumers. This outcome is neither proportionate nor necessary for consumer protection.

Strata companies are volunteer-governed, not-for-profit statutory bodies. Schemes on-charge electricity under the direction of the bylaws in compliance with the on-selling tariff cap prescribed under the *Electricity Industry Exemption Order 2005*, which prohibits charging occupants more than the applicable Synergy network tariff. They do not hold the kind of contractual relationships with occupiers that energy retail frameworks contemplate. Treating them as equivalent to commercial electricity retailers or OPS providers imposes an unsustainable compliance burden and risks actively deterring investment in shared renewable energy infrastructure, contrary to Western Australia's decarbonisation objectives.

SCA (WA) makes five recommendations:

1. Introduce an express exemption, via the AES Prescribing Regulations, from OPS registration and compliance obligations for strata schemes that would also be captured by the AES SPN regime, where the strata company owns the Distributed Energy Resource (DER) assets, there is no third-party operator or commercial on-selling arrangement, and electricity is supplied at cost or within the tariff cap prescribed under the Electricity Industry Exemption Order 2005.
2. Avoid duplicative registration and compliance obligations for single entities providing both SPN and OPS-type services within the same strata scheme.
3. Ensure proportionality by recognising the fundamental differences between commercial OPS providers and owner-controlled strata schemes.
4. Support, rather than deter, investment by strata communities in shared renewable energy infrastructure, consistent with State decarbonisation policy objectives.
5. Establish a coordinated consultation process that considers the OPS and AES SPN obligations together before either is finalised, to ensure the two regimes are coherent, non-duplicative and proportionate for strata schemes.

SCA (WA) would welcome the opportunity to continue working with Energy Policy WA to refine the framework so that it is workable, proportionate and genuinely supportive of strata-based sustainability initiatives.

2. Introduction

SCA (WA) welcomes the opportunity to provide a submission in response to the Exposure Draft Alternative Electricity Services Code of Practice (On-site Power Supply) and the accompanying Reading Guide published by Energy Policy WA.

SCA (WA) supports the overarching policy objective of strengthening consumer protections where electricity services are provided outside the traditional retail licensing framework. However, we are concerned that the proposed OPS regulatory framework, when read alongside the forthcoming AES SPN regime, may have unintended and counterproductive consequences for strata schemes that have responsibly invested in owner controlled renewable energy infrastructure. Our specific concerns and recommendations are set out in the sections that follow.

3. Distinction between OPS and AES SPN in Theory, but not in practical effect

SCA (WA) acknowledges that the OPS Code of Practice is intended to regulate a class of services that is conceptually distinct from embedded (SPN) electricity networks. However, in practice, the regulatory obligations imposed under the OPS Code closely resemble those contemplated for SPN AES providers, including requirements relating to:

- registration and oversight;
- disclosure and contractual documentation;
- metering, billing and record keeping; and
- hardship, family violence and complaint handling frameworks

For many strata schemes, particularly residential schemes with shared solar and/or battery assets, the functional distinction between "embedded network supply" and "on-site power supply" is largely academic. The compliance burden is materially similar, notwithstanding that the arrangements are owner controlled, not designed for profit, and any income generated offsets operational costs for the scheme which is to the benefit of all scheme owners.

4. Proposed exemption where strata schemes are captured by AES SPN obligations

SCA (WA) strongly submits that where a strata scheme would also be captured by the forthcoming AES SPN regulatory framework, or is already registered under the Voluntary Embedded Networks Code of Practice, it should be expressly exempt from the OPS Code of Practice, provided that certain conditions are met. SCA (WA) further submits that this exemption should be given effect through the AES Prescribing Regulations, not solely through the Code of Practice, so as to provide legal certainty to strata companies before registration obligations commence in February 2027.

In particular, SCA (WA) proposes that OPS obligations should not apply where:

- the strata company owns the onsite generation or storage assets;

- there is no third-party ownership, leasing or operating arrangement in respect of those assets;
- there are no special on-selling or GreenPower type contractual arrangements embedded in leases or electricity supply agreements; and
- electricity supplied within the scheme is provided at cost and in compliance with the applicable AES SPN Code of Practice, including any regulated tariff protections.

In these circumstances, applying both regimes creates duplication without improving customer protections and introduces unnecessary complexity and cost.

5. Risk of deterring investment in renewable energy infrastructure

SCA (WA) is particularly concerned that the cumulative effect of dual AES SPN and OPS compliance will actively dissuade strata schemes from investing in shared renewable energy infrastructure, contrary to Western Australia's stated policy objectives in respect of decarbonisation and the energy transition.

Strata companies are governed by volunteer councils of owners, whose members do not have the time, expertise or risk appetite to oversee complex energy regulatory compliance. Even where a professional strata manager is engaged, it is not within a strata manager's ordinary skillset or service scope to administer:

- energy specific billing and metering regimes;
- hardship and family violence policies modelled on retailer obligations;
- formal energy supply contracts with individual owners and occupiers; or
- technical regulatory compliance frameworks designed for commercial energy providers.

The practical consequence is that strata companies will be compelled to engage third party energy consultants, sub metering providers and legal advisers simply to continue operating existing sustainability infrastructure. These costs will ultimately be borne by lot owners through increased levies.

6. Strata Companies are NOT electricity retailers

A recurring theme across both the AES SPN and OPS frameworks is the implicit assumption that any entity supplying electricity must be treated analogously to an electricity retailer.

SCA (WA) reiterates that strata companies should not be treated as electricity retailers. They do not have a direct contractual relationship with tenants in the way envisaged by energy retail frameworks.

Electricity provision in strata schemes is a secondary, incidental function undertaken solely to facilitate cost recovery for shared services approved by owners under the *Strata Titles Act 1985*. Regulatory frameworks must reflect this reality.

In the instances where a profit margin is recovered, this is utilised as a means of generating revenue to offset strata costs, for the benefit of all owners within the scheme.

7. Recommendations

SCA (WA) respectfully recommends that Energy Policy WA:

1. Introduce an express exemption, via the AES Prescribing Regulations, from OPS registration and compliance obligations for strata schemes that would also be captured by the AES SPN regime, where the strata company owns the DER assets, there is no third-party operator or commercial on-selling arrangement, and electricity is supplied at cost or within the tariff cap prescribed under the Electricity Industry Exemption Order 2005.
2. Avoid duplicative registration and compliance obligations for single entities providing both SPN and OPS-type services within the same strata scheme.
3. Ensure proportionality by recognising the fundamental differences between commercial OPS providers and owner-controlled strata schemes.
4. Support, rather than deter, investment by strata communities in shared renewable energy infrastructure, consistent with State decarbonisation policy objectives.
5. Establish a coordinated consultation process that considers the OPS and AES SPN obligations together before either is finalised, to ensure the two regimes are coherent, non-duplicative and proportionate for strata schemes.

8. Conclusion

SCA (WA) supports the objective of strengthening consumer protections within alternative electricity arrangements. However, unless appropriately refined, the proposed OPS regulatory framework, when combined with the AES SPN regime, risks imposing disproportionate, duplicative and unsustainable compliance burdens on strata schemes.

Without clear exemptions and alignment between the two regimes, the framework is likely to:

- discourage renewable energy uptake in strata communities;
- increase costs for residential consumers; and
- undermine the intended policy outcomes of an equitable and sustainable energy transition.

SCA (WA) would welcome the opportunity to continue working with Energy Policy WA to refine the framework so that it is workable, proportionate and genuinely supportive of strata-based sustainability initiatives.

9. About SCA (WA)

Strata Community Association (WA) is the professional body representing the interests of the strata sector in WA, founded in 1989. Providing education, advocacy, and support to strata managers, service providers, owners, and stakeholders within the strata community.

A not-for-profit member-based organisation, representing approximately 1,500 individuals who subsequently represent approximately 135,000 owned properties in Western Australia. SCA (WA) is committed to:

- promoting and encouraging the highest professionalism, ethical standards and best practices within strata management;

- driving positive change and fostering a thriving strata community through effective advocacy and representation at local, state, and federal levels of government; and
- developing resources, training and educating industry professionals, equipping strata stakeholders with the knowledge and skills necessary to navigate the complexities around strata titled properties.

Based on the *2024 Australasian Strata Insights Report*[1], approximately 10% and more than 295, 000 Western Australian residents live in private apartments and other strata titled dwellings, with 52,878 strata schemes (containing 261 660 lots) and 26,851 survey-strata schemes (containing 81709 lots) registered.

Australia-wide, more than 2.5 million people live in flats and apartments, the vast majority being strata titled. This figure does not include other forms of strata title such as townhouses and community titled developments. Nor does it include businesses operating in strata-titled commercial schemes. The estimated value of property under strata title in Australia in 2024 is over $1.4 trillion.

As the growth of apartment and strata living has intensified over the last decade, the strata management strata services industry has grown in lock step to serve it. Strata managers navigate through a maze of legislation and regulation ranging from strata specific legislation, regulations, workplace, health and safety issues and building codes as well as measures applicable to the management of strata company funds.

[1] Easthope, H., Lu, Y. and Rivera, A. (2025) City Futures Research Centre: Arts, design & architecture - UNSW sydney, UNSW Sites. Available at: https://cityfutures.ada.unsw.edu.au/2024-australasian-strata-insights / (Accessed: 20 February 2026).