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Mr Noel Ryan  
Acting Director, Electricity Networks  
Public Utilities Office  
Department of Treasury

Sent via email: [PUOsubmissions@treasury.wa.gov.au](mailto:PUOsubmissions@treasury.wa.gov.au)

Dear Mr Ryan

### REGULATORY FRAMEWORK FOR THE PILBARA ELECTRICITY NETWORKS

Woodside has been pleased to participate in the Public Utilities Office's (PUO) stakeholder engagement process and welcomes the opportunity to comment on the Design Consultation Paper developed by the PUO. Woodside previously provided a submission commenting on the PUO's Issues Paper on this matter and has contributed its views at the Stakeholder Reference Group Forum organised by the PUO.

The PUO's development of a new framework for third party network access and systems operations in the North West Interconnected System (NWIS) represents an opportunity to improve the competitiveness, efficiency and reliability of electricity supply in the Pilbara. On reviewing the Design Consultation Paper, Woodside has concerns that this opportunity will be missed. These concerns are based around two main deficiencies in the proposed framework.

The first of these is the proposal that the regulation framework apply only to the Horizon Power and Alinta DEWAP networks. In Woodside's view, giving other network owners a choice over whether to "opt-in" puts those owners in a position to extract unreasonable terms for access or to simply choose to protect existing monopolies. This will damage competitiveness and negate efficiencies that may otherwise have been created by increased access to networks. The PUO should not interpret the lack of a coverage application across other areas of the network as an indication that there is no interest in access.

The second concerning aspect of the proposed framework is the lack of a regulated pricing mechanism for network access. The proposed approach and the guiding principles set out in support of this approach would lead to weaker standards than those that currently underpin the National Electricity Market or the South West Interconnected System. Woodside believes that without a strong pricing mechanism the full potential for interconnection, competitiveness and efficiency improvements will not be realised.

Woodside would be pleased to continue to engage with the PUO in the development of a regulatory framework for the Pilbara Electricity Networks. Please do not hesitate to contact Shannon O'Rourke on 9348 3439 for any further information.

Yours sincerely

**Shaun Gregory**

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