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WESTERN
AUSTRALIAN
GOVERNMENT
azette

ISSN 1448-949X (print)

ISSN 2204-4264 (online)

PRINT POST APPROVED PP665002/00041

3041



PERTH, FRIDAY, 18 SEPTEMBER 2020 No. 157 SPECIAL

PUBLISHED BY AUTHORITY GEOFF O. LAWN, GOVERNMENT PRINTER

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ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY NETWORKS ACCESS CODE AMENDMENTS (No. 2) 2020

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ELECTRICITY NETWORKS ACCESS CODE
AMENDMENTS (No. 2) 2020

I, Bill Johnston MLA, Minister for Energy for the State of Western Australia, hereby amend the *Electricity Networks Access Code 2004* established under section 104(1) of the *Electricity Industry Act 2004*.

Dated at Perth this 15th day of September 2020.

BILL JOHNSTON MLA, Minister for Energy.

Made by the Minister

1. Citation

These amendments may be cited as the *Electricity Networks Access Code Amendments (No. 2) 2020*.

2. Commencement

These amendments come into operation on the date on which they are published in the *Gazette*.

3. The Electricity Networks Access Code amended

These amendments are to the *Electricity Networks Access Code 2004**.

[*Published in *Gazette* 30 November 2004, p. 5517-5700]

4. Section 1.3 amended

Section 1.3 is amended—

- (a) by inserting the following definitions, in alphabetical order—

“

“**2020 (No. 2) amendments**” means the amendments made to this Code by the *Electricity Networks Access Code Amendments (No. 2) 2020*.

{Note: The *Electricity Networks Access Code Amendments (No. 2) 2020* were Gazetted on 18 September 2020.}

”;

“

“**access reform costs**” means costs incurred by a *service provider* to undertake and deliver the *access reform work*, including costs incurred prior to the commencement of the *2020 (No. 2) amendments*.

”;

“

“**access reform work**” means the program of work undertaken by a *service provider* necessary to complete—

- (a) the development and provision of *network constraints information*; and
(b) preparation of the initial *whole of system plan*.

”;

“

“**AEMO**” or “**Australian Energy Market Operator**” means the Australian Energy Market Operator Limited (ACN 072 010 327).

”;

“

“**alternative options strategy**” has the meaning given in section 6A.3.

”;

“

“**annual price list**” has the meaning given to it in section 8.1(b).

”;

“

“**approved price list**” means a *price list* approved by the *Authority*.

”;

and

- “**charging parameters**” means the constituent elements of a *reference tariff*.
”; and
- “**compliance report**” means a report submitted by a *service provider* to the *Authority* under section 6.32H.
”; and
- “**constraint**” means a limitation on the capability of a *covered network* (including arising by reference to the technical limitations and configuration of the *covered network*) such that it is unsafe, inconsistent with the maintenance of the reliability and security of the *covered network* or otherwise unacceptable to transfer (including accept the transfer of electricity into or out of the *covered network* at a *connection point*) the level of electricity that would occur if the limitation was removed. Constraints affecting the *covered network* may change over time due to changes in *load* or generation connected to the *covered network*.
”; and
- “**customer**” means a—
(a) *user*; or
(b) *end-use customer* in the *end-use customer’s* capacity as indirect customer for *covered services*.
”; and
- “**demand management innovation allowance guidelines**” means the guidelines *published* by the *Authority* under section 6.32D.
”; and
- “**demand management innovation allowance mechanism**” means the mechanism developed and *published* by the *Authority* in accordance with section 6.32D.
”; and
- “**demand management innovation allowance objective**” has the meaning given to it in section 6.32C.
”; and
- “**distribution reference tariff**” means a *reference tariff* applicable to a *reference service* provided by way of, or in respect of a *connection point* on, a *distribution system*.
”; and
- “**end-use customer**” means a *consumer* who obtains the benefit of *covered services* through a *user*.
”; and
- “**framework and approach**” means a document prepared and issued by the *Authority* under section 4.A1.
”; and
- “**initial price list**” has the meaning given in section 8.1(a).
”; and
- “**model alternative option service contract**” means the model alternative option service contract approved by the *Authority* under section 6A.7.
”; and
- “**multi-function asset**” has the meaning given in section 6.84.
”; and
- “**multi-function asset guidelines**” means the guidelines *published* by the *Authority* under section 6.88.
”; and
- “**multi-function asset policy**” means a policy in an *access arrangement* under section 5.1(m).
”; and

- “**multi-function asset principles**” means the principles under section 6.86.
”; and
- “**net incremental revenue**” means, in relation to a *multi-function asset*, the revenue from all payments received by a *service provider* in excess of the revenue it would receive if the asset only provided *covered services*, for a *pricing year*.
”; and
- “**network constraints information**” means the information relating to limits of the *Western Power Network* to transfer and/or convey electricity that a *service provider* must establish, maintain and/or provide to *AEMO* in accordance with its functions under sections 1.32, 2.27A, 2.27B and 2.27C of the *WEM Rules*.
”; and
- “**pricing objective**” has the meaning given in section 7.3.
”; and
- “**pricing principles**” means the requirements set out in sections 7.3D to 7.3J.
”; and
- “**priority project**” means a project specified as a priority project in a *whole of system plan*.
”; and
- “**reference tariff change forecast**” means, for a *service provider*, the forecast of price changes as referred to in section 7.1D.
”; and
- “**stand-alone power system**” has the meaning given to it in the Act.
”; and
- “**storage works**” has the meaning given to it in the Act.
”; and
- “**tariff structure statement**” means, for a *service provider*, the *tariff structure statement* referred to in section 7.1A that has been approved by the *Authority* for that *service provider*.
”; and
- “**WEM Rules**” means the market rules referred to in section 123(1) of the *Electricity Industry Act 2004* (WA).
”; and
- “**Wholesale Electricity Market**” means the market referred to in section 122(1) of the *Electricity Industry Act 2004* (WA).
”; and
- “**whole of system plan**” means the document *published* by the Minister from time to time as the Whole of System Plan for the efficient development of the *SWIS* over a 20 year period.
”; and

(b) by deleting the following definitions—

- “**advertise**”; and
 “**alternate pricing provisions**”; and
 “**amended proposed access arrangement**”; and
 “**amended proposed revisions**”; and
 “**bare transfer**”; and
 “**further final decision**”; and
 “**Market Rules**”; and
 “**price list information**”; and
 “**prior applicant**”; and
 “**prior application**”; and
 “**relocation**”; and
 “**transitioned application**”; and

- (c) in the definition of “**above-benchmark surplus**” by deleting the words “6.25 as limited by section 6.26.” and inserting the following words instead—
“
6.25.
”;
- (d) in the definition of “**access**” by deleting the words “*Trade Practices Act 1974*” and inserting the following words instead—
“
Competition and Consumer Act 2010
”;
- (e) in the definition of “**access dispute**” by deleting paragraph (cd); and
- (f) by deleting the definition of “**alternative options**” and inserting the following definition instead—
“
“**alternative options**” means alternatives to part or all of a *major augmentation* or *new facilities investment*, including *stand-alone power systems*, *storage works*, demand-side management and *generation* solutions (such as distributed *generation*), either instead of or in combination with *network augmentation*.
”;
- (g) in the definition of “**average cost of service provision**” by deleting the words “user” (in both places it occurs) and “users” (in both places it occurs) and inserting the words “customer” and “customers”, respectively, instead; and
- (h) by deleting the definition of “**new facility**” and inserting the following definition instead—
“
“**new facility**” means any capital asset developed, constructed or acquired to enable the *service provider* to provide *covered services* and to avoid doubt, including *stand-alone power systems*, *storage works* or other assets required for the purpose of facilitating competition in retail markets for electricity.
”;
- (i) by deleting the note after the definition of “**network**” and inserting the following note instead—
“
{Note: As at the date of the *2020 (No. 2) amendments*, the definition in section 103 of the Act was—
“network infrastructure facilities”—
(a) means electricity infrastructure used, or to be used, for the purpose of transporting electricity from generators of electricity to other electricity infrastructure or to end users of electricity; and
(b) includes stand-alone power systems, or storage works, used, or to be used, as an adjunct to electricity infrastructure.}
”;
- (j) in the definition of “**price list**” by deleting the words “section 5.1(f) and”; and
- (k) in the definition of “**pricing years**” by deleting the words “either” and “or 8.7”; and
- (l) by deleting the definition of “**publish**” and inserting the following definition instead—
“
(a) where the Minister is required to *publish* a thing—that the Minister must—
(i) provide the thing to the Coordinator; and
(ii) procure the Coordinator to place the thing on an internet website which is under the Coordinator’s control;
(b) where the *Authority* is required to *publish* a thing—that the *Authority* must—
(i) place the thing on its internet website; or
(ii) if relevant, place the thing on the *public register* and send a notice to each person listed on the *register of interested persons maintained* under section 14.8 in respect of the network to which the thing relates advising the person that the thing has been placed on the *public register*; and
(c) where a *service provider* is required to *publish* a thing—that the *service provider* must place the thing on its internet website.
”;
- (m) in the definition of “**reference service**” by inserting before the word “designated”, the words “provided to a *user* and”; and
- (n) in the definition of “**stand-alone cost of service provision**” by deleting the words “user” (in each place it occurs) and “users” (in each place it occurs) and inserting the words “customer” and “customers”, respectively, instead; and

- (o) in the definition of “**statutory instruments**” by deleting paragraph (g) and inserting the following paragraph instead—

“
(g) the *WEM Rules*.

”;

- (p) by deleting the definition of “**transfer**” and inserting the following definition instead—

“
“**transfer**” refers to a novation of all or part of a *user’s* rights and obligations under an *access contract*.

”;

- (q) by deleting the definition of “**transfer and relocation policy**” and inserting the following definition instead—

“
“**transfer and relocation policy**” means the provisions of an *applications and queuing policy* that relate to a *user’s* rights to *transfer* its *access rights* to another person.

”.

5. Section 2.1 and note amended

Section 2.1 and the note after it are deleted and the following section and note are inserted instead—

“

2.1 The objective of this Code (“**Code objective**”) is to promote efficient investment in, and efficient operation and use of, *services of networks* in Western Australia for the long-term interests of *consumers* in relation to—

- (a) price, quality, safety, reliability and security of supply of electricity;
- (b) the safety, reliability and security of *covered networks*; and
- (c) the environmental consequences of energy supply and consumption, including reducing greenhouse gas emissions, considering land use and biodiversity impacts, and encouraging energy efficiency and demand management.

{Note: *Consumers* in the context of the *Code objective* has the meaning in this Code being “a person who consumes electricity”}

”.

6. Section 2.4A amended

Section 2.4A is amended by inserting after the words “Subject to this Code”, the following—

“

(including without limitation section 2.4C)

”.

7. Sections 2.4C, 2.4D, 2.4E and 2.4F inserted

After section 2.4B, sections 2.4C, 2.4D, 2.4E and 2.4F are inserted as follows—

“

2.4C The *service provider* for the *Western Power Network* may not enter into an *access contract* which does not permit a *user’s* export of electricity into the *Western Power Network* to be interrupted or curtailed in either of the following circumstances—

- (a) in circumstances where *constraints* are created by other *users* of the *Western Power Network* (including *users* that connected to the *Western Power Network* after the date of the relevant *access contract*); or
- (b) in connection with the operation of security constrained economic dispatch,

provided that this section 2.4C does not affect any agreements entered into by the *service provider* prior to the date of the *2020 (No. 2) amendments*.

{Note: The *2020 (No. 2) amendments* came into effect on 18 September 2020.}

2.4D Nothing in section 2.4C prevents the inclusion of other interruption or curtailment rights in an *access contract* or the *standard access contract* including, without limitation, rights to curtail or interrupt for *force majeure*, maintenance, in emergencies, or as required by law.

2.4E The *Authority* must not make any determination or decision under this Code inconsistent with section 2.4C.

2.4F An *arbitrator* acting under this Code must not make any award, determination or decision inconsistent with section 2.4C.

”.

8. Section 2.5(ba) inserted

After section 2.5(b), section 2.5(ba) is inserted as follows—

“

(ba) Section 2.4C; and

”.

9. Section 2.7 amended

Section 2.7 is amended by deleting the first word “A” and inserting the following words instead—
“

Subject to section 2.4C, a

”

10. Section 3.13 amended

Section 3.13 is amended by deleting the words “and *advertise*”.

11. Section 3.14 amended

Section 3.14 is amended by deleting the word “*advertised*” and inserting the following word instead—
“

published

”

12. Section 3.16(a) amended

Section 3.16(a) is amended by deleting the word “*advertised*” and inserting the following word instead—
“

published

”

13. Section 3.18 amended

Section 3.18 is amended by deleting the words “and *advertise*”.

14. Section 3.19 amended

Section 3.19 is amended by deleting the words “and *advertise*”.

15. Section 3.20 amended

Section 3.20 is amended by deleting the word “*advertised*” and inserting the following word instead—
“

published

”

16. Section 3.22 amended

Section 3.22 is amended by deleting the words “and *advertise*”.

17. Section 3.25 amended

Section 3.25 is amended by deleting the words “advertising and” and “*advertise* and”.

18. Section 3.28(a) amended

Section 3.28(a) is amended by deleting the words “*advertises* and”.

19. Section 3.32 amended

Section 3.32 is deleted and the following section is inserted instead—
“

3.32 Where the Minister is required to *publish* a thing under this Chapter 3, the thing *published* must contain a description of the *network* the subject of the *publication*.

”

20. Heading to section 3.34 amended

The heading to section 3.34 is amended by deleting the words “of augmentations”.

21. Section 3.34A inserted

After section 3.34, section 3.34A is inserted as follows—
“

3.34A A *stand-alone power system* provided by a *service provider* is treated as part of the *covered network* to which it is an adjunct if it—

- (a) replaces part of the *covered network*; or
- (b) is required to be provided by the *service provider* pursuant to a *written law* or *statutory instrument*.

”

22. Section 3.35 amended

Section 3.35 is deleted and the following section is inserted instead—
“

3.35 Sections 3.34 and 3.34A do not limit section 3.30.

”

23. Subchapter 4.A inserted

Before Subchapter 4.1 the following subchapter and heading are inserted—

“

Subchapter 4.A—Framework and approach

4.A1 The *Authority* must make and *publish* a document (“framework and approach”) that is consistent with the *Code objective*, and applies to the *service provider* in respect of a *proposed access arrangement* for a matter listed in section 4.A2 in accordance with this section.

4.A2 The *framework and approach* must set out the *Authority’s* decision (including its *reasons* for the decision) for the purposes of the next *access arrangement review*, on the following matters—

- (a) the *investment adjustment mechanism* that will apply to the *service provider*; and
- (b) the *gain sharing mechanism* that will apply to the *service provider*; and
- (c) the *service standards adjustment mechanism* that will apply to the *service provider*; and
- (d) the *demand management innovation allowance mechanism* that will apply to the *service provider*; and
- (e) the *form of price control*, having regard to the objectives in section 6.4; and
- (f) a list of and classification of *services* including whether services are *reference services* or *non-reference services*, the eligibility criteria for each *reference service*, the structure and *charging parameters* for each *distribution reference tariff* and a description of the approach to setting each *distribution reference tariff* in accordance with sections 7.2 to 7.12; and
- (g) the method for setting the *service standard benchmarks* for each *reference service*.

4.A3 If there is no *access arrangement* that applies in respect of a *service provider*, the *Authority* must *publish* the *framework and approach* that will apply to the first *access arrangement* by no later than 3 months prior to the *submission deadline*.

4.A4 By no later than 31 months prior to the *target revisions commencement date*, the *Authority* must *publish*—

- (a) an issues paper on—
 - (i) if there is a *framework and approach* that applies in respect of the *service provider*, whether it is necessary or desirable to amend or replace the framework and approach; or
 - (ii) if there is no *framework and approach* that applies in respect of the *service provider*, the *framework and approach* that will apply to the next *access arrangement*;
- (b) an invitation for submissions on the issues paper referred to in section 4.A3(a); and
- (c) an indicative timetable setting out the *Authority’s* proposed timeline with respect to the milestones for the *framework and approach* and *access arrangement* revision process to apply to the next *access arrangement review*.

4.A5 A person may make a submission to the *Authority* on the issues paper within 20 *business days* (or such longer period as specified by the *Authority*) after the invitation for submissions on the *framework and approach* is *published* under section 4.A3.

{Note: Under section 14.5(d)(iii), the *Authority* must place each submission made under section 4.A5 on the *public register*.}

{Note: A person may state that a submission or part of a submission is confidential in which case sections 14.12 to 14.15 apply.}

4.A6 The *Authority* must consider any submissions made under section 4.A5 (and information provided pursuant to section 4.A14, if applicable) and must make and *publish*—

- (a) the *Authority’s* decision (including its *reasons* for the decision) for making, amending or replacing the *framework and approach*;
- (b) the draft *framework and approach* (as amended or replaced, if applicable); and
- (c) an invitation for submissions on the draft *framework and approach*.

4.A7 A person may make a submission to the *Authority* on a draft *framework and approach* within 20 *business days* (or such longer period as specified by the *Authority*) after the invitation for submissions on the draft *framework and approach* is *published* under section 4.A3.

{Note: Under section 14.5(d)(iii), the *Authority* must place each submission made under section 4.A7 on the *public register*.}

{Note: A person may state that a submission or part of a submission is confidential in which case sections 14.12 to 14.15 apply.}

4.A8 The *service provider* may, within 15 *business days* after the due date for submissions under section 4.A7, make a submission on the draft *framework and approach*.

{Note: Under section 14.5(d)(iii), the *Authority* must place each submission made under section 4.A8 on the *public register*.}

{Note: A person may state that a submission or part of a submission is confidential in which case sections 14.12 to 14.15 apply.}

4.A9 By no later than 23 months prior to the *target revisions commencement date*, the *Authority* must—

- (a) consider any submissions made under sections 4.A7 and 4.A8 (and information provided pursuant to section 4.A14, if applicable) on the draft *framework and approach*; and
- (b) make and *publish* a final *framework and approach* (including its *reasons* for the final *framework and approach*).

4.A10 The *framework and approach* is not binding on the *Authority* and the *service provider*.

4.A11 Any *proposed access arrangement* or *proposed revisions* submitted by a *service provider* to the *Authority* must be consistent with the *framework and approach* that applies to it. The *service provider* may propose departures from the *framework and approach* if there has been a material change in circumstances in which case it must provide *reasons* for the departure.

4.A12 The *Authority* must not *approve* a *proposed access arrangement* or *proposed revisions* that departs from the *framework and approach* unless there has been a material change in circumstances, in which case it must provide *reasons* for the departure.

4.A13 The *Authority* may make and *publish* a *framework and approach* that applies in respect of an *access arrangement* for a matter that is not listed in section 4.A2 and, if it does so, sections 4.A1 to 4.A12 apply as if that matter were listed in section 4.A2.

4.A14 A submission made under section 4.A5, 4.A7 or 4.A8 that proposes the introduction of a new *reference service* must include information which justifies and supports the basis on which the party making the submission considers the relevant *reference service* is likely to be sought by either or both of—

- (a) a significant number of *customers* and *applicants*; or
- (b) a substantial proportion of the market for *services* in the *covered network*.

”.

24. Section 4.1 amended

Section 4.1 is amended by inserting the following note before the final note in section 4.1—

“

{Note: Section 4.48 requires a *service provider* who has an existing *access arrangement* to submit *proposed revisions* by no later than 17 months prior to the *target revisions commencement date* in the *access arrangement*.}

”.

25. Section 4.3(b) amended

Section 4.3(b) is deleted and the following section is inserted instead—

“

- (b) information detailing and supporting the *pricing methods* in the *access arrangement*, including—
 - (i) a description (with supporting materials) of how the proposed *tariff structure statement* complies with the *pricing principles* including—
 - A. a description of where there has been any departure from the *pricing principles* set out in sections 7.3D to 7.3H; and
 - B. an explanation of how that departure complies with section 7.3B; and
 - (ii) a description of how the *service provider* has engaged with *users* and *end-use customers* in developing the proposed *tariff structure statement* and has sought to address any relevant concerns identified as a result of that engagement; and

”.

26. Section 4.3(d) amended

Section 4.3(d) is amended by deleting the word “assumptions.” at the end of the paragraph and inserting the following words instead—

“

assumptions; and

”.

27. Section 4.3(e) inserted

Section 4.3 is amended by inserting section 4.3(e) after section 4.3(d) as follows—

“

- (e) any other information specified in the guidelines made under section 4.5.

”.

28. Section 4.4 amended

Section 4.4 is amended by deleting the words “or an *amended proposed access arrangement* under section 4.19”.

29. Section 4.6 amended

Section 4.6 is amended by deleting the word “three” and inserting the following word instead—

“
six
”.

30. Section 4.7 deleted

Section 4.7 is deleted.

31. Section 4.9 is amended

Section 4.9 is deleted and the following section is inserted instead—

“
4.9 As soon as practicable after the *proposed access arrangement* is submitted to the *Authority*, the *Authority* must *publish*—
(a) a *proposed access arrangement* and the *access arrangement information* submitted to it; and
(b) an invitation for submissions on the *proposed access arrangement*; and
(c) an invitation to attend a public forum on the issues paper referred to in section 4.10.
”.

32. Section 4.10 amended

Section 4.10 is deleted and the following section is inserted instead—

“
4.10 The *Authority* must—
(a) produce and publish an issues paper examining the issues raised in connection with the *proposed access arrangement* after the invitation for submissions on the *proposed access arrangement* is *published* under section 4.9(b); and
(b) hold a public forum on the issues paper.
”.

33. Section 4.11 amended

Section 4.11 is deleted and the following section and notes are inserted instead—

“
4.11 A person may make a submission to the *Authority* on the *proposed access arrangement* within 30 *business days* (or such longer period as specified by the *Authority*) after the publication of the issues paper under section 4.10(a).
{Note: Under section 14.5(d)(iii), the *Authority* must place each submission made under section 4.11 on the *public register*.}
{Note: A person may state that a submission or part of a submission is confidential in which case sections 14.12 to 14.15 apply.}
”.

34. Section 4.11A inserted

After section 4.11, section 4.11A is inserted as follows—

“
4.11A The *service provider* may submit further *access arrangement information* on the *proposed access arrangement* to the *Authority* within 20 *business days* after the due date for submissions under section 4.11.
”.

35. Section 4.12 amended

Section 4.12 is amended by—

(a) deleting the words “Subject to section 4.27, the” and inserting—
“
The
”; and
(b) after the words “section 4.11”, inserting the following—
“
and any further *access arrangement information* submitted under section 4.11A
”.

36. Section 4.13 amended

Section 4.13 is deleted and the following section is inserted instead—

“
4.13 The *Authority* must, as soon as practicable after the due date for submission of further *access arrangement information* under section 4.11A, *publish*—
(a) the *draft decision*;
(b) *reasons* for the *draft decision*;
”.

- (c) an invitation for submissions on a *draft decision*; and
- (d) notice of a predetermination conference, which must include the time, date and place of the predetermination conference.

”.

37. Section 4.14 amended

Section 4.14 is deleted and the following section is inserted instead—

“

4.14 The *Authority* must hold the predetermination conference at the time, date and place specified in the notice under section 4.13 and in any event, within 15 *business days* of the notice for the purpose of explaining the *draft decision*.

”.

38. Section 4.15 amended

Section 4.15 is amended by—

- (a) deleting the word “20” and inserting—

“

45

”; and

- (b) after the words “*business days*”, inserting the following—

“

(or such longer period as specified by the *Authority*)

”; and

- (c) deleting the words “section 4.14” and inserting—

“

section 4.13

”.

39. Section 4.16 amended

Section 4.16 is deleted and the following section is inserted instead—

“

4.16 The *service provider* must, within 45 *business days* after the *draft decision* is published under section 4.13, submit a revised *proposed access arrangement*, and if so, a reference in this Code to a “*proposed access arrangement*” is to be read as though it was a reference to a “revised *proposed access arrangement*”.

”.

40. Section 4.16A inserted

After section 4.16, section 4.16A is inserted as follows—

“

4.16A The *service provider* may submit further *access arrangement information* on the revised *proposed access arrangement* to the *Authority* within 20 *business days* after the due date for submissions under section 4.15.

”.

41. Section 4.17 amended

Section 4.17 is deleted and the following section is inserted instead—

“

4.17 The *Authority* must consider any submissions made under sections 4.15 to 4.16A on the *draft decision* and must—

- (a) make a *final decision* either—
 - (i) to approve the proposed access arrangement; or
 - (ii) to not approve the *proposed access arrangement*; and
- (b) *publish* the *final decision*; and
- (c) provide and *publish reasons* for the *final decision*.

”.

42. Section 4.18 amended

Section 4.18 is deleted and the following section is inserted instead—

“

4.18 If the *Authority’s final decision* is not to approve a *service provider’s proposed access arrangement*, then the *Authority* must draft, *approve* and *publish* its own *access arrangement*, which must be—

- (a) based on the *proposed access arrangement*; and
- (b) amended from the basis in section 4.18(a) only to the extent necessary to satisfy the criteria for *approval* in section 4.28.

”.

43. Section 4.18A inserted

After section 4.18, section 4.18A is inserted as follows—

“

4.18A The *Authority* must comply with sections 4.17 and 4.18 as soon as practicable after the due date for submission of further *access arrangement information* under section 4.16A and in any event by no later than 3 months prior to the *target revisions commencement date*.

”

44. Sections 4.19, 4.20, 4.21, 4.22, 4.23, 4.24 and 4.25 and headings deleted

Sections 4.19, 4.20, 4.21, 4.22, 4.23, 4.24 and 4.25 and the associated headings are deleted.

45. Section 4.26 amended

Section 4.26 is deleted and the following section is inserted instead—

“

4.26 When the *Authority*—

(a) makes a *final decision* to approve a proposed access arrangement; or

(b) approves its own access arrangement under section 4.18,

the *Authority* must specify an *access arrangement start date* which must—

(c) be consistent with the *Code objective*; and

(d) be at least 2 months after the later of the *final decision* or the *Authority's* own access arrangement under section 4.18 being published.

”

46. Section 4.27 and heading deleted

Section 4.27 and the heading to section 4.27 are deleted.

47. Section 4.28 amended

Section 4.28 is amended by deleting the words “*draft decision, final decision or further final decision*” and inserting the following words instead—

“

draft decision or final decision

”

48. Section 4.33 and heading deleted

Section 4.33 and the heading to section 4.33 are deleted.

49. Section 4.35 amended

Section 4.35 is deleted and the following section is inserted instead—

“

4.35 Section 4.34 does not apply to protect—

(a) an exclusivity right which arose on or after 30 March 1995; or

(b) contractual rights that arose before the date of the *2020 (No. 2) amendments* and that are inconsistent with provisions of a *proposed access arrangement* that have been implemented to reflect the introduction or operation of security constrained economic dispatch in the *Wholesale Electricity Market*.

”

50. Section 4.48 amended

Section 4.48 is amended by deleting the words “the *revisions submissions date* specified in the *access arrangement*” and inserting the following words instead—

“

no later than 17 months prior to the *target revisions commencement date*

”

51. Section 4.49 amended

Section 4.49 is amended by deleting the words “*approve, publish and advertise*” and inserting the following words instead—

“

approve and publish

”

52. Section 4.50 amended

Section 4.50 is amended by deleting the words “*approve, publish and advertise*” and inserting the following words instead—

“

approve and publish

”

53. Section 4.52(b) deleted

Section 4.52(b) is deleted.

54. Section 4.54 amended

Section 4.54 is deleted and the following section is inserted instead—

“

4.54 Where this Code requires the *Authority* to *publish*—

- (a) a *proposed access arrangement*, a revised *proposed access arrangement*, an *approved access arrangement* or an *access arrangement*; or
- (b) *proposed revisions*; or
- (c) *access arrangement information*,

(each of which is a “**relevant document**”) then the *Authority* must *publish* a *relevant document* despite any claim of confidentiality made to the *Authority* in respect of the *relevant document*.

”.

55. Section 4.55 amended

Section 4.55 is amended by deleting the words “*approve, publish and advertise*” and inserting the following words instead—

“

approve and publish

”.

56. Section 4.56 amended

Section 4.56 is amended by deleting the words “*approve, publish and advertise*” and inserting the following words instead—

“

approve and publish

”.

57. Section 4.57 amended

Section 4.57 is amended by deleting the words “*approving, publishing and advertising*” and inserting the following words instead—

“

approving and publishing

”.

58. Section 4.58 amended

Section 4.58 is amended by deleting the words “*approves, publishes and advertises*” and inserting the following words instead—

“

approves and publishes

”.

59. Section 4.59 amended

Section 4.59 is amended by deleting the words “*approve, publish and advertise*” and inserting the following words instead—

“

approve and publish

”.

60. Section 4.64 is amended

Section 4.64 is deleted and the following section is inserted instead—

“

4.64 Subject to section 4.65, the *Authority* may extend any deadline specified in this Chapter 4 but only if, and only to the extent that, the *Authority* first determines as a *reasonable and prudent person* that—

- (a) a longer period of time is essential for due consideration of all the matters under consideration or satisfactory performance of the relevant obligation, or both; and
- (b) the *Authority* or the *service provider*, as applicable, has taken all reasonable steps to fully utilise the times and processes provided for in this Chapter 4.

”.

61. Section 4.65 amended

Section 4.65 is deleted and the following section is inserted instead—

“

4.65 The *Authority* must not exercise the power in section 4.64 to extend any deadline unless, before the day on which the time would otherwise have expired, it *publishes* notice of, and *reasons* for, its decision to extend the deadline.

”.

62. Section 4.66 amended

Section 4.66 is deleted and the following section is inserted instead—

“

4.66 A decision (however described) made by the *Authority* under this Code after the expiry of the period of time specified in this Code for the making of that decision is not to be taken to be an invalid decision only because the decision is not made within the specified period of time.

”.

63. Section 4.67 deleted

Section 4.67 is deleted.

64. Section 4.69(a) amended

Section 4.69(a) is deleted and the following paragraph is inserted instead—

“

- (a) the *Authority* may, by *publishing* a notice, suspend the operation of the deadline for the issue of a *draft decision* under section 4.12 or a *final decision* under section 4.17, if the *Authority* considers that it is essential that the *judicial proceedings* be resolved in order for the *Authority* in its *draft decision* or *final decision*, as applicable, to give due consideration to the matters raised in the *judicial proceedings*; and

”.

65. Sections 4.72, 4.73, 4.74, 4.75, 4.76, 4.77, 4.78 and 4.79, headings and notes deleted

Sections 4.72, 4.73, 4.74, 4.75, 4.76, 4.77, 4.78 and 4.79 and the associated headings and notes are deleted.

66. Section 5.1 amended

Section 5.1 is amended by—

- (a) in paragraph (e), deleting the words “*pricing methods*” and inserting the following—

“

a tariff structure statement and reference tariff change forecast

”; and

- (b) in paragraph (f), deleting the words “a current *price list* under Chapter 8 and”; and

- (c) deleting paragraph (i); and

- (d) in paragraph (l)(ii), deleting the words “5.36.” and inserting the following—

“

5.36; and

”; and

- (e) after the note after paragraph (l), inserting paragraph (m) as follows—

“

(m) include a *multi-function asset policy* under section 5.37.

”.

67. Section 5.2(b) amended

Section 5.2(b) is deleted and the following section is inserted instead—

“

- (b) specify a *reference service* for each *covered service* that is likely to be sought by (or the benefit of which is likely to be sought by) either or both of—

(i) a significant number of *customers* and *applicants*; or

(ii) a substantial proportion of the market for *services* in the *covered network*;

and

”.

68. Section 5.2A inserted

Section 5.2A is inserted after section 5.2—

“

5.2A In determining whether an *access arrangement* complies with section 5.2(b), the *Authority* must have regard to any information provided by a person pursuant to section 4.A14.

”.

69. Section 5.7 amended

Section 5.7 is amended by—

- (a) in paragraph (h), deleting the words “‘market rules’ as defined in section 121(1) of the Act” and inserting the following instead—

“

WEM Rules

”; and

(b) in paragraph (i), deleting the words “with.” and inserting the following instead—

“

with; and

”; and

(c) after paragraph (i), inserting the following—

“

- (j) set out the *transfer and relocation policy*, which policy will set out the circumstances in which the *service provider* is obliged to agree to a *user transferring* all of its rights and obligations under an *access contract* to another person or part of its rights and obligations under an *access contract* to another person.

”.

70. Section 5.8A inserted

Section 5.8A is inserted after section 5.8—

“

5.8A The *transfer and relocation policy* must—

- (a) require the *service provider* not to unreasonably withhold its consent to a *transfer* by a *user* of all of its rights and obligations under an *access contract*; and
- (b) require the *service provider* not to unreasonably withhold its consent to a *transfer* by a *user* of parts of its rights or obligations under an *access contract* provided the rights and obligations being *transferred* are of a nature such that they can be meaningfully severed from the remainder of the *access contract*.

”.

71. Sections 5.18, 5.19, 5.20, 5.21, 5.22, 5.23 and 5.24 and heading deleted

Sections 5.18, 5.19, 5.20, 5.21, 5.22, 5.23 and 5.24 and the heading to section 5.18 are deleted.

72. Section 5.28(a) amended

Section 5.28(a) is deleted and the following section is inserted instead—

“

(a) to the extent that the *supplementary matter* is dealt with in—

- (i) an enactment under Part 9 of the Act; or
- (ii) the *WEM Rules*,

applying to the *covered network*—is consistent with and facilitates the treatment of the *supplementary matter* in the enactment or *WEM Rules*; and

”.

73. Section 5.31(a) amended

Section 5.31(a) is amended by deleting the words “6 months” and inserting the following instead—

“

17 months

”.

74. Section 5.37 inserted

Section 5.37 and the following heading are inserted after the note to section 5.36—

“

Multi-function asset policy

5.37 A *multi-function asset policy* must—

- (a) to the extent reasonably practicable, accommodate the interests of the *service provider* and of *users* and *applicants*; and
- (b) be sufficiently detailed to enable *users* and *applicants* to understand in advance how the *multi-function asset policy* will operate; and
- (c) set out the method for determining *net incremental revenue*; and
- (d) be consistent with the *multi-function asset guidelines*.

”.

75. Section 6.4(ii) amended

Section 6.4(ii) amended by deleting the words “previous *access arrangement*,” and inserting the following instead—

“

previous *access arrangement* or to penalise the *service provider* for efficiency losses derived from a failure to meet the *efficiency and innovation benchmarks* in a previous *access arrangement*,”

”.

76. Section 6.4(iiB) inserted

Section 6.4(iiB) is inserted after section 6.4(iiA)—

“

(iiB) an amount (if any) determined under sections 6.5F to 6.5J; plus

”.

77. Section 6.4(c) amended

Section 6.4(c) is deleted and the following section is inserted instead—

“

(c) minimising, as far as reasonably possible, variance between expected revenue for the last *pricing year* in the *access arrangement period* and the *target revenue* for that last *pricing year*.

”.

78. Sections 6.5F, 6.5G, 6.5H, 6.5I and 6.5J inserted

Sections 6.5F, 6.5G, 6.5H, 6.5I and 6.5J and the following heading are inserted after section 6.5E—

“

Recovery of advanced metering communications infrastructure expenditure

6.5F In this Chapter—

- (a) “AMI communications expenditure” means all expenditure incurred prior to 30 June 2022 on and in relation to communications equipment (such as communication access points, modems and network interface cards), information technology systems and supporting equipment and services that are required to enable advanced metering functionality. For the purposes of this section, AMI communications expenditure is \$115.36 million (expressed in real dollar values as at 30 June 2017); and
- (b) “AMI recovery period” means a period of 10 years commencing on the next *revisions commencement date* following the date of the *2020 (No. 2) amendments*.

{Note: The *2020 (No. 2) amendments* came into effect on 18 September 2020.}

6.5G An amount in respect of AMI communications expenditure must be added to the *target revenue* for the *Western Power Network* for each *access arrangement period* in the AMI recovery period until the full amount referred to in section 6.5F(a) (subject to any adjustments under section 6.5H) has been added.

6.5H An amount added to the *target revenue* under section 6.5G must include an adjustment so that the deferral of the recovery of the AMI communications expenditure is financially neutral for the Electricity Networks Corporation, taking into account—

- (a) the time value of money; and
- (b) inflation.

6.5I Subject to section 6.5J, the *Authority* must determine the amount to be added under section 6.5G in a given *access arrangement period* in the AMI recovery period.

6.5J The total of all amounts added under section 6.5G over the AMI recovery period must equal—

- (a) the total amount of the AMI communications expenditure; plus—
- (b) the sum of all adjustments under section 6.5H.

”.

79. Section 6.21 amended

Section 6.21 is amended by—

- (a) in paragraph (a), deleting the words “in excess of” and inserting the following—

“

or losses relative to

”; and

- (b) in paragraph (c), deleting the word “initiatives.” and inserting the following—

“

initiatives; and

”; and

- (c) after the note to paragraph (c), inserting the following—

“

(d) minimising the effects of the mechanism on incentives for the implementation of *alternative options*.

”.

80. Section 6.22 amended

Section 6.22 is amended by deleting the words “section 6.23.” and inserting the following instead—

“

section 6.23 and the basis on which losses are to be determined for the purposes of section 6.23A.

”.

81. Section 6.23 amended

Section 6.23 is deleted and the following section is inserted instead—

“

A “**surplus**” has arisen to the extent that—

- (a) returns actually achieved by the *service provider* from the sale of *covered services* during the previous *access arrangement period*;

exceeded—

- (b) the level of returns from the sale of *covered services* which at the start of the *access arrangement period* was forecast to occur during the *access arrangement period*.

”.

82. Section 6.23A inserted

After section 6.23, section 6.23A and the following heading are inserted—

“

‘Deficit’ defined

6.23A A “**deficit**” has arisen to the extent that—

- (a) returns actually achieved by the *service provider* from the sale of *covered services* during the previous *access arrangement period*;

are less than—

- (b) the level of returns from the sale of *covered services* which at the start of the *access arrangement period* was forecast to occur during the *access arrangement period*.

”.

83. Heading to section 6.25 amended

The heading to section 6.25 is amended by inserting, after the word “surplus”, the following—

“

or below-benchmark deficit

”.

84. Section 6.25 is amended

Section 6.25 is amended by—

- (a) deleting the words “Subject to section 6.26, the” and inserting the following instead—

“

The

”; and

- (b) deleting the words (“**above-benchmark surplus**”).” and inserting the following instead—

“

(“**above-benchmark surplus**”) or how much of the *deficit* results from a failure of the *service provider* to meet the *efficiency and innovation benchmarks* in the previous *access arrangement* (“**below-benchmark deficit**”).

”.

85. Section 6.26 and note deleted

Section 6.26 and the note to section 6.26 are deleted.

86. Section 6.27 amended

Section 6.27 and the note to section 6.27 are deleted and the following section and heading are inserted instead—

“

Determining the increase or decrease to the target revenue

6.27 The *Authority* must apply the *gain sharing mechanism* to determine how much (if anything) is to be added to or removed from the *target revenue* for one or more coming *access arrangement periods* under section 6.4(a)(ii) in order to enable the *service provider* to continue to share in the benefits of the efficiency gains or innovations which gave rise to the *above-benchmark surplus* or to penalise the *service provider* for the failure to meet the *efficiency and innovation benchmarks* which gave rise to the *below-benchmark deficit*.

”.

87. Section 6.28 amended

Section 6.28 is amended by inserting after the words “under section 6.27 to add”, the words “or remove”.

88. Sections 6.32A, 6.32B, 6.32C, 6.32D, 6.32E, 6.32F, 6.32G, 6.32H, 6.32I, 6.32J and 6.32K inserted

Sections 6.32A, 6.32B, 6.32C, 6.32D, 6.32E, 6.32F, 6.32G, 6.32H, 6.32I, 6.32J and 6.32K and the following heading are inserted after section 6.32—

“

Demand management innovation allowance mechanism

6.32A An *access arrangement* must contain a *demand management innovation allowance mechanism*.

6.32B The demand management innovation allowance is an annual, ex-ante allowance provided to *service providers* in the form of a fixed amount of additional revenue at the commencement of each *pricing year* of an *access arrangement period*.

6.32C The objective of the *demand management innovation allowance mechanism* is to provide *service providers* with funding for research and development in demand management projects that have the potential to reduce long term network costs (“**demand management innovation allowance objective**”).

6.32D The *Authority* must make and *publish* guidelines which must include a *demand management innovation allowance mechanism* consistent with the *demand management innovation allowance objective* and the information specified in section 6.32J.

6.32E The *Authority* must determine the maximum amount of the allowance under the *demand management innovation allowance mechanism* for an *access arrangement period*, which must be calculated for each *pricing year* in the *access arrangement period*.

6.32F Any amount of allowance not used by the *service provider* or not approved by the *Authority* over the *access arrangement period* must not be carried over into the subsequent *access arrangement period* or reduce the amount of the allowance for the subsequent *access arrangement period*.

6.32G In developing and applying any *demand management innovation allowance mechanism*, the *Authority* must take into account the following—

- (a) the mechanism should be applied in a manner that contributes to the achievement of the *demand management innovation allowance objective*;
- (b) projects the subject of the allowance should—
 - (i) have the potential to reduce long term network costs; and
 - (ii) be innovative and not otherwise efficient and prudent *alternative options* that a *service provider* should have provided for in its *proposed access arrangement*; and
 - (iii) comply with the *demand management innovation allowance guidelines*;
- (c) the level of the allowance—
 - (i) should be reasonable, considering the long term benefit to *consumers*; and
 - (ii) should only provide funding that is not available from any other source; and
 - (iii) may vary over time; and
- (d) the allowance may fund projects which occur over a period longer than an *access arrangement period*.

6.32H A *service provider* must submit a *compliance report to the Authority* in accordance with the *demand management innovation allowance guidelines*.

6.32I The *Authority* must *publish* the *compliance report*.

6.32J The *demand management innovation allowance guidelines* must include the following—

- (a) the eligibility criteria to be applied by the *Authority* in determining whether a project is entitled to receive the allowance;
- (b) the process, manner and form by which a *service provider* may apply to the *Authority* for up-front consideration of a project;
- (c) the information required to be included in a *compliance report* which must include—
 - (i) the amount of the allowance—
 - A. incurred by the *service provider* to date as at the end of that *pricing year*;
 - B. incurred by the *service provider* in that *pricing year*; and
 - C. expected to be incurred by the *service provider* in total over the duration of the eligible project;
 - (ii) a list and description of each project on which the allowance was spent;
 - (iii) a summary of how and why each project complies with the eligibility criteria;
 - (iv) the results of each project; and
- (d) any requirements for the preparation, lodgement and form of a *compliance report*.

6.32K The *Authority* must consult the public in accordance with Appendix 7 before making and *publishing* the *demand management innovation allowance guidelines*.

”.

89. Section 6.34 amended

Section 6.34 is amended by inserting after the words “under section 6.33,” the words—
“

then despite any existing *framework and approach*,

”.

90. Section 6.35 amended

Section 6.35 is amended by inserting after the words “a *service provider*”, the words—
“

or a *user*

”.

91. Section 6.37 amended

Section 6.37 is amended by deleting the words “(as extended under section 4.66(a))”

92. Section 6.52 amended

Section 6.52 is deleted and the following section is inserted instead—
“

6.52 *New facilities investment* satisfies the *new facilities investment test* if—

- (a) the *new facilities investment* does not exceed the amount that would be invested by a *service provider efficiently minimising costs*, having regard, without limitation, to—
 - (i) whether the *new facility* exhibits economies of scale or scope and the increments in which capacity can be added; and
 - (ii) whether the lowest sustainable cost of providing the *covered services* forecast to be sold over a reasonable period may require the installation of a *new facility* with capacity sufficient to meet the forecast sales; and
 - (iii) if it is not a *priority project*, *alternative options* to the *new facility* (including the capital costs and *non-capital costs* that would be incurred in respect of that *alternative option*);

and

- (b) one or more of the following conditions is satisfied—
 - (i) either—
 - A. the *anticipated incremental revenue* for the *new facility* is expected to at least recover the *new facilities investment*; or
 - B. if a *modified test* has been approved under section 6.53 and the *new facilities investment* is below the *test application threshold*—the *modified test* is satisfied;
 - or
 - (ii) the *new facility* provides a *net benefit* in the *covered network* over a reasonable period of time that justifies the *approval* of higher *reference tariffs*; or
 - (iii) the *new facility* is necessary to maintain the safety or reliability of the *covered network* or its ability to provide contracted *covered services*; or
 - (iv) the *new facility* is in respect of a *priority project*.

”.

93. Section 6.54 amended

Section 6.54 is deleted and the following section is inserted instead—
“

6.54 In making a determination under section 6.52 the *Authority* must have regard to—

- (a) if the *new facilities investment* is in respect of a *priority project*, for the purposes of considering the amount invested or recovered under section 6.52(a), the unit costs of the *service provider’s* actual *new facilities investment* only; and
- (b) whether the *new facilities investment* was required by a *written law* or a *statutory instrument*.

”.

94. Section 6.55A inserted

Section 6.55A is inserted after section 6.55—
“

6.55A If the *Authority* makes a determination under section 6.52, it must provide *reasons* for its determination in its *draft decision* and *final decision*, and such *reasons* must provide detail on how the *Authority* applied the guidelines referred to in section 6.56 in making its determination.

”.

95. Section 6.56 inserted

Section 6.56 and the following heading are inserted before the heading to section 6.57—

“

Authority must make guidelines

6.56 The *Authority* must make and *publish* guidelines that provide guidance as to the factors the *Authority* proposes to consider in making a determination under section 6.52 and must consult the public in accordance with Appendix 7 before making and *publishing* any guidelines under this section.

”.

96. Section 6.68(c) amended

Section 6.68(c) is amended by deleting the words “(as extended under section 4.66(a))”.

97. Sections 6.70A and 6.70B and heading inserted

Sections 6.70A and 6.70B and the following heading are inserted after section 6.70—

“

Consultation with AEMO

6.70A Where a *service provider* is required under this Code to consider changes in costs and benefits for participants in the *Wholesale Electricity Market* (including where required to do so pursuant to the *guidelines* published under section 6A.6(a)), the *service provider* must consult with *AEMO* in good faith in respect of such changes in costs and benefits.

6.70B Clause 6.70A only applies in respect of the *SWIS*.

”.

98. Section 6.77 amended

Section 6.77 is amended by deleting the words “a reasonable time” and inserting the following words instead—

“

70 *business days*

”.

99. Section 6.77A inserted

Section 6.77A is inserted after section 6.77—

“

6.77A The *Authority* may extend the deadline in section 6.77 if, before the day on which the time would otherwise have expired, it *publishes* notice of, and *reasons* for, its decision to extend the deadline.

”.

100. Section 6.78 amended

Section 6.78 is amended by deleting the words “in accordance with Appendix 7”.

101. Section 6.79 amended

Section 6.79 deleted and the following section is inserted instead—

“

6.79 The effect of a determination under section 6.77 is to bind the *Authority* when it approves *proposed revisions*, but in the case of forecast *non-capital costs* under section 6.76(b) the *Authority* is only bound if the actual *non-capital costs* incurred are within 5% of the forecast *non-capital costs* proposed to be incurred.

”.

102. Sections 6.81, 6.82 and 6.83 and Subchapter 6.4 inserted

Sections 6.81, 6.82 and 6.83, Subchapter 6.4 and the following headings are inserted after section 6.80—

“

Approval for access reform costs

6.81 A *service provider* may apply to the *Authority* for the *Authority* to determine the amount that the *service provider* may recover in respect of *access reform costs* incurred by the *service provider*.

6.82 The *Authority* must determine that the *service provider* may recover the total *access reform costs* incurred by the *service provider* except to the extent that it considers that any *access reform costs* incurred by the *service provider* have not been incurred by the *service provider* acting efficiently.

6.83 Any amount determined by the *Authority* under section 6.81 is deemed to be added to the *non-capital costs* component of *approved total costs* for a *covered network* in the relevant *access arrangement*.

Subchapter 6.4—Multi-function assets

6.84 If a *network asset* is used to provide *services* other than *covered services* (a “multi-function asset”), the *Authority* must, in accordance with the *multi-function asset principles*, in an *access*

arrangement for an *access arrangement period*, reduce the *target revenue* for the *service provider* for a *pricing year* within that *access arrangement period* by an amount equal to 30% of the *net incremental revenue*.

6.85 In making a decision under section 6.84, the *Authority* must have regard to the *multi-function asset policy* and the *multi-function asset guidelines*.

6.86 The *multi-function asset principles* are as follows—

- (a) the *service provider* should be encouraged to use assets that provide *covered services* for the provision of other kinds of *services* where that use is efficient and does not materially prejudice the provision of *covered service*;
- (b) a *multi-function asset* revenue reduction should not be dependent on the *service provider* deriving a positive commercial outcome from the use of the asset other than for *covered services*;
- (c) a *multi-function asset* revenue reduction should be applied where the use of the asset other than for *covered services* is material;
- (d) regard should be had to the manner in which costs of *multi-function assets* have been recovered or revenues of *multi-function assets* have been reduced in respect of the relevant asset in the past and the *reasons* for adopting that manner of reduction; and
- (e) any reduction effected under section 6.84 should be compatible with other incentives provided under this Code.

6.87 For the purpose of section 6.86(c), the use of a *multi-function asset* other than for *covered services* is material if the *net incremental revenue* derived from the use of all *multi-function assets* in a *pricing year* is greater than \$1 million (*CPI adjusted*).

6.88 The *Authority* must make and *publish* guidelines setting out the approach the *Authority* proposes to take in applying the *multi-function asset principles* (which may include a methodology that the *Authority* proposes to use to determine reductions for the purposes of section 6.84) and must consult the public in accordance with Appendix 7 before making and *publishing* the *multi-function asset guidelines*.

”.

103. Chapter 6A inserted

Chapter 6A and the following headings are inserted before Chapter 7—

“

Chapter 6A—Alternative options

Network Opportunity Map

6A.1 A *service provider* must *publish* and update a network opportunity map (“*network opportunity map*”) by no later than 1 October each year.

6A.2 A *network opportunity map* must include—

- (a) a description of the *service provider’s network*;
- (b) a description of its operating environment;
- (c) the methodologies used in preparing the *network opportunity map*, including methodologies used to identify transmission and distribution system *constraints* and any assumptions applied;
- (d) analysis and explanation of any aspects of forecasts and information provided in the *network opportunity map* that have changed significantly from previous forecasts and information provided in the preceding year;
- (e) forecasts for the 5 year forward planning period, including at least—
 - (i) a description of the forecasting methodology used, sources of input information, and the assumptions applied; and
 - (ii) load forecasts for zone substations;
 - (iii) to the extent practicable, primary distribution feeders, having regard to—
 - A. the number of customer connections;
 - B. energy consumption; and
 - C. estimated total output of known embedded generating units,
 including, where applicable, for each item any capacity or voltage constraints on distribution feeders where applicable including estimated constraint periods; and
- (f) forecasts of future zone sub-stations including—
 - (i) location;
 - (ii) future level of output, consumption or power flow (in MW) of a *generating plant* or *load*; and
 - (iii) proposed commissioning time (estimate of month and year);
- (g) a description of any factors that may have a material impact on the *service provider’s network*, including factors affecting—
 - (i) fault levels;
 - (ii) voltage levels;

- (iii) power system security requirements; and
- (iv) the quality of supply to other *users* (if relevant);
- (h) the annual deferred value for *augmentations* for the next 5 years;
- (i) for all *network asset* retirements and for all *network asset* de-ratings that, in each case, would result in transmission and distribution system *constraints*, that are planned over the forward planning period, the following information in sufficient detail relative to the size or significance of the *network asset*—
 - (i) a description of the *network asset*, including location;
 - (ii) the reasons, including methodologies and assumptions used by the *service provider*, for deciding that it is necessary or prudent for the *network asset* to be retired or de-rated, taking into account factors such as the condition of the *network asset*;
 - (iii) the date from which the *service provider* proposes that the *network asset* will be retired or de-rated; and
 - (iv) if the date to retire or de-rate the *network asset* has changed since the previous *network opportunity map*, an explanation of why this has occurred;
- (j) a high-level summary of each—
 - (i) *major augmentation* for which the *regulatory test* has been completed in the preceding year or is in progress; and
 - (ii) *priority project*;
- (k) a summary of all *committed* investments to be carried out within the forward planning period with an estimated capital cost of \$2 million or more that are to address a *network* issue, including—
 - (i) a brief description of the investment, including its purpose, its location, the estimated capital cost of the investment and an estimate of the date (month and year) the investment is expected to become operational;
 - (ii) where there are reasonable *alternative options* to that investment, a brief description of the *alternative options* considered by the *service provider* in deciding on the preferred investment, including an explanation of the ranking of these options to the investment;
- (l) information on the *service provider's* asset management approach, including—
 - (i) a summary of any asset management strategy employed by the *service provider*;
 - (ii) an explanation of how the *service provider* takes into account the cost of line losses when developing and implementing its asset management and investment strategy;
 - (iii) a summary of any issues that may impact on the transmission and distribution system *constraints* identified in the *network opportunity map* that has been identified through carrying out asset management;
 - (iv) information about where further information on the asset management strategy and methodology adopted by the *service provider* may be obtained.

Alternative options strategy and vendor register

6A.3 The *service provider* must develop a strategy (“alternative options strategy”) for—

- (a) engaging with providers of *alternative options*; and
- (b) considering *alternative options*.

6A.4 The *service provider* must—

- (a) engage with providers of *alternative options* and consider *alternative options* for addressing transmission and distribution system *constraints* in accordance with its *alternative options strategy*;
- (b) document its *alternative options strategy* which must include the information specified in section 6A.5;
- (c) review and *publish* a revised *alternative options strategy* by no later than 1 October, which must be updated at least once every 2 years;
- (d) establish and maintain a vendor register by which parties can register their interest in being notified of developments relating to *network* planning and expansion; and
- (e) negotiate in good faith with a provider of *alternative options* regarding the terms for an alternative option service contract based on the *model alternative option service contract*.

6A.5 The *service provider's alternative options strategy* must include the following information—

- (a) a description of how the *service provider* will investigate, develop, assess and report on potential *alternative options* including references to the *network opportunity map* (if relevant);
- (b) a description of the *service provider's* process to engage and consult with potential providers of *alternative options* to determine their level of interest and ability to participate in the development process for potential *alternative options*;

- (c) an outline of the process followed by the *service provider* when negotiating with providers of *alternative options* to further develop potential *alternative options*;
- (d) an outline of the information a provider of *alternative options* is to include in a proposal for *alternative options*, including, where possible, an example of a best practice *alternative options* proposal;
- (e) an outline of the criteria that will be applied by the *service provider* in evaluating *alternative options* proposals including by reference to the *network opportunity map* (if relevant);
- (f) an outline of the principles that the *service provider* considers in developing the payment levels for *alternative options*;
- (g) a reference to any applicable incentive schemes for the implementation of *alternative options* and whether any specific criteria is applied by the *service provider* in its application and assessment of the scheme;
- (h) worked examples to support the description of how the *service provider* will assess potential *alternative options* in accordance with paragraph (a) above;
- (i) a hyperlink to any relevant, publicly available information produced by the *service provider*;
- (j) a *model alternative option service contract* that provides a framework agreement for the *service provider* to negotiate *alternative options*;
- (k) the amount of *alternative options* costs incurred since publishing the previous *alternative options strategy*;
- (l) a description of how parties may be listed on the vendor register; and
- (m) the *service provider's* contact details.

Net Benefit Valuation Guidelines

6A.6 The *Authority* must—

- (a) make and *publish* guidelines that provide guidance as to acceptable methodologies for valuing *net benefits* by a *service provider*, which methodologies must include, but are not limited to, for the *SWIS*, consideration of changes in costs and benefits for participants in the *Wholesale Electricity Market*; and
- (b) consult the public in accordance with Appendix 7 before making and *publishing* any guidelines under section 6A.6(a).

Model alternative option service contract

6A.7 The *model alternative option service contract* forming part of the *service provider's alternative options strategy* under section 6A.5(j) must—

- (a) be reasonable; and
- (b) be sufficiently detailed and complete to enable the *alternative options provider* to understand in advance how the *model alternative option service contract* will be applied; and
- (c) contain provisions that can be utilised to specify the rights and obligations agreed between the *service provider* and the *alternative options provider* in respect to at least the following matters—
 - (i) scope and standard of the *alternative option*;
 - (ii) security;
 - (iii) technical compliance requirements;
 - (iv) testing and maintenance;
 - (v) record keeping, audits and inspection;
 - (vi) confidentiality and privacy;
 - (vii) invoicing and payments;
 - (viii) liability and indemnities;
 - (ix) insurance;
 - (x) suspension and *force majeure*;
 - (xi) default and termination;
 - (xii) assignment and sub-contracting;
 - (xiii) dispute resolution; and
 - (xiv) warranties.

6A.8 The *Authority* must approve a *model alternative option service contract* if it is reasonably satisfied that it complies with section 6A.7.

6A.9 If the *Authority* does not approve a *model alternative option service contract*, the *Authority* must notify the *service provider* of the changes required for it to be approved.

6A.10 The *Authority* may consult the public before making a decision to approve or not approve a *model alternative option service contract*.

104. Title to Chapter 7 amended

The title to Chapter 7 is amended by inserting after “methods” the following—

“
 and tariff structure statements
 ”.

105. Section 7.1 amended

Section 7.1 is amended by deleting the words “an *access arrangement*” and inserting the following instead—

“
 a *tariff structure statement*
 ”.

106. Sections 7.1A, 7.1B, 7.1C and 7.1D and heading inserted

Sections 7.1A, 7.1B, 7.1C and 7.1D and the following heading are inserted after section 7.1—

“
 Tariff structure statements
 7.1A A *tariff structure statement* of a *service provider* of a *covered network* must set out the *service provider’s pricing methods*, and must include the following elements—
 (a) the structures for each proposed *distribution reference tariff*;
 (b) the *charging parameters* for each proposed *distribution reference tariff*; and
 (c) a description of the approach that the *service provider* will take in setting each *distribution reference tariff* in each *price list* of the *service provider* during the relevant *access arrangement period* in accordance with sections 7.2 to 7.12.
 7.1B A *tariff structure statement* must comply with—
 (a) the *pricing principles*; and
 (b) any applicable *framework and approach*.
 7.1C A *network service provider* must comply with the *tariff structure statement* approved by the *Authority* and any other applicable requirements in this Code when the *service provider* is setting the *reference tariffs* for *reference services*.
 7.1D A *tariff structure statement* must be accompanied by a *reference tariff change forecast* which sets out, for each *reference tariff*, the *service provider’s* forecast of the weighted average annual price change for that *reference tariff* for each *pricing year* of the *access arrangement period*.
 ”.

107. Section 7.2 amended

Section 7.2 is amended by deleting the words “An *access arrangement*” and inserting the following instead—

“
 A *tariff structure statement*
 ”.

108. Note to section 7.2 amended

The note to section 7.2 is amended by deleting the words “classes of *users*.” and inserting the following instead—

“
 classes of *users* or *users* by reference to their *end-use customers*.
 ”.

109. Heading to section 7.3 amended

The heading to section 7.3 is deleted and the following heading is inserted instead—

“
 Pricing objective
 ”.

110. Section 7.3 amended

Section 7.3 is deleted and the following section is inserted instead—

“
 7.3 Subject to sections 7.7 and 7.12, the *pricing methods* in a *tariff structure statement* must have the objective (the “**pricing objective**”) that the *reference tariffs* that a *service provider* charges in respect of its provision of *reference services* should reflect the *service provider’s* efficient costs of providing those *reference services*.
 ”.

111. Sections 7.3A, 7.3B, 7.3C, 7.3D, 7.3E, 7.3F, 7.3G, 7.3H, 7.3I and 7.3J and headings inserted

Sections 7.3A, 7.3B, 7.3C, 7.3D, 7.3E, 7.3F, 7.3G, 7.3H, 7.3I and 7.3J and the following headings are inserted after section 7.3—

“Application of the pricing principles

7.3A Subject to sections 7.3B, 7.7 and 7.12, a *service provider’s reference tariffs* must comply with the *pricing principles* set out in sections 7.3D to 7.3J.

7.3B A *service provider’s reference tariffs* may not vary from the *reference tariffs* that would result from complying with the *pricing principles* set out in sections 7.3D to 7.3H, except to the extent necessary to give effect to the *pricing principles* set out in sections 7.3I to 7.3J.

7.3C A *service provider* must comply with section 7.3A in a manner that will contribute to the achievement of the *pricing objective*.

Pricing principles

7.3D For each *reference tariff*, the revenue expected to be recovered must lie on or between—

- (a) an upper bound representing the *stand-alone cost of service provision* for *customers* to whom or in respect of whom that *reference tariff* applies; and
- (b) a lower bound representing the avoidable cost of not serving the *customers* to whom or in respect of whom that *reference tariff* applies.

7.3E The *charges* paid by, or in respect of, different *customers* of a *reference service* may differ only to the extent necessary to reflect differences in the *average cost of service provision* to the *customers*.

{Examples of factors which may result in the charges paid by different customers of a reference service differing from each other, include—

- the quantities of *reference service* supplied or to be supplied; or
- a *customer’s* time pattern of *network* usage; or
- the technical characteristics or requirements of the *facilities and equipment* at the relevant *connection point*; or
- the nature of the plant or equipment required to provide the *reference service*; or
- the periods for which the *reference service* is to be supplied; or
- subject to section 7.7, a *customer’s* location.}

7.3F The structure of *reference tariffs* must, so far as is consistent with the *Code objective*, accommodate the reasonable requirements of *users* collectively and *end-use customers* collectively.

{Example: *Customers* may prefer more of the *average cost of service provision* to be recovered using *tariff* components that vary with usage or demand than might otherwise be the case under section 7.6.}

7.3G Each *reference tariff* must be based on the forward-looking efficient costs of providing the *reference service* to which it relates to the *customers* currently on that *reference tariff* with the method of calculating such cost and the manner in which that method is applied to be determined having regard to—

- (a) the additional costs likely to be associated with meeting demand from *end-use customers* that are currently on that *reference tariff* at times of greatest utilisation of the relevant part of the *service provider’s network*; and
- (b) the location of *end-use customers* that are currently on that *reference tariff* and the extent to which costs vary between different locations in the *service provider’s network*.

7.3H The revenue expected to be recovered from each *reference tariff* must—

- (a) reflect the *service provider’s* total efficient costs of serving the *customers* that are currently on that *reference tariff*;
- (b) when summed with the revenue expected to be received from all other *reference tariffs*, permit the *service provider* to recover the expected revenue for the *reference services* in accordance with the *service provider’s access arrangement*; and
- (c) comply with sections 7.3H(a) and 7.3H(b) in a way that minimises distortions to the price signals for efficient usage that would result from *reference tariffs* that comply with the *pricing principle* set out in section 7.3G.

7.3I The structure of each *reference tariff* must be reasonably capable of being understood by *customers* that are currently on that *reference tariff*, including enabling a *customer* to predict the likely annual changes in *reference tariffs* during the *access arrangement period*, having regard to—

- (a) the type and nature of those *customers*;
- (b) the information provided to, and the consultation undertaken with, those *customers*.

7.3J A *reference tariff* must comply with this Code and all relevant *written laws* and *statutory instruments*.

112. Sections 7.4 and 7.5 deleted

Sections 7.4 and 7.5 are deleted.

113. Section 7.6 amended

Section 7.6 is amended by deleting the words “an *access arrangement*” and inserting the following instead—

“

a tariff structure statement

”.

114. Section 7.9 amended

Section 7.9 is deleted and the following section is inserted instead—

“

7.9 If a *user* seeks to implement initiatives to promote the economically efficient investment in and operation of the *covered network*, a *service provider* must reflect in the *user's tariff*, by way of a discount, a share of any reductions in either or both of the *service provider's capital-related costs* or *non-capital costs* which arise in relation to the initiative by—

- (a) entering into an agreement with a *user* to apply a discount to the equivalent *tariff* to be paid by the *user* for a *covered service*; and
- (b) then, recovering the amount of the discount from other *users of reference services* through *reference tariffs*.

”.

115. Chapter 8 amended

Chapter 8 is deleted and the following Chapter and headings are inserted instead—

“

Chapter 8—Price lists**Submission and approval of price lists if required**

8.1 A *service provider* must—

- (a) submit to the *Authority*, as soon as practicable, and in any case within 15 *business days*, after the *Authority publishes* its *final decision* under section 4.17, a *price list* (the “*initial price list*”) for the first *pricing year* of the *access arrangement period*; and
- (b) submit to the *Authority*, at least 3 months before the commencement of the second and each subsequent *pricing year* of the *access arrangement period*, a further *price list* (an “*annual price list*”) for the relevant *pricing year*.

8.1A If a service provider's access arrangement—

- (a) requires it to submit *price lists* to the *Authority* for approval, the process set out in sections 8.2 to 8.7 will apply upon the *service provider* submitting its *price list* under section 8.1; or
- (b) does not require it to submit *price lists* to the *Authority* for approval, the *Authority* must *publish* the *price list* within 5 *business days* after the *service provider* submits the *price list* under section 8.1, and that *price list* will be deemed to be an *approved price list*.

8.2 The *Authority* must approve a *price list* if the *Authority* is satisfied that—

- (a) the *price list* complies with Chapter 7 and this Chapter 8 and the *service provider's access arrangement*, including any applicable *tariff structure statement*; and
- (b) all forecasts associated with the *price list* are reasonable.

8.3 If the *Authority* determines that a *price list* is deficient—

- (a) the *Authority* may require the *service provider*, within 10 *business days* after receiving notice of the determination, to re-submit the *price list* with the amendments necessary to correct the deficiencies identified in the determination and (unless the *Authority* permits further amendment) no further amendment; or
- (b) the *Authority* may itself make the amendments necessary to correct the deficiencies.

8.4 If the *service provider* fails to comply with a requirement under section 8.3, or the resubmitted *price list* fails to correct the deficiencies in the former *price list*, the *Authority* may itself amend the *price list* to bring it into conformity with the requirements of this Chapter 8, the *service provider's access arrangement* and the *service provider's tariff structure statement* for the relevant *access arrangement period*.

8.5 For the purposes of amending a *price list* under section 8.3(b) or section 8.4, the *Authority* may have regard to the forecast price changes for the relevant *pricing year* as set out in any applicable *reference tariff change forecast*.

8.6 The *Authority* must, within 15 *business days* from the date of submission of an *initial price list* by a *service provider* under section 8.1(a), *publish* an *approved price list* (including any amendments made by the *Authority* under section 8.3(b) or section 8.4) with respect to that *initial price list*.

8.7 The *Authority* must, within 30 *business days* from the date of submission of an *annual price list* by a *service provider* under section 8.1(b), *publish* an *approved price list* (including any amendments made by the *Authority* under section 8.3(b) or section 8.4) with respect to that *annual price list*.

8.8 If the *Authority* does not *publish* an *approved price list* by the date specified in section 8.6 or 8.7 (as applicable), the *approved price list* most recently in effect continues in effect until the *Authority publishes* a revised *approved price list* in accordance with section 8.6 or 8.7 (as applicable) and that revised *approved price list* takes effect in accordance with section 8.11.

8.9 If the *Authority* does not *publish* its *final decision* under section 4.17 by the date specified in section 4.18A, the *approved price list* most recently in effect continues in effect until—

- (a) the *Authority publishes* its *final decision* under section 4.17; and
- (b) the *service provider* submits its *initial price list* under section 8.1(a); and
- (c) the *Authority publishes* an *approved price list* with respect to that *initial price list* in accordance with section 8.1A(b) or 8.6 (as applicable); and
- (d) that *approved price list* takes effect in accordance with section 8.10(a) or 8.11 (as applicable).

8.10 An *approved price list published* under section 8.1A(b) takes effect—

- (a) in the case of an *initial price list*—at the commencement of the first *pricing year* of the relevant *access arrangement period*; and
- (b) in the case of an *annual price list*—at the commencement of the *pricing year* to which the *price list* relates.

8.11 An *approved price list published* under section 8.6 or 8.7 takes effect from a date specified by the *Authority*, provided that the date specified by the *Authority* must be the date set out in section 8.10(a) or 8.10(b) (as applicable) unless the *Authority* considers there are circumstances which reasonably justify a departure from such date.

{Note: an example of circumstances which would reasonably justify the *Authority* departing from the date set out in section 8.10(a) or 8.10(b) would be where the previous *approved price list* has continued to have effect pursuant to section 8.8 and a new *pricing year* has commenced, in which case the *Authority* could specify that the revised *approved price list* will take effect from the date it is *published*.}

Contents of price list

8.12 A *price list* must—

- (a) set out the proposed *reference tariffs* for the relevant *access arrangement period*;
- (b) set out, for each proposed *reference tariff*, the *charging parameters* and the elements of service to which each *charging parameter* relates;
- (c) set out the nature of any variation or adjustment to the *reference tariff* that could occur during the course of the *pricing year* and the basis on which it could occur;
- (d) demonstrate compliance with this Code and the *service provider's access arrangement*, including the *service provider's tariff structure statement* for the relevant *access arrangement period*;
- (e) for any *pricing year* other than the first *pricing year* in an *access arrangement period*, demonstrate how each proposed *reference tariff* is consistent with the corresponding forecast price change for that *reference tariff* for the relevant *pricing year* as set out in the relevant *reference tariff change forecast*, or explain any material differences between them; and
- (f) describe the nature and extent of change from the previous *pricing year* and demonstrate that the changes comply with this Code and the *service provider's access arrangement*.

Revision of reference tariff change forecast

8.13 At the same time as a *service provider* submits a *price list* under section 8.1, the *service provider* must submit to the *Authority* a revised *reference tariff change forecast* which sets out, for each *reference tariff*, the *service provider's* forecast of the weighted average annual price change for that *reference tariff* for each remaining *pricing year* of the *access arrangement period*, and updated so as to take into account that *price list*.

Publication of information about tariffs

8.14 A *service provider* must maintain on its website—

- (a) its current *tariff structure statement*;
- (b) its current *reference tariff change forecast*; and
- (c) its current *approved price list*.

8.15 A *service provider* must, within 5 *business days* from the date the *Authority publishes* its *final decision* under section 4.17 for that *service provider's access arrangement*, *publish* the *tariff structure statement* approved or contained in the approved *access arrangement* and the accompanying *reference tariff change forecast*.

8.16 A *service provider* must *publish* the information referred to in section 8.14 within 5 *business days* from the date the *Authority publishes* an *approved price list* under section 8.1A(b), section 8.6 or section 8.7 (as applicable) for that *service provider*.

116. Section 9.11 amended

Section 9.11 is amended by—

- (a) in paragraph (c), deleting the words “section 4.16.” and inserting the following instead—

“
section 4.16; and

”;

- (b) after paragraph (c), inserting paragraph (d) as follows—

“

- (d) may rely on information from the *whole of system plan* if relevant to the *major augmentation proposal*.

”.

117. Section 9.13 amended

Section 9.13 is amended by deleting the words “and, if applicable, its further final decision under section 4.21”.

118. Section 9.16 amended

Section 9.16 is amended by—

- (a) in paragraph (e), deleting the word “*augmentations*.” and inserting the following instead—

“

augmentations; and

”;

- (b) after paragraph (e), inserting paragraph (f) as follows—

“

- (f) may include information from the *whole of system plan* if relevant to the *major augmentation proposal*.

”.

119. Section 9.23(c) amended

Section 9.23(c) is amended by deleting the words “the Independent Market Operator established under the Electricity Industry (Independent Market Operator) Regulations 2004,” and inserting the following instead—

“

AEMO;

”.

120. Sections 9.24A and 9.24B inserted

Sections 9.24A and 9.24B are inserted after section 9.24—

“

9.24A If a person requests the *Authority* to form a view under section 9.23, the *Authority* may take into account any information obtained from the preparation of, or set out in the *whole of system plan*.

9.24B To avoid doubt, a *priority project* is not subject to the *regulatory test*.

”.

121. Heading to section 10.1 amended

The heading to section 10.1 is amended by deleting the word “1985” and inserting the following instead—

“

2012

”.

122. Section 10.1 amended

Section 10.1 is amended by deleting the word “1985” and inserting the following instead—

“

2012

”.

123. Section 10.24 amended

Section 10.24 is amended by deleting the words “*non-reference service*” and inserting the following instead—

“

non-reference service

”.

124. Section 11.5(b) amended

Section 11.5(b) is amended by deleting the word “*advertise*” and inserting the following instead—

“ *publish*

”.

125. Section 12.11 amended

Section 12.11(b)(ii) is amended by deleting the word “4.17” and inserting the following instead—

“

4.18A

”.

126. Section 12.19 amended

Section 12.19 is deleted and the following section is inserted instead—

“

12.19 A *technical rules committee*—

(a) must consist of at least—

- (i) a representative of the service provider; and
- (ii) at least one person representing users of the network; and
- (iii) a representative of the Coordinator; and
- (iv) a representative of *AEMO*;

and

(b) may consist of any other person that the *Authority* considers appropriate, and a person on a *technical rules committee* is a “**member**” of the *technical rules committee*.

”.

127. Sections 12.19A, 12.19B and 12.19C inserted

Sections 12.19A, 12.19B and 12.19C are inserted after section 12.19—

“

12.19A The *Authority* may determine that a member of a *technical rules committee* is to receive remuneration or an allowance and the *Authority* may fix the amount of that remuneration or allowance.

12.19B Subject to section 12.19C, when establishing a *technical rules committee*, the *Authority* must set the terms of reference for a *technical rules committee* which must include, at a minimum, requirements in respect of—

- (a) frequency of meetings; and
- (b) meeting procedures.

12.19C The terms of reference for a *technical rules committee* must provide—

- (a) that, notwithstanding that the *Authority* may require additional members, the quorum of a *technical rules committee* will consist of the representatives in section 12.19(a)(i), 12.19(a)(iv) and 12.19(a)(v); and
- (b) that the *technical rules committee* may establish one or more subcommittees in the performance of its duties but only with the prior consent of the *Authority*.

”.

128. Section 12.20 amended

Section 12.20 is amended by deleting the words “under section 12.19(a)(iv) or 12.19(a)(vi)C”.

129. Section 12.23 amended

Section 12.23 is amended by—

(a) after the words “section 12.11(b)” inserting the following—

“

and 12.51B

”; and

(b) deleting paragraph (c) and inserting the following instead—

“

(c) must, when requested by the *Authority*, advise the *Authority* on any matter connected with the approval of, or decision not to approve, *technical rules* or draft or proposed *technical rules* or a proposal to amend *technical rules*; and

”; and

(c) in paragraph (d), deleting the word “*review*” in the second place it appears and inserting the following instead—

“

review; and

”; and

(d) after paragraph (d), inserting paragraph (e) as follows—

“

(e) must, when requested by the *Authority*—

- (i) assist a person to comply with the processes and procedures developed and published under section 12.50A; and
- (ii) request further information from a person in respect of a proposal to amend *technical rules* in accordance with section 12.50F.

”.

130. Section 12.27 amended

Section 12.27 is deleted and the following section is inserted instead—

“

12.27 The *Authority* may—

- (a) from time to time, subject to section 12.19C, amend any terms of reference for a *technical rules committee* or provide directions to a *technical rules committee* in relation to—
 - (i) the procedures it must follow in performing its functions; and
 - (ii) the manner in which it must perform its functions; and
- (b) dissolve, alter or reconstitute a *technical rules committee*.

”.

131. Section 12.28 amended

Section 12.28 is deleted and the following section is inserted instead—

“

12.28 The *Authority* must have regard to any advice provided by the *technical rules committee* under section 12.23—

- (a) in deciding whether to approve or not approve proposed *technical rules* for a *network*; and
- (b) in deciding whether to approve or not approve a proposal to amend *technical rules* for a *network*; and
- (c) in drafting its own *technical rules* for a *network*.

”.

132. Section 12.50 amended

Section 12.50 is deleted and the following section is inserted instead—

“

12.50 A proposal to amend *technical rules* may be submitted to the *Authority* at any time by any interested person and must be placed on the *public register*.

”.

133. Sections 12.50A, 12.50B, 12.50C, 12.50D, 12.50E and 12.50F inserted

Sections 12.50A, 12.50B, 12.50C, 12.50D, 12.50E and 12.50F are inserted after section 12.50—

12.50A The *Authority* may develop and *publish* processes and procedures outlining the requirements for proposals to amend *technical rules* which must be adhered to by any interested person submitting a proposal to amend *technical rules*.

12.50B The *Authority* may amend any processes and procedures developed and published under section 12.50A by *publishing* a new process or procedure or by *publishing* amendments to existing processes and procedures.

12.50C The *Authority* may, but is not obliged to—

- (a) assist a person to comply with the processes and procedures developed and published under section 12.50A; or
- (b) request the *technical rules committee* to assist a person to comply with the processes and procedures developed and published under section 12.50A.

12.50D A proposal to amend *technical rules* will only be deemed to be submitted once the *Authority* considers that it is complete and meets the requirements of any processes and procedures developed and published by the *Authority* under section 12.50A.

12.50E The *Authority* must place a proposal to amend *technical rules* on the *public register* once it is deemed to be submitted in accordance with section 12.50D.

12.50F The *Authority*, or the *technical rules committee* if requested by the *Authority*, may, after a proposal to amend *technical rules* is deemed to be submitted to the *Authority* in accordance with section 12.50D, request further information from the person who submitted the proposal to amend *technical rules*.

”.

134. Section 12.51 amended

Section 12.51 is amended by—

- (a) in paragraph (b), deleting the word “grounds.” and inserting the following instead—
 “
 grounds; or
 ”; and
- (b) after paragraph (b), inserting paragraphs (c) and (d) as follows—
 “
 (c) has not been developed in accordance with the processes and procedures developed and published by the *Authority* under section 12.50A; or
 (d) is materially similar to, or seeks to address the same or similar issues or provisions in *technical rules*—
 (i) currently being considered by the *Authority* under an alternative proposal to amend *technical rules*; or
 (ii) which have been considered by the *Authority* in the previous 12 months.
 ”.

135. Sections 12.51A, 12.51B, 12.51C, 12.51D, 12.51E and 12.51F inserted

Sections 12.51A, 12.51B, 12.51C, 12.51D, 12.51E and 12.51F are inserted after section 12.51—

- “
 12.51A The *Authority*—
 (a) may at the same time and as part of the same assessment process, consider multiple proposals to amend *technical rules* that are similar or seek to address the same or similar issues or provisions of the *technical rules*; and
 (b) is not required to consider proposals to amend *technical rules* in the order in which they are received by the *Authority*.
- 12.51B The *Authority* must request the advice of the *technical rules committee* in respect of any proposals to substantially amend *technical rules* that the *Authority* does not reject in accordance with section 12.51.
- 12.51C The *Authority* must provide the *technical rules committee* with a time by which to provide the advice requested under section 12.51B, which must take into account the scope and complexity of the proposal to amend the *technical rules*, and be not less than 15 *business days*.
- 12.51D The *technical rules committee* may request the *Authority* to provide additional time to consider the proposal to amend *technical rules* and the *Authority* must act reasonably in considering any request for additional time.
- 12.51E The *Authority* may, acting reasonably, make a decision on a proposal to amend *technical rules* without the advice of the *technical rules committee* if the *technical rules committee* does not provide the advice requested under section 12.51B within the required timeframe, including any additional time provided in accordance with section 12.51D.
- 12.51F The *Authority* is required to place on the *public register*—
 (a) any advice received from the *technical rules committee* in respect of any proposals to amend *technical rules* requested under section 12.51B;
 (b) any other advice taken into account in making a final decision in respect of a proposal to amend *technical rules*, except to the extent that it includes *confidential material*; and
 (c) if applicable, the reasons why the *Authority* made a decision on a proposal to amend *technical rules* without the advice of the *technical rules committee* in accordance with section 12.51E.
 ”.

136. Section 12.53 amended

Section 12.53 is deleted and the following section is inserted instead—

- “
 12.53 As soon as practicable, the *Authority* must consider whether any amendments to *technical rules* proposed under section 12.50, and not rejected under section 12.51, are consistent with this Chapter 12 and the *Code objective*, having regard, among other things, to section 12.4A and any exemptions granted under sections 12.34 and 12.41, and then either—
 (a) approve the proposed amendments to the *technical rules* in the proposed form; or
 (b) approve the proposed amendments to the *technical rules* in a modified form; or
 (c) not approve the proposed amendments to the *technical rules*,
 by *publishing* a notice of its decision, and if the decision was to approve the proposed amendments, the date on which the amendments commence.
 ”.

137. Section 12.54 amended

Section 12.54 is amended by—

- (a) in paragraph (a) inserting after the words “Appendix 7” the following—

“
(as if sections A7.9(b), A7.12, A7.17(b), A7.18 and A7.19 do not apply)

”; and

- (b) deleting paragraph (b).

138. Section 12.54A inserted

Section 12.54A is inserted after section 12.54—

“

12.54A The *Authority* will use reasonable endeavours to assess and make a final decision in respect of all proposals to amend *technical rules* within 150 *business days* from the date the proposal to amend *technical rules* is deemed to be submitted to the *Authority* in accordance with section 12.50D.

”.

139. Section 12.60(b)(i) deleted

Section 12.60(b)(i) is deleted.

140. Sections 12.69, 12.70, 12.71 and 12.72 inserted

Sections 12.69, 12.70, 12.71 and 12.72 and the following headings are inserted before Chapter 13—

“

Support services for technical rules committee

12.69 It is a function of the *Authority* to provide support services that a *technical rules committee* reasonably requires for the *technical rules committee* to meet its obligations and functions under the *Code*.

12.70 Support services provided to the *technical rules committee* by the *Authority* may include, but are not limited to—

- (a) making staff members available to assist the *technical rules committee*;
- (b) procuring consultants to assist the *technical rules committee*;
- (c) making meeting rooms available for the *technical rules committee*;
- (d) scheduling meetings of the *technical rules committee*; and
- (e) taking minutes at a meeting of the *technical rules committee*.

Reporting by the Authority

12.71 The *Authority* must publish for each financial year—

- (a) the number of proposals to amend *technical rules* received for the financial year; and
- (b) the number of proposals to amend *technical rules* that were rejected; and
- (c) the total number of *business days* taken to make a final decision in respect of each proposal to amend *technical rules* from the date of deemed submission; and
- (d) in respect of proposals to amend *technical rules* where a final decision was not made within 150 *business days* from the date of deemed submission, the number of proposals to amend *technical rules* and the reason the final decision was not made within 150 *business days*.

12.72 Where the *Authority*, or the *technical rules committee* acting on the request of the *Authority*, requests further information in respect of a submitted proposal to amend *technical rules* in accordance with section 12.50F, the period of time between the request being made and the provision of the further information requested is not to be taken into account when considering the timeframe taken by the *Authority* to make a final decision in respect of the reporting obligation set out in section 12.71(c) and 12.71(d).

”.

141. Section 14.5(d) amended

Section 14.5(d) is amended by—

- (a) in subparagraph (iii), deleting the words “*price lists* and *price list information*,” and inserting the following instead—

“
framework and approach, tariff structure statement and price lists;

”; and

- (b) in subparagraph (iv), deleting the words “*draft decision, final decision and further final decision*” and inserting the following instead—

“
draft decision or final decision

”.

142. Sections 14.29, 14.30, 14.31, 14.32, 14.33, 14.34 and 14.35 inserted

Sections 14.29, 14.30, 14.31, 14.32, 14.33, 14.34 and 14.35 and the following heading are inserted after section 14.28—

“

Guidelines by the Authority

14.29 The *Authority* must *publish* guidelines in accordance with—

- (a) section 6.32D;
- (b) section 6.56;
- (c) section 6.88;
- (d) section 6A.6; and
- (e) section 9.17.

14.30 The *Authority* may *publish* guidelines in accordance with—

- (a) section 4.5; and
- (b) section 13.41.

14.31 The *Authority* may waive the requirement for a *service provider* to comply with one or more guidelines *published* and referred to in sections 14.29 and 14.30.

14.32 Before granting a waiver under section 14.31, the *Authority* must—

- (a) consult the public in accordance with Appendix 7;
- (b) determine whether the granting of a waiver better achieves the *Code objective*; and
- (c) determine whether the advantages of granting the waiver outweigh the disadvantages, in particular the disadvantages associated with decreased regulatory certainty and increased regulatory cost and delay.

14.33 Without limiting section 14.31, a *service provider* may at any time request the *Authority* to waive a requirement for the *service provider* to comply with one or more guidelines in accordance with section 14.31.

14.34 The *Authority* may, from time to time, amend or replace the guidelines referred to in sections 14.29 and 14.30 in accordance with the consultation process specified for such guidelines.

14.35 Nothing prevents the *Authority* from *publishing* any of the guidelines referred to in sections 14.29 and 14.30 in the same document as another guideline, provided that if the *Authority* does so, the *Authority* must clearly state in that document which guidelines the document contains.

”

143. Section 15.8 and heading deleted

Section 15.8 and the heading to section 15.8 are deleted.

144. Sections 15.9, 15.10, 15.11, 15.12, 15.13, 15.14, 15.15, 15.16 and 15.17 inserted

Sections 15.9, 15.10, 15.11, 15.12, 15.13, 15.14, 15.15, 15.16 and 15.17 and the following heading are inserted before Appendix 1—

“

Transitional arrangements for 2020 (No. 2) amendments

15.9 By 1 October 2021, a *service provider* must *publish*—

- (a) the first *network opportunity map* in accordance with section 6A.1; and
- (b) the first *alternative options strategy* in accordance with sections 6A.3 and 6A.4.

15.10 The amendments made to section 5.1 by the *2020 (No. 2) amendments* only apply on and from the next *review* of the *access arrangement* for the *Western Power Network* after the *2020 (No. 2) amendments*, and do not—

- (a) entitle the *Authority* to vary a *service provider's access arrangement* under section 4.41; or
- (b) require a *service provider* to propose revisions to its *access arrangement* prior to the next *revisions submission date* for the *service provider's access arrangement*.

15.11 Sections 15.12 to 15.16 are transitional provisions that apply only in respect of the application of the next *review* of the *access arrangement* for the *Western Power Network* after the *2020 (No. 2) amendments* and not any subsequent *reviews*.

15.12 Section 4.A2(f) is deleted and replaced with “a list of and classification of services which must specify whether services are *reference services* or *non-reference services*, and may specify the eligibility criteria for each *reference service*, the structure and *charging parameters* for each *distribution reference tariff* and a description of the approach to setting each *distribution reference tariff* in accordance with sections 7.2 to 7.12”.

15.13 The requirement to *publish* documents by 31 months prior to the *target revisions commencement date* in section 4.A4 does not apply.

15.14 The requirement to make and *publish* the final *framework and approach* by no later than 23 months prior to the *target revisions commencement date* in section 4.A9 does not apply provided that the *Authority* must comply with its obligations under section 4.A9 by no later than 2 August 2021.

15.15 The requirement to submit *proposed revisions* and revised *access arrangement information* to the *Authority* by no later than 17 months prior to the *target revisions commencement date* in

section 4.48 does not apply provided that the *service provider* must comply with its obligations under section 4.48 by no later than 1 February 2022.

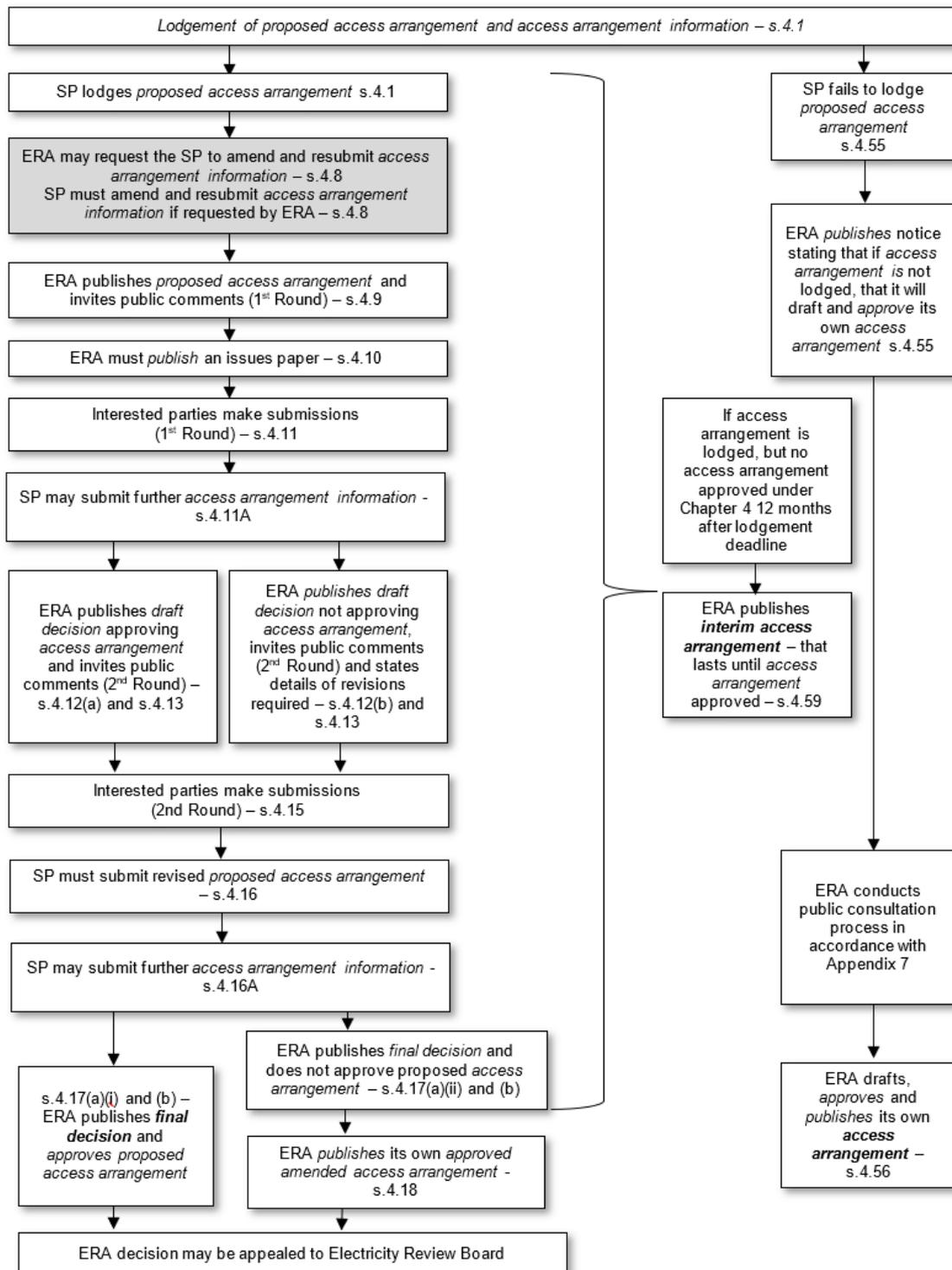
15.16 The *target revisions commencement date* is 1 July 2023.

15.17 Notwithstanding section 12.50, prior to 1 August 2021, a proposal to amend *technical rules* may only be submitted under section 12.50 by—

- (a) the *service provider*; or
- (b) the Chair of the *technical rules committee*; or
- (c) a *service provider* of an interconnected network.

145. Appendix 1 amended

The flowchart in Appendix 1 is deleted and the following flowchart is inserted instead—



146. Appendix 6 amended

Appendix 6 is amended by—

- (a) in section A6.1, deleting the word “*Technical*” where it first appears and inserting the following instead—

“

Subject to clause A6.2, *technical*

”; and

- (b) by inserting, after section A6.1, section A6.2 as follows—

“

Technical rules are not required to address the matters listed in clause A6.1 to the extent that these matters are dealt with in Chapter 3, Chapter 3A, Chapter 3B, Appendix 12 or Appendix 13 of the *WEM Rules*.

”.

147. Appendix 9 deleted

Appendix 9 is deleted.
