

4 August 2023

Energy Policy WA
Locked Bag 11
Cloisters Square
WA 6850

Via email: EPWA-Submissions@dmirs.wa.gov.au

Proposed changes to the Electricity Networks Access Code – Priority Projects

To whom it may concern,

The WA Expert Consumer Panel (ECP) is supported by the State Government's Western Australian Advocacy for Consumers of Energy (WA ACE) grant funding, to engage in consumer advocacy and contribute to major decision making in the sector.

The ECP welcomes the opportunity to engage on proposed changes to the Electricity Networks Access Code and thanks you for the opportunity to do so. Network costs are a significant contributor to energy bills, and households and businesses are relying on WA's energy network providers, like Western Power, to deliver a smart and efficient strategy in a time of transformative change.

We understand the necessity for a mechanism that will expedite priority capital investment projects, so that our State can meet its decarbonisation aspirations in an ambitious timeframe. Normal processes, such as the regulatory test, run the risk of delaying priority projects and losing time.

As the consultation paper sets out, there is precedent for this. The Access Code was amended in 2020 to allow any network investments found to be necessary in a WOSP to be specified a 'Priority Project' and exempt from the regulatory test (albeit still subject to the New Facilities Investment Test).

We support the proposed amendments to allow the Minister for Energy to determine further Priority Projects outside the WOSP process, subject to the following comments:

- We request the inclusion of a sunset clause and/or some conditions which result in the power being withdrawn when it is no longer needed (e.g., at the conclusion of the next WOSP, once priority investments identified in the SWISDA have been made). While we have full confidence in the current Minister for Energy's decision making, we are concerned that the proposed provisions are not 'future proof'.
- We expect that any Determination made under the new provisions adheres to the same level of independence and rigour as applied during the WOSP process. As the consultation paper notes, the WOSP process has specific regard for optimal network investments. In producing modelling to meet demand at the lowest cost, the WOSP performs a similar function to the regulatory test in identifying network augmentation that maximises net benefits to users. The same checks and balances must be applied in making Determinations under the new provisions, to ensure that Priority Projects are in the long-term interest of consumers (and the public generally).

- We support the requirement that reasons for the Determination be published and the specific elements that must be included, as well as the additional stipulation that the Minister for Energy must outline how a Determination meets the Access Code objective. Transparency of the decision-making process regarding prioritisation of investments is vital to promoting efficient outcomes and the long-term interests of consumers.

There are often several investment options to meet a desired outcome. Independent, transparent, and robust evaluation ensures that the best option is chosen. This is particularly important for large capital projects that are to be funded by governments or government trading enterprises. Poorly made hasty decisions would ultimately burden the public or consumers with the costs.

Should you have any questions about this submission, please don't hesitate to get in touch with us.

Yours sincerely,

Expert Consumer Panel