Questions Submitted to the Department of Energy and Economic Diversity during the final consultation period on the Alternative Energy Framework.

Strata Owner and Consultant – September 2026

Background

I have been involved over the past years in assisting several Strata Companies activate or implement embedded networks along with EV Solar for the benefit of the Owners. The focus on embedded networks is to ensure that the benefit of solar power generated electricity is maximized within the strata development.

In each case, the Owners within the strata companies have invested in the necessary infrastructure to enable these systems and have made these (significant) investments based on a business case and the rules surrounding such arrangements at the time.

The Strata Company held the status of an exempt reseller on the basis that electricity was "on-sold" to the lot Owners and not their tenants. The owners' arrangements with their tenants with respect to electricity supply became part of their broader arrangements with respect to the property lease and were necessarily independent of the Strata Company.

As many of the earlier submissions during the phases of consultation on these matters have observed, the Strata Company only have authority over the Owners or Members of the said company and have no legal access or rights with respect to any tenants, though the tenants are required to respect and abide by the By Laws of the Strata Company.

I am now being asked to advise my clients on the implications of the AES Framework. Although the Framework inevitably takes a "One-size-fits-all" approach, there are so many variations to the implementation of embedded networks and sustainable energy infrastructure within the thousands of Strata Properties in Western Australia, that it is very difficult to navigate the specific implications for one or other of these actual Strata Properties.

To that end, I do have some specific questions relating to the AES Framework. The answers I receive may well provide some further context for additional feedback on the Draft AES Code of Practice for SPN Services.

OPS Services

Context

I am familiar with several Strata Properties with 60-120 lots that have installed Solar PV within an integrated embedded network. Supply of electricity to the Owners of the lots does not distinguish between the original source of supply. The solar PV infrastructure is owned by the Strata Company and installed on the common property rooftop.

My assumption is that in these circumstances, the Strata Company is not required to register the Solar PV system as an OPS Provider.

Question:

Can you please confirm that when the Strata Company is the owner of a solar PV system integrated within a Strata Company owned and operated embedded network that there is no requirement for the Strata Company to register as an OPS Provider?

SPN AES Requirements – Residential Strata Building

Context

The Strata Company's purpose is to maintain the common property of the strata complex in the interests of all the owners. The Strata Company may appoint a Strata Manager to provide various administrative services on behalf of the Strata Company and therefore it's Owners. The strata company has jurisdiction over the Owners of the lots within the property. Where lots are leased, the arrangements between an Owner and their tenant are independent of the Strata Company and the Strata Company has no jurisdiction over the tenants in the property.

The Code acknowledges these arrangements and anticipates, in the case of an embedded network, owned and operated by the strata company, circumstances where the landlord owner within a strata complex on sells electricity to the tenant. In this case, the landlord-owner is not required to register as an SPN AES Provider, though presumably the strata company is so registered.

Ideally, the obligations under the SPN AES Code with respect to the SPN Agreement can be incorporated into new bylaws that will need to be duly approved and registered by the Strata Company at and following a General Meeting. In turn, the key obligations can be incorporated by a landlord owner into the rental agreement or lease within the 6 months implementation window from 1 July 2027.

Strata Company Owned and Operated Embedded Network – Electricity Pricing

Context

Several years ago, the wholesale electricity market was priced at a significant discount to the regulated tariffs. This environment provided the economic conditions to encourage strata companies to invest in embedded networks for the benefit of the Owners. As the electricity market has evolved, with the addition of significant renewable energy supply the wholesale market pricing for supply to apartment and other strata complexes is generally higher than the regulated tariffs. The Code imposes a regime that forces a strata company to on-sell electricity at a price lower than their supply price, generating a loss within the strata company that must then be recovered by an increase in the strata fees.

In the circumstances where a landlord on sells electricity to their tenant, the Code prevents them from levying a daily supply charge. Were the strata company supplying the customer directly, they can levy a daily supply charge. This doesn't seem reasonable. In such a case, the landlord-owner incurs a loss on the recoveries from electricity sales that they will need to address through an increase in the rental costs.

The Code makes the distinction for SPNs that are wholly supplied with renewable energy. Where strata companies have implemented their own renewable energy infrastructure, it is generally capable of providing only part of the electricity needs of the property. The code appears to be silent on this category of SPN.

Questions:

Can you please explain why a strata company being charged a tariff that exceeds the regulated tariffs, albeit through a robust competitive process, cannot pass on the costs to the customer in line with their "not for profit" principles.

Strata Company Owned and Operated Embedded Network – Electricity Pricing (cont'd)

Questions (cont'd)

Can you please explain why a landlord is prevented from charging a tenant a daily supply charge when they themselves are charged a daily supply charge?

Can you please confirm rules on pricing where an SPN is partly supplied with renewable energy?

SPN AES Requirements – Strata Resort

Context

One of my clients is a Survey Strata Holiday Resort Property in the Southwest. While the majority of the lots are for residential holiday use, there are established businesses as tenants of one of the lot owners operating a restaurant and convenience store. The Strata Company invested in an Embedded Network, a Solar PV system and heat pump common area pool heating infrastructure as an energy improvement program several years ago.

There is no common property roof, so the Strata Company has entered into long term leases with several of the lot owners allowing the installation of common property solar panels on their roofs. The electricity generated by the solar PV system is distributed through the embedded network to supplement the grid supplied electricity to the property.

The strata company periodically bills the owners for electricity usage in their lots along with the various other obligations in accordance with the bylaws. Prior to the implementation of the embedded network, the lots were individual Synergy customers, on the regulated commercial tariff in recognition of the commercial nature of the property.

It does not appear that this property qualifies for any exemptions to the SPN Framework, though there appear ample grounds to justify this.

While the individual lot owners have access to their lots for restricted personal use, the holiday units' occupants for the majority of the time are patrons of the resort. The resort guests pay commercial room rates for their stay that are inclusive of various amenities and services and expect these services (including the supply of gas and electricity) are provided within the tariff. These guests stay for a short duration, and it is impractical to administer SPN agreements in this context, nor would the guests be expecting such.

Questions:

Can you please confirm that in the case above, the Strata Company will be required to register under the Code of Practice for SPN Services and comply with the code in all respects?

If the answer to the previous question is "yes", can the strata company continue to treat the lot owner as the customer rather than design and build new processes to managed the resort guest as the customer?

In the case of the lot that is tenanted as a restaurant, their electricity consumption falls within the 50-160MWh/annum range. In the event that the restaurant tenant advises their landlord (the lot owner) of their desire to access the wholesale electricity market, what are the obligations of the strata company to address this request?