EXPOSURE DRAFT — ALTERNATIVE ELECTRICITY SERVICES CODE OF PRACTICE, SINGLE PROPERTY NETWORK SERVICES

SUBMISSION

Roklen Investments Pty Ltd submission on the consultation paper of August 2026

Submitted by email

To: EPWA-AES@deed.wa.gov.au

Attention: Energy Policy WA, Department of Energy and Economic Diversification

Date: 18 September 2026

Subject: Submission — Alternative Electricity Services Code of Practice 2027, single property network obligations

Closing date: 25 September 2026

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In short: the Code binds a single property network provider to a price another retailer sets for its own supply, allows no return on the capital the provider may have deployed, and offers an alternative tariff that only the customer can open. **We ask for a mechanism that lets a provider price to its demonstrated efficient cost.** The rest are drafting problems: an undefined term that may or may not capture a commercial-scale solar and battery system, a consumption band the Code has us recalculate every month and forbids us charging for, and a transitional protection the reading guide describes but the Code does not contain.

We own and manage a commercial property in metropolitan Perth with nineteen tenancies across two buildings. Electricity has been sub-metered and on-sold to tenants for many years. There is public EV charging on site, and we have contracted rooftop solar and a battery for installation in 2027. We expect to be captured as an SPN service provider when the obligations commence on 1 July 2027, and have written this on that basis.

1. CLAUSE 31 APPEARS TO CATCH OUR SOLAR AND BATTERY, AND WE CANNOT TELL FROM THE WORDS WHETHER IT IS MEANT TO

Clause 31(1) defines a distributed energy resource as "small-scale devices that use, generate or store electricity, such as photovoltaic panels, batteries and electric vehicle chargers."

Nothing defines small-scale, and there is no threshold anywhere in the Code.

The examples read like rooftop panels and a household battery. What we have contracted is roughly half a megawatt of solar and a 500 kWh battery, both owned by us and installed at the network address — plainly photovoltaic panels and a battery, and just as plainly not small-scale.

Clause 31(3) prohibits us charging a customer any fee to maintain, repair or insure the resource, so whether that prohibition reaches a commercial-scale array changes how the asset is financed.

We ask for a threshold, or a definition tied to something already defined elsewhere in the electricity framework.

2. THE CODE OFFERS A COST-BASED TARIFF AND PUTS IT BEYOND A PROVIDER'S REACH

Clause 24(1) requires us to charge the standard tariff, which clause 22 defines by charges that "do not exceed" the L1 or L3 rates. Those rates are set in the Energy Operators (Electricity Generation and Retail Corporation) (Charges) By-laws — an instrument **made by that corporation itself**, carrying no cost-reflectivity requirement, no pricing principles, no independent determination, and no forum in which a single property network provider can be heard. **Nor does it contain any return on our capital**, though the network charges inside those same tariffs are built on a rate of return the Economic Regulation Authority determines for Western Power.

The reading guide says the standard tariff **"is not a price cap"**, and that a provider wanting to charge anything other than its components should use a special tariff. Clause 22 defines every component of the standard tariff as a charge that "does not exceed" the corresponding by-law rate, and a charge that must not be exceeded is a ceiling. If the guide states the policy, the drafting does not carry it.

The special tariff is the answer the guide points to, and a provider cannot reach it. **Clause 25 applies where the customer "has opted into a special tariff by written request given to the provider"**, or where clause 27, 28 or 29 applies. No tenant asks its landlord to charge more, and clauses 28 and 29 are customer-initiated too. Clause 27 is the only provision we could invoke ourselves, and it applies only to a network "supplied with electricity only from renewable sources" — which ours will not be, because both connection points will keep importing. Even then, clause 27(5) excludes "any costs incurred by the provider for the installation of a distributed energy resource". Clause 31(3) prohibits any fee to maintain, repair or insure one, and clause 24(2) requires the fixed daily charge to carry everything else apart from six named exceptions, none of which is maintenance. **Capital excluded, maintenance prohibited, and the one door a provider can open leads to a clause that excludes the cost of the renewables.**

We are not asking to be allowed to charge our tenants more. We are asking that the benchmark be the right one, and that the alternative the guide describes be made reachable. A tariff set by a vertically integrated State-owned retailer buying at portfolio scale is not evidence of what it costs to supply a single property network in a contestable market. **Our ask is a mechanism rather than a price:** where a provider can demonstrate on evidence that its efficient cost of supply, including a market-related return on capital, exceeds the standard tariff, the Code should permit a tariff set by reference to that cost — on the provider's application, not only on the customer's request.

3. THE CODE CREATES A MONTHLY CALCULATION AND FORBIDS CHARGING FOR IT

Clause 22 sets the band by what a customer consumes "in any 12-month period". That is a rolling test, so the only way to know which cap applies to this month's bill is to recompute every customer's trailing twelve months, every month, and check whether the band has moved. **Across nineteen tenancies that is 228 assessments a year** — and it is live for us: sixteen sit under the line, and two of the three above it are within 15% of it.

Clause 24(2) then requires the fixed daily supply charge to carry all fees and charges other than six named exceptions. Administration is not one of them, so the cost of that calculation must sit inside a charge clause 22 caps at Synergy's fixed daily rate — a rate set for a retailer

that does not perform it. **We ask that the band be set in advance and held for the year**, on a reasonable expectation of consumption, as Synergy's own by-law does ("will be less than 50 MW hours per annum") and as clause 30 of this Code already does ("consume or are reasonably expected to consume"). That removes the assessment rather than arguing about who pays for it.

4. THE TRANSITIONAL RELIEF DESCRIBED IN THE READING GUIDE IS NOT IN THE CODE

The reading guide tells providers that an existing contract can go on serving as the SPN agreement. Where it was made before 1 July 2027 and carries a pricing clause inconsistent with the Code, it says the provider is "considered to comply with the AES Code despite the inconsistent pricing term" so long as it charges in line with clauses 24 and 25.

That relief is not in the Code, and the Regulations do not match it. **Regulation 18 of the Electricity Industry (Alternative Electricity Services) Regulations 2026 gives transitional relief only for Part 4 Division 5 Subdivision 1 — Bills — and only until 31 December 2027.** The pricing rules the guide describes sit in Division 4. Regulation 17 makes any inconsistent term of a contract in effect at 1 July 2027 of no effect, and regulation 18(2) suspends that for the billing subdivision alone. **So a pre-existing pricing term is preserved by nothing we can find.**

This matters to us directly. Our tenancies are let on a standard commercial lease whose electricity clause prices supply by reference to what the supply authority would have charged the tenant — a different test from a cap set by consumption band. On the guide we can leave those leases alone; on the Code as drafted we cannot, and the difference is whether nineteen leases must be reopened before 1 July 2027.

We ask that the transitional position set out in the reading guide be written into the Code, or that regulation 18 be extended to Division 4. Providers will plan against the instrument, not the guide.

5. WE SUPPORT THE 36-MONTH OPT-OUT AT CLAUSE 25(3)

Investment in on-site generation and storage is made against a customer base, and a minimum term before a customer can opt out gives that investment a horizon. Three years is a reasonable balance and we would not want to see it shortened.

Yours sincerely

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