

Electricity Industry Bill 2003

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Western Australia

LEGISLATIVE ASSEMBLY

(As amended in Committee)

Electricity Industry Bill 2003

A Bill for

An Act to govern the operation and regulation of the Western Australian electricity industry and for related purposes.

The Parliament of Western Australia enacts as follows:

Part 1 — Preliminary

1. Short title

This Act may be cited as the *Electricity Industry Act 2003*.

2. Commencement

- 5 (1) This Act comes into operation on a day fixed by proclamation.
- (2) Different days may be fixed under subsection (1) for different provisions.

3. Terms used in this Act

In this Act, unless the contrary intention appears —

10 “**arbitrator**” has the meaning given to that term in the *Gas Pipelines Access (Western Australia) Act 1998* section 61;

“**Authority**” means the Economic Regulation Authority established by the *Economic Regulation Authority Act 2003*;

15 “**Board**” has the meaning given to that term in the *Gas Pipelines Access (Western Australia) Act 1998* section 49;

“**customer**” means a person to whom electricity is sold for the purpose of consumption;

20 “**distribution licence**” means a licence with the classification described in section 4(1)(c);

“**distribution system**” means any apparatus, equipment, plant or buildings used, or to be used, for, or in connection with, the transportation of electricity at nominal voltages of less than 66 kV;

25 “**electricity**” includes electrical energy of any kind however produced, stored, transported or consumed;

“**generating works**” means any apparatus, equipment, plant or buildings used, or to be used, for, or in connection with, the generation of electricity;

“**generation licence**” means a licence with the classification described in section 4(1)(a);

“**integrated regional licence**” means a licence with the classification described in section 4(1)(e);

5 “**licence**” means —

- (a) a generation licence;
- (b) a transmission licence;
- (c) a distribution licence;
- (d) a retail licence; or
- 10 (e) an integrated regional licence;

“**licence area**” means the area or areas designated in a licence under section 5;

“**licensee**” means the holder of a licence and includes any transferee of a licence under section 18;

15 “**operate**”, in relation to generating works, a transmission system, or a distribution system, includes —

- (a) to maintain the works or system; and
- (b) to make any modifications necessary or desirable for the operation of the works or system;

20 “**relevant corporation**” means Western Power Corporation or a body corporate that is a subsidiary, as defined in section 3 of the *Electricity Corporation Act 1994*, of Western Power Corporation;

25 “**retail licence**” means a licence with the classification described in section 4(1)(d);

“**South West interconnected system**” means the interconnected transmission and distribution systems, generating works and associated works —

- 30 (a) located in the South West of the State and extending generally between Kalbarri, Albany and Kalgoorlie; and

s. 3

- (b) into which electricity is supplied by —
 - (i) one or more of the electricity generation plants at Kwinana, Muja, Collie and Pinjar; or
 - (ii) any prescribed electricity generation plant;

5 **“supply”** means to do any one or more of the following —

- (a) generate;
- (b) transport through a transmission system;
- (c) transport through a distribution system;
- (d) sell;

10 **“transmission licence”** means a licence with the classification described in section 4(1)(b);

15 **“transmission system”** means any apparatus, equipment, plant or buildings used, or to be used, for, or in connection with, the transportation of electricity at nominal voltages of 66 kV or higher;

“Western Power Corporation” means the body corporate that is Western Power Corporation under section 4(1) of the *Electricity Corporation Act 1994*.

Part 2 — Licensing of electricity supply

Division 1 — Licence classification and area

4. Classification of licences

- (1) Licences are classified as follows —
- 5 (a) generation, which authorises the licensee —
- (i) to construct and operate one or more generating works; or
- (ii) to operate one or more existing generating works;
- 10 (b) transmission, which authorises the licensee —
- (i) to construct and operate one or more transmission systems; or
- (ii) to operate one or more existing transmission systems;
- 15 (c) distribution, which authorises the licensee —
- (i) to construct and operate one or more distribution systems; or
- (ii) to operate one or more existing distribution systems;
- 20 (d) retail, which authorises the licensee to sell electricity to customers;
- (e) integrated regional, which authorises the licensee to carry out one or more of the activities described in paragraphs (a) to (d) for the purpose of supplying
- 25 electricity to customers otherwise than through the South West interconnected system.
- (2) A licence must be designated by reference to one of the classifications referred to in subsection (1).

5. Licence area

- (1) A licence must be designated to apply to one or more areas of the State specified in the licence.
- (2) If 2 or more areas are specified in a licence those areas need not be contiguous.

Division 2 — Licensing requirements

6. Licensing extends to statutory providers

The requirements of this Division apply to a person despite the fact that the person, in supplying electricity, is performing a function that —

- (a) is authorised or provided for by or under a written law; or
- (b) has been approved under a written law.

7. Requirement for licence

- (1) A person must not construct or operate generating works except under the authority of a generation licence or an integrated regional licence.
- (2) A person must not construct or operate a transmission system except under the authority of a transmission licence or an integrated regional licence.
- (3) A person must not construct or operate a distribution system except under the authority of a distribution licence or an integrated regional licence.
- (4) A person must not sell electricity to customers except under the authority of a retail licence or an integrated regional licence.

(5) A person does not commit an offence under subsection (1), (2) or (3) if the generating works, transmission system or distribution system concerned is or are used, or to be used, solely for the supply of electricity for consumption by —

- 5 (a) the person who owns, controls or operates the works or system;
- (b) if the person referred to in paragraph (a) is a body corporate, a related body corporate (as defined in the *Corporations Act 2001* of the Commonwealth section 9) of the person; or
- 10 (c) a person who is in partnership with, or is a participant in a joint venture arrangement with, the person referred to in paragraph (a) in relation to that supply.

15 (6) A person does not commit an offence under subsection (4) if the person is the holder of a generation licence and the electricity is sold solely for consumption by another person on the premises on which generating works to which the licence applies are located.

Penalty applicable to this section: \$100 000.

20 Daily penalty applicable to this section: \$5 000.

8. Power to exempt

- (1) The Governor may by order published in the *Gazette* exempt any person or class of persons from all or any of the provisions of section 7(1) to (4).
- 25 (2) An order under subsection (1) may provide for circumstances in which, and conditions subject to which, an exemption is to apply.
- (3) An exemption is of no effect at any time when a condition to which it is subject is not being observed.
- 30 (4) The Governor must not make an order under subsection (1) unless he or she is satisfied that it would not be contrary to the public interest to do so.

- (5) Without limiting the other matters that may be taken into account, matters that are to be taken into account by the Governor in determining whether the making of the order would not be contrary to the public interest are —
- 5 (a) environmental considerations;
- (b) social welfare and equity considerations, including community service obligations;
- (c) economic and regional development, including employment and investment growth;
- 10 (d) the interests of customers generally or of a class of customers;
- (e) the interests of any licensee, or applicant for a licence, in respect of the area or areas to which the order, if made, would apply;
- 15 (f) the importance of competition in electricity industry markets;
- (g) the policy objectives of government in relation to the supply of electricity.
- (6) The *Interpretation Act 1984* section 43(4) and (7) to (9) apply to an order under subsection (1) as if the order were subsidiary legislation.
- 20

Division 3 — General licensing provisions

9. Authority to consider public interest

- 25 (1) The Authority must not exercise a power conferred by this Division unless the Authority is satisfied that it would not be contrary to the public interest to do so.
- (2) Without limiting the other matters that may be taken into account, the Authority, in determining whether the exercise of the power would not be contrary to the public interest, is to take into account the matters referred to in section 8(5) but as if the area or areas referred to in section 8(5)(e) were the area or areas
- 30

to which the licence in respect of which the power is exercised applies.

10. Application for licence

(1) An application for a licence must be —

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- (a) made in a form approved by the Authority; and
- (b) accompanied by the prescribed application fee.

(2) An applicant must provide any additional information that the Authority may require for the proper consideration of the application.

10

11. Authority may determine licence terms and conditions

(1) A licence is subject to any terms and conditions that are determined by the Authority.

(2) Without limiting subsection (1), terms and conditions determined under that subsection may include provisions relating to any matter provided for by Schedule 1.

15

(3) The terms and conditions of licences that —

- (a) have the same classification under section 4; and
- (b) have the same licence area or licence areas that overlap to a significant extent,

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must be substantially similar, except to the extent that the Authority considers that —

- (c) it is not practicable to make them substantially similar; or
- (d) a difference is necessary to reflect particular supply circumstances.

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(4) Terms and conditions determined under subsection (1) must not be inconsistent with —

- (a) any other terms and conditions provided for in this Act or the regulations that apply to the licence;

- (b) the Code for the time being in force under section 104;
or
- (c) regulations made under the *Electricity Act 1945*
section 32.

5 **12. Regulations as to licence terms and conditions**

The regulations may prescribe terms and conditions that are to be taken to be included in —

- (a) every licence;
- (b) every licence of a prescribed class; or
- 10 (c) a licence held by a relevant corporation.

13. Licence condition: performance audit

- (1) It is a condition of every licence that the licensee must, not less than once in every period of 24 months (or any longer period that the Authority allows) calculated from the grant of the
15 licence, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.
- (2) A performance audit is an audit of the effectiveness of measures taken by the licensee to meet the performance criteria specified in the licence.
- 20 (3) The Authority must give the Minister a report on each performance audit within 2 months after its receipt of the audit.

14. Licence condition: asset management system

- (1) It is a condition of every licence, other than a retail licence, that the licensee must —
25
 - (a) provide for an asset management system in respect of the licensee's assets;
 - (b) notify details of the system and any substantial changes to it to the Authority; and

- 5 (c) not less than once in every period of 24 months (or any longer period that the Authority allows) calculated from the grant of the licence, provide the Authority with a report by an independent expert acceptable to the Authority as to the effectiveness of the system.
- 10 (2) An asset management system is to set out measures that are to be taken by the licensee for the proper maintenance of assets used in the supply of electricity and in the operation of, and, where relevant, the construction of, any generating works, transmission system or distribution system.

15. Duration of licence

- (1) The Authority may grant or renew a retail licence for any period not exceeding 15 years that the Authority considers appropriate.
- 15 (2) The Authority may grant or renew a licence other than a retail licence for any period not exceeding 30 years that the Authority considers appropriate.

16. Renewal of licence

- (1) An application for the renewal of a licence must be —
- 20 (a) made in a form approved by the Authority; and
- (b) accompanied by the prescribed application fee.
- (2) An applicant must provide any additional information that the Authority may require for the proper consideration of the application.

17. Licence fees

- 25 (1) A licensee must pay to the Authority the prescribed licence fee —
- (a) within one month after the day of grant or renewal of the licence; and
- 30 (b) within one month after each anniversary of that day during the term of the licence.

(2) The regulations may prescribe different licence fees for each of the classifications referred to in section 4.

5 (3) The Authority may recover any outstanding licence fee in a court of competent jurisdiction as a debt due by the licensee to the State.

18. Transfer of licence

(1) A licence cannot be transferred except with the approval of the Authority.

10 (2) Approval for the purposes of subsection (1) may be given on such terms and conditions as are determined by the Authority.

(3) An application for approval to transfer a licence must be —
(a) made in a form approved by the Authority; and
(b) accompanied by the prescribed application fee.

15 (4) An applicant must provide any additional information that the Authority may require for the proper consideration of the application.

19. Decisions as to grant, renewal or transfer of licence

(1) Subject to section 9, the Authority must grant, renew or approve the transfer of a licence if it is satisfied that the applicant —
20 (a) has, and is likely to retain; or
(b) will acquire within a reasonable time after the grant, renewal or transfer, and is then likely to retain,

the financial and technical resources to undertake the activities authorised, or to be authorised, by the licence.

25 (2) The Authority must take all reasonable steps to make a decision in respect of an application for —
(a) the grant or renewal of a licence; or
(b) approval to transfer a licence,
within 90 days after the application is made.

(3) The duties imposed on the Authority by subsections (1) and (2) apply only if —

- (a) an application has been made in accordance with section 10, 16 or 18, as the case may be;
- 5 (b) section 50 or 100 does not prohibit the grant or renewal of the licence or the approval of the transfer; and
- (c) where a requirement has been made under section 10(2), 16(2) or 18(4), the relevant information has been provided to the Authority.

10 **20. Other laws not affected**

The grant, renewal or transfer of a licence does not affect the licensee's obligations to comply with any other written law in relation to the matters covered by the licence.

21. Amendment of licence on application of licensee

- 15 (1) A licensee may apply to the Authority at any time for amendment of the licence.
- (2) An application for the amendment of a licence must be —
 - (a) made in a form approved by the Authority; and
 - (b) accompanied by the prescribed application fee.
- 20 (3) An applicant must provide any additional information that the Authority may require for the proper consideration of the application.
- (4) The Authority may grant the application if —
 - 25 (a) it has been made in accordance with subsection (2); and
 - (b) where a requirement has been made under subsection (3), the relevant information has been provided to the Authority.

22. Amendment of licence on initiative of Authority

- (1) The Authority may, on its own initiative, determine that a licence is to be amended.
- 5 (2) A licence must specify the procedure to be followed in making such a determination, including the manner in which an amendment is to be notified to the licensee, and the determination may only be made in accordance with that procedure.
- 10 (3) An amendment under this section cannot take effect until it is notified to the licensee under the procedure referred to in subsection (2).
- (4) This section applies to the substitution of a new licence for an existing licence in the same way as it applies to the amendment of a licence.

15 **23. Notice of decisions**

- (1) The Authority must ensure that notice of the grant, renewal, transfer or amendment of a licence is published in the *Gazette* as soon as is practicable after the grant, renewal, transfer or amendment.
- 20 (2) The notice must include —
- (a) the date of the grant, renewal, transfer or amendment;
 - (b) the name and business address of the licensee;
 - (c) the term of the licence;
 - (d) a description of the licence area;

25 (e) in the case of an amendment, details of the amendment;

 - (f) the place where a copy of the licence and any plan may be inspected under section 24; and
 - (g) the Authority's internet website address.

- (3) The Authority must ensure that written notice of a decision to refuse to grant, renew, or approve the transfer of, a licence, together with a statement of the reasons for the decision, is given to the applicant within 14 days after the decision is made.

5 **24. Licences to be available for inspection**

The Authority must make available for public inspection at the Authority's office during normal office hours and on the Authority's internet website —

- 10 (a) a copy of every licence in force from time to time; and
 (b) if any licence area is specified by reference to a plan, a copy of the plan.

25. Regulations about public consultation

15 The regulations may require the Authority, before it makes a decision on any application for the grant, renewal, transfer or amendment of a licence under this Division, to undertake public consultation in accordance with the procedure specified in the regulations.

Division 4 — Exclusive licences

26. Regulations may authorise an exclusive licence

- 20 (1) The Governor may, on the recommendation of the Minister, make regulations designating one or more areas of the State as an area in respect of which an exclusive licence may be granted for a specified period.
- 25 (2) If 2 or more areas are designated under subsection (1) those areas need not be contiguous.
- (3) The specified period (the “**period of exclusivity**”) is not to exceed 10 years.

27. Requirements for regulations

- (1) The Minister may, under section 26, recommend the making of regulations only if he or she considers that —
- 5 (a) without the grant of an exclusive licence of that kind in respect of the area during the period of exclusivity there will be no supply of electricity, or a limited supply, in the area during that period;
- (b) it is not contrary to the public interest that an exclusive licence of that kind have effect in respect of the area
- 10 during the period of exclusivity; and
- (c) the regulations will provide for an open and competitive tender process to be carried out to determine the person to whom the licence must be granted.
- (2) Without limiting the other matters that may be taken into
- 15 account, for the purposes of subsection (1)(b), the Minister is to take into account the matters referred to in section 8(5) but as if the area or areas referred to in section 8(5)(e) were the area referred to in subsection (1)(b).
- (3) Regulations made under section 26 —
- 20 (a) are to set out the requirements to be observed before an application for an exclusive licence may be made;
- (b) are to set out the requirements to be observed, in addition to the other provisions of this Part, before an exclusive licence may be granted; and
- 25 (c) may provide for the terms and conditions of an exclusive licence in addition to those otherwise provided for by this Part.

28. Application for and grant of licence

- (1) An application for an exclusive licence may only be made if the
- 30 Minister has determined that he or she is satisfied that all of the requirements of the regulations to be observed before such an application may be made have been complied with.

- 5 (2) Despite section 19, an exclusive licence may only be granted by the Authority under that section if the Minister has determined that he or she is satisfied that all of the requirements of the regulations relevant to the grant of the licence have been observed.
- (3) A determination under subsection (1) or (2) is to be made by instrument published in the *Gazette*.

29. Prohibition of further licences

If —

- 10 (a) an exclusive licence is granted in respect of an area in accordance with regulations made under section 26; and
- (b) the licence is not cancelled under section 35 or surrendered,

15 no other person is to be granted a licence of the same kind to have effect in respect of that area during the period of exclusivity.

30. Trade practices authorisation

For the purposes of the *Trade Practices Act 1974* of the Commonwealth and the Competition Code —

- 20 (a) the grant of an exclusive licence as provided by regulations made under section 26; and
- (b) conduct authorised or required by or under any such licence,

25 are specifically authorised to the extent that the grant or conduct would otherwise contravene that Act or that Code.

Division 5 — Interruption of supply

31. Interruption of supply

- (1) A licensee may interrupt, suspend or restrict the supply of electricity provided by the licensee if in the licensee's opinion it

is necessary to do so because of an accident, emergency, potential danger or other unavoidable cause.

- 5 (2) A licensee is not liable for any loss or damage that arises from an interruption, suspension or restriction under subsection (1) except to the extent that —
- (a) the interruption, suspension or restriction results from —
- (i) a negligent act or omission of the licensee or an officer or employee of the licensee; or
- 10 (ii) an act or omission of the licensee or an officer or employee of the licensee done or made in bad faith;
- or
- (b) an agreement to which the licensee is a party provides otherwise.
- 15 (3) A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction under subsection (1).
- (4) This section is in addition to —
- 20 (a) any powers that the licensee has under the *Electricity Act 1945* or the *Electricity Corporation Act 1994* in relation to the interruption, suspension or restriction of the supply of electricity;
- (b) the provisions of the *Energy Operators (Powers) Act 1979* sections 48 and 57 if those provisions are prescribed provisions (as defined in section 45(1)) in respect of the licensee; and
- 25 (c) any contractual rights that the licensee may have to interrupt, suspend or restrict the supply of electricity,
- and does not limit those powers, provisions or rights.

Division 6 — Enforcement

32. Failure to comply with licence

- 5 (1) If, in the opinion of the Authority, a licensee contravenes a licence, the Authority may cause a notice to be served on the licensee requiring the licensee to rectify the contravention within a specified period.
- 10 (2) If, in the opinion of the Authority, a licensee fails to comply with a notice under subsection (1), the Authority may, subject to section 33, do one or more of the following —
- (a) serve a letter of reprimand on the licensee;
- (b) order the licensee to pay a monetary penalty fixed by the Authority but not exceeding \$100 000;
- (c) cause the contravention to be rectified to the satisfaction of the Authority.
- 15 (3) Persons authorised by the Authority in writing may enter any premises and do all things that are necessary for the purposes of subsection (2)(c).
- (4) The Authority may recover —
- (a) a penalty imposed under subsection (2)(b); or
- 20 (b) the costs and expenses of any action taken under subsection (2)(c),

in a court of competent jurisdiction as a debt due by the licensee to the State.

33. Right of licensee to make submissions

- 25 The Authority is not to take any action under section 32(2)(b) or (c) unless the Authority has —
- (a) notified the licensee of the proposed action and the reasons for it; and
- 30 (b) given the licensee a reasonable opportunity to make submissions on the matter.

34. Exception where public health endangered

If, in the opinion of the Authority, the health or safety of members of the public is or may be at risk as a result of the contravention of a licence, the Authority may cause the
5 contravention to be rectified under section 32(2)(c) without —

- (a) serving notice on the licensee under section 32(1); or
- (b) complying with section 33.

35. Cancellation of licence

(1) The Governor may cancel a licence if he or she is satisfied that
10 the licensee —

- (a) is in default as defined in subsection (2);
- (b) has failed to pay a licence fee as required under section 17;
- 15 (c) in the case of a company, is an externally-administered body corporate as defined in the *Corporations Act 2001* of the Commonwealth section 9; or
- (d) has within a period of 24 months been convicted of more than 3 offences for which the prescribed
20 punishment is a fine of \$10 000 or more or imprisonment for 12 months or more.

(2) For the purposes of subsection (1)(a) a licensee is in default if the Governor is satisfied that —

- (a) the licensee has failed to comply with a term or
25 condition of the licence;
- (b) the failure is material in terms of the operation of the licence as a whole;
- (c) the Minister has given to the licensee written notice of the failure and the fact that in the Minister's opinion paragraph (b) applies to it; and
- 30 (d) the licensee has not, within the time specified in the notice, either remedied the failure or shown cause why the licence should not be cancelled.

(3) If a licence is cancelled under this section the Authority must ensure that notice of the cancellation is published in the *Gazette*.

(4) Regulations may be made under section 131 providing, in the event of a licence being cancelled, for —

- 5 (a) the vesting of assets, rights and interests of the former licensee in a person (including the Minister as a corporation) for the purpose of enabling electricity to be supplied after the cancellation;
- (b) the conferral of powers and duties for that purpose;
- 10 (c) the discharge or assignment of liabilities;
- (d) the disposal of property; and
- (e) all matters that are necessary or convenient for dealing with the consequences of the cancellation and the vesting referred to in paragraph (a).

15 (5) If —

- (a) a licence other than a retail licence is cancelled under this section; and
- (b) regulations of the kind referred to in subsection (4)(a) are made,

20 Division 8 applies, with all necessary changes, for the purpose of enabling electricity to be supplied after the cancellation, as if references in that Division to a licensee were references to the person in whom the assets, rights and interests of the former licensee are vested under the regulations.

25 **36. Duty to leave system in safe condition**

(1) Following the cancellation of a licence under section 35, the former licensee —

- 30 (a) must ensure that any generating works, transmission system or distribution system constructed or operated by the former licensee under the licence is left in a safe condition; and

- (b) is not to remove any part of the works or system except with the approval of the Minister.
- (2) If, in the opinion of the Minister, a former licensee contravenes subsection (1), the Minister may cause the contravention to be rectified to the satisfaction of the Minister.
- (3) Persons authorised by the Minister may enter any land or premises and do all things that are necessary for the purposes of subsection (2).
- (4) The Minister may recover the costs and expenses of any action taken under subsection (2) in a court of competent jurisdiction as a debt due by the former licensee to the State.

Division 7 — Other functions of the Authority

37. Authority to administer licensing scheme

It is a function of the Authority to administer the licensing scheme provided for in this Part.

38. Authority to monitor licensing scheme and licence compliance

It is a function of the Authority —

- (a) to monitor and report to the Minister on the operation of the licensing scheme provided for in this Part; and
- (b) to inform the Minister about any failure by a licensee to meet performance criteria or other requirements of its licence.

39. Authority may issue codes

- (1) The Authority may prepare and issue a code or codes in respect of the matters referred to in subsection (2).
- (2) A code may make provision for and in relation to any one or more of the following —
- (a) metering of the supply of electricity by licensees including —
 - (i) the provision, operation and maintenance of metering equipment; and
 - (ii) ownership of and access to metering data;
 - (b) the transfer of customers between licensees;
 - (c) methods or principles to be applied by licensees in the preparation of accounts for customers;
 - (d) standards relating to the quality and reliability of the supply of electricity that are to be observed by the holders of transmission licences or distribution licences;
 - (e) any other matter prescribed by the regulations.
- (3) A code is subsidiary legislation for the purposes of the *Interpretation Act 1984*.
- (4) A provision of a code is of no effect to the extent that it is inconsistent with a provision of this Act or another written law.
- (5) The regulations may require the Authority, before it issues a code, to undertake public consultation in accordance with the procedure specified in the regulations.

Division 8 — Powers in relation to land

40. Power of public authority to grant certain interests

- (1) In this section —
- “public authority” means —
- (a) a Minister of the Crown;

(b) an agency, authority or instrumentality of the Crown in right of the State or a local government; or

5 (c) a body, whether corporate or unincorporate, that is established or continued for a public purpose by or under a written law and prescribed for the purposes of this definition;

10 **“relevant interest”** means a lease, easement, licence or other authority necessary or expedient to enable the licensee to construct, alter, operate or maintain generating works, a transmission system or a distribution system, as the case may be.

15 (2) A public authority may grant to a licensee, on such terms and conditions as are agreed between the authority and the licensee, a relevant interest in respect of land held by the public authority in fee simple.

41. Taking of interest or easement for purposes of licence

20 (1) For the purpose of enabling a licensee to supply electricity as authorised by a licence, an interest in land or easement over land may be taken under the *Land Administration Act 1997* Part 9 as if for a public work within the meaning of that Act.

(2) The power conferred by subsection (1) may only be exercised on the recommendation of the Minister administering this Act.

25 (3) If in the opinion of the Minister administering this Act an interest in land or easement over land is appropriate to a licensee’s needs in respect of —

(a) generating works;

(b) a transmission system operating at 200 kV or higher; or

(c) any other electricity transmission system of a kind prescribed for the purposes of this subsection,

30 that Minister is to advise the licensee of that opinion and the licensee is required to acquire that interest in land or easement over land where practicable by agreement but otherwise by

taking it under the *Land Administration Act 1997* Part 9 as if for a public work within the meaning of that Act.

- 5 (4) The requirement imposed by subsection (3) applies to a licensee even if the provisions of sections 28(3)(c) and 46 of the *Energy Operators (Powers) Act 1979*, or any of those provisions, are prescribed provisions as defined in section 45(1).
- 10 (5) The requirement imposed by subsection (3) does not extend to land that is vested in, or otherwise occupied or managed by or on behalf of, the Crown or a public authority as defined in section 40(1).
- (6) Any costs and expenses incurred in the taking of an interest or easement under this section —
- 15 (a) are to be paid by the licensee; and
- (b) may be recovered in a court of competent jurisdiction as a debt due by the licensee to the State.
- (7) For the purposes of this section a reference to an interest in land in the *Land Administration Act 1997* Part 9 includes an easement over land.

42. Vesting of interest or easement

- 20 (1) Despite anything in the *Land Administration Act 1997* Part 9, on the taking of an interest in land or easement over land under section 41, the interest or easement vests in the licensee.
- (2) The *Land Administration Act 1997* Part 9 applies, with all necessary changes, in relation to the recording or registering of an interest or easement taken under section 41.
- 25

43. Proceedings and liability

- (1) Proceedings in respect of compensation, or otherwise for the purpose of complying with the *Land Administration Act 1997* Parts 9 and 10, may be taken against the licensee.

- 5 (2) The licensee is liable in respect of the taking of an interest in land or easement over land under section 41 to the same extent as the Minister administering the *Land Administration Act 1997* would have been liable if the taking had been for the purpose of a public work.

44. Easements in gross

10 An easement may be taken under section 41 without there being a dominant tenement and there may be made appurtenant or annexed to any such easement another easement or the benefit of a restriction as to the user of the land.

Division 9 — Extension of *Energy Operators (Powers) Act 1979* to licensees

45. Extension of certain provisions of *Energy Operators (Powers) Act 1979*

- 15 (1) A reference to an energy operator in a provision of the *Energy Operators (Powers) Act 1979* that is prescribed in the regulations (a “**prescribed provision**”) includes a licensee if the regulations provide that the provision is prescribed in respect of the licensee or a class of licensees to which the licensee belongs.
- 20
- (2) Regulations made for the purposes of this section may —
- (a) restrict the operation of, or add a further requirement to, a prescribed provision in relation to a licensee or class of licensees;
- 25 (b) impose conditions or restrictions on the doing of any thing authorised by a prescribed provision by a licensee or a member of a class of licensees;
- (c) prohibit a licensee or a member of a class of licensees from doing any thing authorised by a prescribed provision; or
- 30

- (d) require a consent or approval to be obtained for the doing of, or the manner of doing, any thing authorised by a prescribed provision.
- 5 (3) Regulations made for the purposes of this section are not to prescribe the *Energy Operators (Powers) Act 1979* sections 28(3)(e) and 45(4) to (16) in respect of a licensee other than a relevant corporation.
- 10 (4) If the provisions of the *Energy Operators (Powers) Act 1979* referred to in subsection (3) are prescribed provisions in respect of a relevant corporation, Division 8 does not apply to the corporation.
- (5) In this section —
- 15 **“licensee”** includes any person in whom the assets, rights and interests of a former licensee are vested under regulations referred to in section 35(4).

Division 10 — Transitional provision

46. Transitional provision for existing operators

- (1) In this section —
- 20 **“commencement day”** means the day on which this Part comes into operation.
- (2) This section applies to every person (an **“existing operator”**) who immediately before the commencement day was undertaking any activity that, after that day, is required to be licensed under section 7.
- 25 (3) An existing operator who wishes to apply for a licence in respect of an activity referred to in subsection (2) must do so within 12 months after the commencement day.

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- (4) An existing operator is to be treated as if the person were the holder of the relevant licence —
- (a) until the expiry of 18 months after the commencement day; or
 - 5 (b) until —
 - (i) a licence of that kind is granted to the person or is refused; and
 - 10 (ii) in the case of a refusal, the time for an application for review of the decision under section 130 expires without an application being made or an application is made but is unsuccessful,
- whichever happens first.
- (5) For the purposes of subsection (4)(b)(ii) an application is
- 15 unsuccessful if it —
- (a) results in the refusal referred to in subsection (4)(b)(i) being confirmed; or
 - (b) is withdrawn, discontinued or dismissed.

Part 3 — Supply of electricity to certain customers

Division 1 — Preliminary

47. Terms used in this Part

In this Part, unless the contrary intention appears —

- 5 **“customer”** means a customer who consumes not more than
160 MWh of electricity per annum;
- “non-standard contract”** means a contract entered into
between a licensee and a customer, or a class of customers,
that is not a standard form contract;
- 10 **“retail licensee”** means the holder of a retail licence or an
integrated regional licence;
- “standard form contract”** means a contract that is approved
under section 51.

Division 2 — Supply contracts

48. Regulations as to supply contracts

- 15 (1) The regulations may provide for and in relation to —
- (a) the terms, conditions and provisions of —
- (i) a standard form contract; and
- (ii) a non-standard contract,
- 20 under which a retail licensee sells electricity to
customers;
- (b) the right of a customer at his or her discretion to rescind
a contract during a specified period after it is entered
into (a **“cooling-off period”**);
- 25 (c) the supply of electricity, and payment for electricity
supplied, during a cooling-off period;
- (d) the format of, and manner of expression to be used in, a
contract referred to in paragraph (a); and

- (e) the provision of information about contracts by a retail licensee to customers.
- (2) The regulations may —
 - (a) require a retail licensee to offer to supply electricity to customers under a standard form contract;
 - (b) prescribe the circumstances in which the obligation referred to in paragraph (a) arises; and
 - (c) without limiting section 12, provide that it is a condition of every retail licence and every integrated regional licence that the retail licensee must comply with the obligation referred to in paragraph (a).
- (3) The regulations may provide —
 - (a) for and in relation to the standards of service that a retail licensee is to provide to customers in connection with the supply of electricity; and
 - (b) for the inclusion in contracts referred to in subsection (1)(a) of requirements that the retail licensee comply with any such standard.
- (4) The regulations may apply, adopt or incorporate any provision of a code or a standard that is contained in another document, and may do so —
 - (a) with or without modification; or
 - (b) as the provision is in force —
 - (i) at the time when the regulations are made; or
 - (ii) from time to time.

49. Form of contract to be submitted with application for grant, renewal or transfer

- (1) An applicant for the grant or renewal of a retail licence or an integrated regional licence must submit with the application a draft of the standard form contract under which the applicant will supply electricity to customers pursuant to the licence.

5 (2) Where an application is made under section 18 for the transfer of a retail licence or an integrated regional licence to be approved, the proposed transferee must submit with the application a draft of the standard form contract under which the proposed transferee will supply electricity to customers pursuant to the licence if the transfer is approved.

(3) The requirement in subsection (1) and (2) only applies if the applicant or proposed transferee intends to supply electricity to customers pursuant to the licence.

10 **50. Licence application not to be granted unless standard form contract approved**

(1) Despite section 19, the Authority must not grant or renew, or approve a transfer of, a retail licence or an integrated regional licence unless —

- 15 (a) the applicant or the proposed transferee has submitted a draft form of contract as required by section 49; and
- (b) the Authority has approved the standard form contract under which the applicant or proposed transferee will supply electricity to customers pursuant to the licence.

20 (2) If when a retail licence or an integrated regional licence was granted or renewed, or the transfer of a retail licence or an integrated regional licence was approved, subsection (1) did not apply because of section 49(3), the licensee may at any subsequent time submit to the Authority a draft of a standard form contract under which the licensee will supply electricity to customers pursuant to the licence if the standard form contract is approved by the Authority.

51. Approval of standard form contract

30 (1) Subject to subsection (2), the Authority may at its discretion approve or refuse to approve a standard form contract submitted under section 49 or 50(2).

- (2) The Authority must not give an approval if it considers that the standard form contract —
- (a) will not meet the requirements of the regulations in respect of such contracts; or
 - 5 (b) will be inconsistent with —
 - (i) this Act or any other written law; or
 - (ii) any term, condition or provision of the licence concerned.
- (3) The Authority must take all reasonable steps to make a decision under subsection (1) within 45 days after the standard form contract is submitted to it.
- 10

52. Amendment or replacement of standard form contract

- (1) A retail licensee may submit to the Authority for approval —
- 15 (a) any amendment to the standard form contract approved under section 51; or
 - (b) a replacement for the standard form contract so approved.
- (2) Section 51 applies to an amendment or a replacement submitted under subsection (1) in the same way as it applied to the standard form contract or the original standard form contract.
- 20

53. Authority may direct that amendment be made

- (1) This section applies if, in the opinion of the Authority, a standard form contract approved under this Division —
- 25 (a) no longer meets the requirements of the regulations in respect of such contracts; or
 - (b) is no longer consistent with —
 - (i) this Act or any other written law; or
 - (ii) any term, condition or provision of the licence concerned.

- (2) The Authority may direct the retail licensee concerned —
- (a) to submit an appropriate amendment to the form of contract to the Authority for approval under section 52(1); and
 - 5 (b) to do so within a specified period.
- (3) In subsection (2)(a) —
- “appropriate amendment”** means an amendment —
- (a) specified by the Authority; or
 - 10 (b) otherwise determined by the Authority to be suitable for approval.

54. Licence condition: contracts

- (1) It is a condition of every retail licence and integrated regional licence that, subject to any exception provided for in the regulations, the licensee must not supply electricity to a customer otherwise than under —
- 15 (a) a standard form contract; or
 - (b) a non-standard contract that complies with this Act.
- (2) It is also a condition of every retail licence and integrated regional licence that the licensee must comply with a direction given to the licensee under section 53.
- 20 (3) For the purposes of subsection (1)(b), a non-standard contract complies with this Act if it —
- (a) meets the requirements of the regulations in respect of such contracts; and
 - 25 (b) is not inconsistent with —
 - (i) this Act or any other written law; or
 - (ii) any term, condition or provision of the licence concerned.

55. Contracts with corporations

(1) In this section —

“commencement day” means the day on which this Division comes into operation;

5 **“corporation”** means a relevant corporation;

“prescribed form of contract” means a form of contract prescribed under subsection (7);

“relevant contract” means —

10 (a) a contract referred to in subsection (6) between a corporation and a customer; or

(b) a contract in the form of a prescribed form of contract entered into by a corporation and a customer other than a contract referred to in paragraph (a).

15 **“tariff customer”** of a corporation means a person who, immediately before the commencement day, was supplied with electricity by the corporation (otherwise than under a written contract) in relation to which the person was liable to pay fees and charges prescribed under the *Energy Operators (Powers) Act 1979* section 124.

20 (2) A corporation is required to offer to supply electricity under a prescribed form of contract to customers who request supply on or after the commencement day.

25 (3) If, following the grant of a retail licence or an integrated regional licence to a corporation, the corporation is required by regulations referred to in section 48(2) to offer to supply electricity to customers under a standard form contract, then on and from the day on which that obligation has effect —

(a) the obligation in subsection (2) ceases to have effect; and

30 (b) any relevant contract in force on that day is to be taken to be amended so that its terms, conditions and provisions are consistent with those of the standard form contract.

- (4) The regulations may —
- (a) provide for exceptions to the obligation in subsection (2);
 - 5 (b) provide for and in relation to the standards of service that a corporation is to provide to customers in connection with the supply of electricity;
 - (c) provide for the inclusion in relevant contracts of requirements that the corporation comply with any such standard.
- 10 (5) Section 48(4) applies to regulations made for the purposes of subsection (4)(b).
- (6) A tariff customer of a corporation is to be taken on and from the commencement day to have entered into a contract with the corporation for the supply of electricity.
- 15 (7) The Minister, by order published in the *Gazette*, is to prescribe a form of contract for the purposes of subsection (6), and the contract referred to in subsection (6) is to be taken to be in the form so prescribed.
- (8) An order under subsection (7) —
- 20 (a) may specify different forms of contract in respect of different classes of tariff consumers; and
 - (b) may be amended, replaced or revoked by the Minister by order published in the *Gazette*.

56. Enforcement of obligation in section 55(2)

- 25 (1) If, in the opinion of the Authority, a corporation fails to comply with the obligation in section 55(2), the Authority may, subject to subsection (2), do one or more of the following —
- (a) serve a letter of reprimand on the corporation; or
 - 30 (b) order the corporation to pay a monetary penalty fixed by the Authority but not exceeding \$100 000.

- (2) The Authority is not to take action under subsection (1)(b) unless the Authority has —
- (a) notified the corporation of the proposed action and the reasons for it; and
 - 5 (b) given the corporation a reasonable opportunity to make submissions on the matter.
- (3) The Authority may recover a penalty imposed under subsection (1)(b) in a court of competent jurisdiction as a debt due by the corporation to the State.

10 **Division 3 — Connection to distribution system**

57. Terms used in this Division

In this Division, unless the contrary intention appears —

“**connect**” means to connect to a distribution system;

15 “**premises**” means premises owned or occupied by a new or existing customer.

58. Regulations as to connection

- (1) The regulations may make provision for and in relation to the connection of premises.
- (2) Without limiting subsection (1), the regulations may —
- 20 (a) require a retail licensee to make arrangements with the holder of a distribution licence or integrated regional licence for the connection of premises of a prescribed class;
 - (b) require the holder of a distribution licence or an
25 integrated regional licence to connect premises of a prescribed class to the holder’s distribution system;
 - (c) prescribe the circumstances in which an obligation referred to in paragraph (a) or (b) arises;
 - 30 (d) authorise the holder of a distribution licence or an integrated regional licence to adopt a method of connection that results in the least cost to the holder; and

- (e) make provision for and in relation to the costs of connection, including provision as to who is liable to pay those costs.
- (3) Without limiting section 12, the regulations may provide —
 - 5 (a) that it is a condition of every retail licence and every integrated regional licence that the holder of the licence must comply with the obligation referred to in subsection (2)(a); and
 - 10 (b) that it is a condition of every distribution licence and every integrated regional licence that the holder of the licence must comply with the obligation referred to in subsection (2)(b).

Division 4 — Default supplier

59. Regulations as to default supplier

- 15 The regulations may —
- (a) require that a default supplier be determined, in accordance with the regulations, for each connection point as defined in the regulations;
 - 20 (b) require that the default supplier so determined be a retail licensee that supplies electricity at the relevant connection point;
 - (c) require that a register be established and maintained, in accordance with the regulations, showing the name of the default supplier for the time being determined for each connection point;
 - 25 (d) provide that if a customer commences to take a supply of electricity at premises without entering into a contract for the supply with a retail licensee, the electricity is deemed to be supplied under the standard form contract of the default supplier for the connection point in respect of those premises as determined under the regulations;
 - 30 and

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- (e) make provision for and in relation to the effect of contracts of the kind referred to in paragraph (d), including —
 - (i) the period for which such contracts continue in force; and
 - (ii) the exclusion or modification of any term, condition or provision of such contracts.

Part 4 — Extension and expansion policies for certain corporations

60. Terms used in this Part

In this Part, unless the contrary intention appears —

5 **“approved policy”** means an extension and expansion policy approved under section 62 as amended from time to time and includes any replacement for the policy approved under section 63;

10 **“Coordinator”** means the Coordinator of Energy referred to in section 4 of the *Energy Coordination Act 1994*;

“corporation” means a relevant corporation;

“extension and expansion policy” means documentation that sets out arrangements for and in relation to —

- 15 (a) the geographic extension of a particular system;
- (b) the expansion of the electrical capacity of that system; and
- (c) the connection of customers to that system;

“licence” means a transmission licence, distribution licence or an integrated regional licence;

20 **“system”** means a transmission system or distribution system.

61. Draft policy to be submitted to Coordinator

(1) In subsection (2) —

“prescribed period” means —

- 25 (a) 3 months after a written request by the Coordinator; or
- (b) any longer period allowed by the Coordinator in a particular case.

(2) A corporation must, within the prescribed period, submit to the Coordinator a draft extension and expansion policy for each system operated by the corporation.

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- (3) An extension and expansion policy submitted by a corporation may relate to one or more or all of the systems operated by the corporation.

62. Approval of policy

- 5 (1) Subject to subsection (2), the Coordinator may —
- (a) approve an extension and expansion policy submitted under section 61; or
 - (b) direct that it be amended and approve it in an amended form.
- 10 (2) The Coordinator must not approve an extension and expansion policy if the Coordinator considers that it —
- (a) will not meet the requirements of the regulations in respect of such policies; or
 - (b) will be inconsistent with this Act or any other written
- 15 law.
- (3) Without limiting the other matters that may be taken into account, in exercising the powers conferred by this section and sections 63 and 64 the Coordinator is to take into account the matters referred to in section 8(5) but as if the area or areas referred to in section 8(5)(e) were the area to be affected by the exercise of the powers.
- 20

63. Amendment or replacement of policy

- (1) A corporation may submit to the Coordinator for approval —
- (a) an amendment to an approved policy; or
 - (b) a replacement for an approved policy.
- 25
- (2) The Coordinator may approve or refuse to approve an amendment or replacement submitted under subsection (1).

- (3) The Coordinator must not approve an amendment or replacement if the Coordinator considers that it —
- (a) will not meet the requirements of the regulations in respect of such policies; or
 - 5 (b) will be inconsistent with this Act or any other written law.

64. Coordinator may direct that amendment be made

- (1) This section applies if, in the opinion of the Coordinator, an approved policy —
- 10 (a) no longer meets the requirements of the regulations in respect of such policies; or
 - (b) is no longer consistent with this Act or any other written law.
- (2) The Coordinator may direct the corporation concerned —
- 15 (a) to submit an appropriate amendment to the approved policy to the Coordinator for approval under section 63(1); and
 - (b) to do so within a specified period.
- (3) In subsection (2)(a) —
- 20 **“appropriate amendment”** means an amendment —
- (a) specified by the Coordinator; or
 - (b) otherwise determined by the Coordinator to be suitable for approval.

65. Licence condition: extension and expansion

- 25 It is a condition of every licence held by a corporation that the corporation must —
- (a) comply with the obligation in section 61 in relation to the system to which the licence applies;
 - 30 (b) comply with a direction given to the corporation under section 62(1)(b) that relates to the extension and

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expansion policy for the system to which the licence applies;

- 5
- (c) comply with a direction given to the corporation under section 64(2) that relates to the approved policy for the system to which the licence applies; and
 - (d) implement arrangements set out in the approved policy for the system to which the licence applies.

66. Regulations as to content of policies

10 The regulations may prescribe matters that are to be dealt with or set out in an extension and expansion policy including —

- (a) methods or principles to be applied by a corporation in relation to —
 - 15 (i) the extension and expansion of the system to which the policy relates; and
 - (ii) the connection of customers to that system;
- (b) procedures to be followed by a corporation —
 - (i) in undertaking the extension and expansion of the system to which the policy relates; and
 - (ii) in connecting customers to that system;
- 20 (c) criteria or parameters to be applied by a corporation when determining the eligibility of particular classes of customers for connection to the system to which the policy relates; and
- (d) information about the costs of implementing the policy.

Part 5 — Last resort supply arrangements

67. Terms used in this Part

In this Part, unless the contrary intention appears —

5 “**designated area**” means an area designated under section 68(1);

“**last resort supply plan**” means a plan that meets the requirements of section 69;

“**retail licence**” includes an integrated regional licence;

10 “**supplier of last resort**” has the meaning given to that term in section 69(1).

68. Authority to ensure supply plan in place in designated areas

(1) The Authority may, by notice published in the *Gazette*, designate an area to which a retail licence applies as an area for which there is to be a last resort supply plan.

15 (2) The Authority is to ensure —

(a) that, as soon as is practicable after an area becomes a designated area, a last resort supply plan for the designated area is approved or determined by the Authority under section 73; and

20 (b) that, at all times thereafter, there is a last resort supply plan for the designated area that has been approved or determined by the Authority under section 73.

69. Requirements for last resort supply plan

(1) A last resort supply plan for a designated area is one that deals with the supply of electricity to customers in the area by the holder of a retail licence (the “**supplier of last resort**”) if the plan comes into operation under section 70.

(2) A last resort supply plan must set out the arrangements, and make the provisions, that are necessary for the supply of electricity as mentioned in subsection (1).

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- (3) A last resort supply plan must —
- (a) make provision for any matter or circumstance that is prescribed; and
 - (b) otherwise comply with the regulations.
- 5 (4) A last resort supply plan is of no effect to the extent that it is inconsistent with any enactment.

70. How plan brought into operation

- (1) This section applies if, and only if, the retail licence of the supplier to whose customers a last resort supply plan applies —
- 10 (a) has been cancelled under section 35;
- (b) has expired and has not been renewed; or
- (c) has been surrendered.
- (2) If this section applies, the Authority may, by notice published in the *Gazette*, determine that the last resort supply plan comes
- 15 into operation on a day specified in the notice.
- (3) An order under subsection (2) is to specify the name of the supplier to whose customers the last resort supply plan applies.

71. Supplier of last resort

- (1) The Authority may, by notice in writing to the holder of a retail licence (the “**licensee**”) —
- 20 (a) designate the licensee as the supplier of last resort for a designated area; or
- (b) cancel a designation so made.
- (2) The Authority is to consult with the licensee before a notice is
- 25 given under subsection (1).
- (3) The designation of the licensee cannot be expressed to have effect for more than 2 years, but on the expiry of the designation the licensee may be re-designated, whether once or more than once.

- (4) Unless another supplier of last resort for a designated area is designated for the time being under subsection (1), Western Power Corporation is the supplier of last resort for the designated area.

5 **72. Functions of supplier of last resort**

The supplier of last resort for a designated area is to —

- 10 (a) prepare a draft last resort supply plan for that area and submit it to the Authority within 3 months after becoming the supplier of last resort or within such longer period as the Authority may allow;
- (b) consult with the Authority with a view to obtaining approval of the draft plan; and
- 15 (c) carry out the arrangements and other provisions in the last resort supply plan approved or determined by the Authority under section 73, if the plan comes into operation under section 70.

73. Approval or determination of plan

- (1) The Authority may —
- 20 (a) approve a draft last resort supply plan submitted under section 72; or
- (b) request that it be amended and approve it in an amended form.
- (2) If a plan has not been approved by the Authority within a period that it considers reasonable and notifies to the supplier of last resort, the Authority may determine the contents of the last resort supply plan.
- 25

74. Amendment of plan by supplier

- (1) With the approval of the Authority, the supplier of last resort for a designated area may amend the last resort supply plan for that area.
- 30

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- (2) The supplier of last resort is to submit any proposed amendment to the Authority for approval.
- (3) If an amendment is so submitted the Authority may —
- (a) approve it;
 - 5 (b) request that it be changed and approve it in a changed form; or
 - (c) refuse to approve it.

75. Authority may make amendment

10 The Authority may at any time, after consultation with the supplier of last resort for a designated area, amend the last resort supply plan for that area.

76. Licence condition: last resort supply

It is a condition of every retail licence that —

- 15 (a) if the licensee is designated under section 71(1) for a designated area; and
- (b) so long as the designation under section 71(1) remains in force,

20 the licensee will perform the functions of the supplier of last resort for the designated area, and in particular will carry out the arrangements and provisions in the last resort supply plan if it comes into operation under section 70.

77. Provision may be made by regulation

The regulations may make provision for and in relation to —

- 25 (a) the preparation and approval process for a last resort supply plan under sections 72 and 73, and the amendment of a plan;
- (b) last resort supply arrangements under a plan, including for and in relation to —
- (i) the commencement of arrangements;

- 5
- (ii) the extent to which particular arrangements are to apply to a particular class of customers;
- (iii) notification to customers and other affected persons of matters relating to the arrangements, including —
- 10
- (I) the commencement of arrangements;
- (II) the effect of the arrangements and steps that will or may be taken; and
- (III) rights, powers, duties and procedures that apply under the arrangements;
- (iv) the identification of the customers affected by the commencement of arrangements and the provision of identifying information to the supplier of last resort;
- 15
- (v) the transfer of customers to the supplier of last resort and the nature of the relationship between them;
- (vi) the terms and conditions of supply of electricity under the arrangements, including those relating to pricing and the imposition of charges;
- 20
- (vii) the recovery of costs by the supplier of last resort;
- (viii) the duration and cessation of any obligation to supply electricity under the arrangements; and
- 25
- (ix) other rights, powers and duties of —
- (I) the Authority;
- (II) the supplier of last resort;
- (III) customers; and
- (IV) other persons,
- 30
- in connection with the carrying out of the arrangements or the operation of a last resort supply plan.

Part 6 — Code of conduct for supply of electricity to small use customers

78. Terms used in this Part

In this Part, unless the contrary intention appears —

5 **“code of conduct”** means the code of conduct approved under section 79;

“committee” means the committee established under section 81;

10 **“customer”** means a customer who consumes not more than 160 MWh of electricity per annum;

“electricity marketing agent” means —

(a) a person who acts on behalf of the holder of a retail licence or an integrated regional licence —

15 (i) for the purpose of obtaining new customers for the licensee; or

(ii) in dealings with existing customers in relation to contracts for the supply of electricity by the licensee;

(b) a person who acts —

20 (i) on behalf of one or more customers; or

(ii) as an intermediary between one or more customers and a licensee,

in respect of the supply of electricity to the customer or customers;

25 (c) a person who engages in any other activity relating to the marketing of electricity that is prescribed for the purposes of this definition; and

(d) a representative, agent or employee of a person referred to in paragraph (a), (b) or (c);

“marketing” includes engaging or attempting to engage in any of the following activities by any means, including door to door or by telephone or other electronic means —

- 5
- (a) negotiations for, or dealings in respect of, a contract for the supply of electricity to a customer; or
 - (b) advertising, promotion, market research or public relations in relation to the supply of electricity to customers.

79. Code of conduct

- 10
- (1) The Authority may, in consultation with the committee, approve a code of conduct under this section.
 - (2) The code of conduct is to regulate and control the conduct of —
 - (a) the holders of retail licences, distribution licences and integrated regional licences; and
 - 15 (b) electricity marketing agents,with the object of —
 - (c) defining standards of conduct in the supply and marketing of electricity to customers; and
 - (d) protecting customers from undesirable marketing
 - 20 (3) The code of conduct may contain such ancillary and incidental provisions as are necessary or expedient for the purposes of subsection (2).
 - (4) In the case of the initial code of conduct, subsection (1) has
 - 25 effect subject to Schedule 3 clause 1.

80. Code is subsidiary legislation

The code of conduct is subsidiary legislation for the purposes of the *Interpretation Act 1984*.

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81. Consultative committee

- (1) The Authority is to establish a committee to advise it on matters relating to the code of conduct.
- (2) The Authority —
- 5 (a) is to determine the membership, constitution and procedures of the committee; and
- (b) may discharge, alter, or reconstitute the committee.
- (3) The Authority may determine that a member of the committee is to receive remuneration or an allowance, and if the Authority so
- 10 determines it is to fix the remuneration or allowance on the recommendation of the Minister for Public Sector Management.
- (4) Subject to this section, the committee may determine its own procedure.
- (5) The Authority is to provide the committee with such support
- 15 services as it may reasonably require.
- (6) In the case of the initial code of conduct, this section has effect subject to Schedule 3 clause 2.

82. Licence condition: code of conduct

20 It is a condition of every retail licence, distribution licence and integrated regional licence that the licensee is to comply with the provisions of the code of conduct that apply to the licensee.

83. Enforcement of code of conduct against marketing agents

- The code of conduct may provide —
- 25 (a) that the contravention of a provision of the code of conduct by an electricity marketing agent constitutes an offence; and
- (b) that an offence is punishable by a penalty not exceeding —
- (i) \$5 000 for an individual; and
- 30 (ii) \$20 000 for a body corporate.

84. Code may provide for vicarious liability

5 The code of conduct may provide for and in relation to the liability of the holder of a retail licence or an integrated regional licence, in the absence of excusatory circumstances, for an act or omission of the licensee's electricity marketing agents that contravene the code of conduct.

85. Code may include presumption of authority

10 The code of conduct may provide for a presumption that a person who carries out any marketing activity in the name of or for the benefit of —

- (a) the holder of a retail licence or an integrated regional licence; or
- (b) an electricity marketing agent,

15 is to be taken, unless the contrary is proved, to have been employed or authorised by that licensee or electricity marketing agent to carry out that activity.

86. Authority to monitor compliance

It is a function of the Authority to monitor and enforce compliance with the code of conduct.

20 **87. Comment to be sought on amendment or replacement of code**

- (1) Whenever the Authority proposes to exercise the power —
 - (a) to amend the code of conduct; or
 - (b) to repeal and replace it,

25 the Authority must —

- (c) refer the proposed amendment or replacement to the committee for its advice; and
- (d) have regard to any advice given by the committee.

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- (2) Before the committee gives its advice to the Authority, it must, in accordance with section 89, give any interested person an opportunity to offer comments on the amendment or replacement.
- 5 (3) The committee must take into account any comments received under subsection (1) in formulating its advice.

88. Review of code

- (1) The committee must carry out a review of the code of conduct as soon as is practicable after —
- 10 (a) the first anniversary of its commencement; and
(b) the expiry of each 2 yearly interval after that anniversary.
- (2) The object of a review is to re-assess the suitability of the provisions of the code of conduct for the purposes of section 79(2).
- 15 (3) The committee must, in accordance with section 89, give any interested person an opportunity to offer comments relevant to the review.
- (4) The committee must take into account any comments received under subsection (3) in carrying out the review.
- 20 (5) The committee must prepare a report based on the review and give it to the Authority.

89. Further provisions about opportunity to comment

- For the purposes of sections 87(2) and 88(3) —
- 25 (a) an interested person is a person —
- (i) who the committee considers has a particular interest in the amendment, replacement or review; or

5

- (ii) who is determined by the Authority, by notice in writing to the committee, to have such an interest;
- (b) an opportunity to offer comments is an opportunity to furnish written comments to the committee within —
 - (i) a period specified by the Authority by notice in writing to the committee; or
 - (ii) in the absence of such a notice, a period determined by the committee.

Part 7 — Electricity ombudsman scheme

Division 1 — Preliminary

90. Terms used in this Part

In this Part and in Schedule 2, unless the contrary intention appears —

“approved scheme” means a scheme approved under section 92;

“customer” means —

(a) a customer who consumes not more than 160 MWh of electricity per annum; and

(b) if a dispute or complaint is prescribed for the purposes of section 92(1)(d) a person who is involved in that dispute or complaint as a customer;

“customer contract” means —

(a) a standard form contract; or

(b) a non-standard contract,

as defined in section 47;

“electricity ombudsman” has the meaning given to that term in section 92(1);

“electricity marketing agent” has the meaning given to that term in section 78;

“licensee” means the holder of retail licence, distribution licence or integrated regional licence.

91. Regulations as to electricity ombudsman scheme

The regulations may provide for and in relation to —

(a) the establishment and operation of a scheme of the kind referred to in section 92; and

(b) the functions of the electricity ombudsman under such a scheme.

Division 2 — Approval of electricity ombudsman scheme

92. Authority may approve scheme

- 5 (1) The Authority may, by instrument in writing, approve a scheme that provides for a person (the “**electricity ombudsman**”) to investigate and deal with —
- (a) disputes and complaints under customer contracts;
 - (b) disputes between —
 - (i) customers and licensees; or
 - (ii) customers and electricity marketing agents;
 - 10 (c) complaints by customers about —
 - (i) licensees; or
 - (ii) electricity marketing agents;and
 - (d) any other kind of dispute or complaint (whether or not
15 under a customer contract) that is prescribed by the regulations.
- (2) A scheme may treat a failure to make a decision within a specified period as a decision of a particular kind.
- 20 (3) A scheme may be made applicable to a dispute or complaint that arose before the commencement of the scheme, but not earlier than 12 months before that commencement.
- (4) The Authority may, by instrument in writing, approve an amendment to an approved scheme.
- 25 (5) Notice of an approval under subsection (1) is to be published in the *Gazette*.
- (6) In the case of the initial electricity ombudsman scheme, this section has effect subject to Schedule 3 clause 4.

93. Requirements for scheme or amendment to be approved

The Authority may approve a scheme, or an amendment to an approved scheme, only if it is satisfied that the scheme, or the scheme as amended, meets —

- 5 (a) the objectives set out in Schedule 2; and
 (b) any other prescribed objective.

94. Revocation of approval

10 (1) Subject to subsection (2), the Authority may, by instrument in writing, revoke the status of a scheme as an approved scheme if it is satisfied that the scheme no longer meets the objectives referred to in section 93.

- (2) In exercising the power of revocation the Authority must —
 (a) follow any prescribed procedure; and
 (b) comply with any other prescribed requirements.

15 (3) A copy of an instrument under subsection (1) is to be laid before each House of Parliament within 14 sitting days of that House after the day on which the revocation took effect.

Division 3 — Scheme operation

95. Customer may have decision or complaint reviewed

20 (1) A customer may apply to the electricity ombudsman under an approved scheme for a review of a decision or complaint to which the scheme relates.

 (2) Where an application is so made the electricity ombudsman may, in respect of the decision or complaint —

- 25 (a) make any order or determination;
 (b) give any direction; or
 (c) decline to deal with a matter on any ground,

that is provided for by the scheme.

96. Jurisdiction of courts and tribunals

- (1) Nothing in this Part or in an approved scheme affects the jurisdiction of a court or tribunal.
- 5 (2) The electricity ombudsman must decline to deal with a matter if —
- (a) it has been or is being dealt with by a court or tribunal; or
 - (b) in his or her opinion the matter should be dealt with by a court or tribunal.

10 **97. Enforcement against marketing agents and others**

- (1) The regulations may make it an offence for an electricity marketing agent to fail to comply with a decision or direction of the electricity ombudsman under an approved scheme.
- 15 (2) If a dispute or complaint involving a person other than a licensee or an electricity marketing agent is prescribed for the purposes of section 92(1)(d), the regulations may make it an offence for the person to fail to comply with a decision or direction of the electricity ombudsman under an approved scheme.
- 20 (3) Regulations made for the purposes of this section may provide for penalties for an offence against the regulations not exceeding —
- (a) \$5 000 for an individual; and
 - (b) \$20 000 for a body corporate.

25 **98. Authority to monitor compliance with decisions**

It is a function of the Authority to monitor and enforce compliance with decisions and directions of the electricity ombudsman under an approved scheme.

Division 4 — Membership of approved scheme by licensee

99. Proof of membership in applications relating to licence

5 (1) An applicant for the grant of a retail licence, distribution licence or integrated regional licence who proposes to supply electricity to customers must produce with the application evidence showing that the applicant will, if a licence is granted, be a member of an approved scheme.

10 (2) An applicant for the renewal of a retail licence, distribution licence or integrated regional licence who supplies electricity to customers must produce with the application evidence showing that the applicant will, if the licence is renewed, continue to be a member of an approved scheme.

15 (3) Where an application is made under section 18 for approval to transfer a retail licence, distribution licence or integrated regional licence to a person who proposes to supply electricity to customers, the proposed transferee must produce with the application evidence showing that the proposed transferee will, if the transfer is approved, be a member of an approved scheme.

100. Prerequisite to grant, renewal or transfer of licence

20 Despite section 19 the Authority is not to grant or renew, or approve a transfer of, a retail licence, distribution licence or integrated regional licence to a person who proposes to supply electricity to customers unless it is satisfied that the licensee, or the proposed transferee —

- 25 (a) is a member of an approved scheme; or
(b) will, if the licence is granted or the transfer is approved, be a member of an approved scheme.

101. Licence condition: membership of scheme

It is a condition of every retail licence, distribution licence and integrated regional licence that the licensee cannot supply electricity to customers unless the licensee —

- 5 (a) is a member of an approved scheme; and
- (b) is bound by, and will comply with any decision or direction of the electricity ombudsman under, the scheme.

Part 8 — Access to services of network infrastructure facilities

Division 1 — Preliminary

102. Purposes of this Part

- 5 The purposes of this Part are —
- (a) to provide access to services; and
 - (b) to give effect to the relevant principles of the Competition Principles Agreement in respect of the provision of access to services.

103. Terms used in this Part

- 10 In this Part, unless the contrary intention appears —
- “access”** has a meaning corresponding with the meaning that it has when used in the expression “access to a service” in the *Trade Practices Act 1974* of the Commonwealth;
- 15 **“access agreement”** means an agreement under the Code between a network service provider and another person (a **“network user”**) for that person to have access to services;
- 20 **“access arrangement”** means an arrangement lodged under section 104(2)(c) that has been approved by the Authority;
- “Code”** means the Code for the time being in force under section 104;
- 25 **“Competition Principles Agreement”** means the Competition Principles Agreement made on 11 April 1995 by the Commonwealth, the States and the Territories as in force for the time being;
- “network infrastructure facilities”** means —
- (a) the electrical equipment that is used only in order to transfer electricity to or from an electricity network at
- 30 the relevant point of connection including any

transformers or switchgear at the relevant point or which is installed to support or to provide backup to that electrical equipment as is necessary for that transfer; and

- 5 (b) the wires, apparatus, equipment, plant and buildings used to convey, and control the conveyance of, electricity,

which together are operated by a person (a **“network service provider”**) for the purpose of transporting electricity from generators of electricity to other electricity networks or to end users of electricity;

“services” means —

- 15 (a) the conveyance of electricity and other services provided by means of network infrastructure facilities; and
(b) services ancillary to such services.

Division 2 — Establishment of Code

104. Minister to establish Code

- 20 (1) The Minister is to establish a Code for the purposes of, and in accordance with, this Part.
- (2) Provision is to be made in the Code —
- 25 (a) prescribing network infrastructure facilities that are to be covered by the Code with effect from the coming into operation of the Code;
- (b) prescribing the process through which the Minister is to decide whether other network infrastructure facilities are to become covered by the Code or whether network infrastructure facilities that are covered by the Code are to cease to be covered by the Code, and the manner in which the decision is to be published and come into effect;
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- (c) as to the lodgment by the network service provider of an arrangement for network infrastructure facilities covered by the Code setting out —
 - (i) the policies applying to access to services;
 - (ii) the basic terms and conditions that will apply to access to services unless an access agreement contains different terms and conditions; and
 - (iii) any other matters prescribed by the Code;
 - (d) as to the production by the network service provider of information to enable persons to understand the derivation of the elements of an arrangement for network infrastructure facilities lodged under paragraph (c), whether or not that arrangement has become an access arrangement;
 - (e) as to the approval by the Authority of arrangements lodged under paragraph (c) and the matters to which the Authority is to have regard in deciding whether to give its approval;
 - (f) as to the registration of access arrangements;
 - (g) for persons to have access to services as provided for in the access arrangement for the relevant network infrastructure facilities and in accordance with —
 - (i) access agreements; or
 - (ii) determinations made by way of arbitration;
 - (h) setting out, or providing for access arrangements to set out —
 - (i) network access pricing regulation principles;
 - (ii) rights, powers and duties that are to apply to and in relation to the negotiation, making, and implementation of access agreements; and
 - (iii) duties and requirements in relation to the provision of access to services that are to be complied with by the relevant network service provider;

- 5
- (i) setting out the obligations of a network service provider in respect of the segregation of the functions and business of providing services from the network service provider's other functions and business and enabling the Authority to add to those obligations or waive any of them;
- (j) as to services between related bodies corporate (as defined in the *Corporations Act 2001* of the Commonwealth section 9);
- 10
- (k) setting out rights and obligations of network users;
- (l) for the formulation by a network service provider, and approval by the Authority, of metering and other technical codes for the purposes of access to services that are to be complied with by access users and other persons specified in the Code;
- 15
- (m) as to matters relating to metering data including security, access, audit requirements and retention;
- (n) as to the disclosure and use of confidential information; and
- 20
- (o) for the Authority to have supervisory and other functions for the purposes of the Code, including a function of determining certain requirements in relation to access to network infrastructure facilities that are to be complied with by the network service provider, a person making a proposal for access to services and the
- 25
- arbitrator.
- (3) A decision under the Code as to whether network infrastructure facilities are to become covered by the Code or are to cease to be covered by the Code is not liable to be challenged in, or reviewed or called in question by, a court or tribunal otherwise
- 30
- than under section 130.

105. Other matters for which Code may make provision

- (1) The Code may also make provision for or in relation to —
- (a) the arbitration by the arbitrator of disputes between a network service provider and a person who has made a proposal for access to services;
 - (b) other functions of the arbitrator;
 - (c) the functions of the Authority;
 - (d) the regulation of matters —
 - (i) of a savings, transitional or supplementary nature; or
 - (ii) that are otherwise necessary or convenient for the purposes of this Part.
- (2) Transitional provisions referred to in subsection (1)(d)(i) may authorise the Minister to determine by order published in the *Gazette* how any matter in progress immediately before the commencement of this Part is to be treated, after that commencement, for the purposes of the provisions of the Code.

106. Code does not affect existing agreements

- (1) The making of the Code or the approval of an access arrangement —
- (a) does not affect the terms and conditions, or the operation, of an agreement for access to services in operation immediately before the commencement of the Code or the approval of the arrangement whether under the *Electricity Corporation Act 1994* or otherwise; and
 - (b) does not afford a party to the agreement any ground or reason for not complying with the agreement according to its terms and conditions.
- (2) Subsection (1)(a) or (b) does not apply if the Code or the agreement provides otherwise.

107. Code is subsidiary legislation

- (1) In this section —
“Code” includes —
- (a) an amendment of the Code; or
 - (b) a code repealing and replacing the Code.
- (2) The Code is subsidiary legislation for the purposes of the *Interpretation Act 1984*.
- (3) The Code is to be laid before each House of Parliament within 6 sitting days of that House next following publication of the Code in the *Gazette*.
- (4) Notice of motion to disallow the Code or any part of the Code may be given in either House of Parliament within 10 sitting days of that House after the Code has been laid before it under subsection (3).
- (5) Within 10 sitting days of a House of Parliament after notice of motion has been given in that House under subsection (4), that House may pass a resolution disallowing the Code or any part of the Code.
- (6) If the Code is not laid before both Houses of Parliament under subsection (3), or is disallowed by either House under subsection (5), the Code ceases to have effect, but without affecting the validity or curing the invalidity of anything done or the omission of anything in the meantime.
- (7) If a resolution has been passed under subsection (5), notice to that effect is to be published in the *Gazette* within 21 days.

108. Public comment on amendment or replacement of Code

- (1) Before the Minister exercises the power —
- (a) to amend the Code; or
 - (b) to repeal and replace it,

the Minister must make the proposed amendment or replacement available for public comment in accordance with subsection (2).

(2) The Minister must —

- 5 (a) cause a notice giving a general description of the proposal to be published —
- (i) in an issue of a daily newspaper circulating throughout the Commonwealth; and
 - 10 (ii) in an issue of a daily newspaper circulating throughout the State,
- and on an appropriate internet website; and
- (b) include in the notice the following information —
- (i) the places at which a copy of the proposal may be obtained;
 - 15 (ii) a statement that written submissions on the proposal may be made to the Minister by any person within a specified period; and
 - (iii) the address to which the submissions may be delivered or posted.

20 (3) The period specified under subsection (2)(b)(ii) is not to be less than 30 days after both of the notices under subsection (2)(a) have been published.

(4) The Minister must have regard to any submission made in accordance with the notice.

25 **109. Exception to section 108**

- (1) Section 108(1) does not apply if the Minister is satisfied that a proposed amendment to the Code is —
- (a) of a minor nature; or
 - (b) required to be made urgently.

- (2) If in reliance on subsection (1)(b) the Minister amends the Code without complying with section 108(1) —
- 5 (a) the Minister must call for public comment on the amendment as soon as is practicable after it has come into force; and
- (b) section 108(2) and (3) apply with all necessary modifications.
- (3) Having regard to any submissions made on the amendment, the Minister must consider whether the Code should be amended —
- 10 (a) to reverse the effect of the amendment; or
- (b) in some other manner.

110. Consultation with network service providers on amendment or replacement of Code

- 15 (1) Without limiting section 108, if the Minister considers that a proposed amendment or replacement of the Code may affect a network service provider, the Minister must consult with the network service provider and have regard to any submissions that the network service provider makes in relation to the proposal.
- 20 (2) If a network service provider considers that the Code, or a provision of it, has, as a result of altered circumstances, become unreasonable or inappropriate in its application to the network service provider, the network service provider may make a submission to the Minister requesting that the Code be amended or be repealed and replaced.
- 25 (3) The Minister must consider a submission made under subsection (2) and, if requested by the network service provider, consult with the network service provider in relation to it.

111. Review of Code

- (1) The Minister must cause a review of the Code to be carried out as soon as is practicable after —
- (a) the fifth anniversary of its commencement; and
 - 5 (b) the expiry of each 5 yearly interval after that anniversary.
- (2) The purpose of a review is to assess the suitability of the provisions of the Code to achieve the purposes of this Part.
- (3) Before carrying out a review of the Code, the Authority must
- 10 call for public comment in accordance with subsection (4).
- (4) The Authority must —
- (a) cause notice of the review to be published —
 - (i) in an issue of a daily newspaper circulating throughout the Commonwealth; and
 - 15 (ii) in an issue of a daily newspaper circulating throughout the State,and on an appropriate internet website; and
 - (b) include in the notice —
 - (i) a statement that written submissions on the Code
 - 20 may be made by any person within a specified period; and
 - (ii) the address to which the submissions may be delivered or posted.
- (5) The period specified under subsection (4)(b)(i) is not to be less
- 25 than 30 days after both of the notices under subsection (4)(a) have been published.

112. Functions of the Authority

The Authority —

- 5
- (a) is responsible for monitoring and enforcing compliance by network service providers with this Part, the Code and access arrangements; and
 - (b) also has the functions given by particular provisions of this Part and the Code.

113. The arbitrator

10 When the *Gas Pipelines Access (Western Australia) Act 1998* Part 6 Division 3 refers to the functions of the arbitrator those functions include functions under the Code.

Division 3 — Enforcement

114. References to contravening the Code

15 A reference in this Division to contravening a provision of the Code includes a reference to —

- (a) attempting to contravene such a provision;
- (b) aiding, abetting, counselling or procuring a person to contravene such a provision;
- 20 (c) inducing, or attempting to induce, a person, whether by threats or promises or otherwise, to contravene such a provision;
- (d) being in any way, directly or indirectly, knowingly concerned in, or party to, the contravention by a person of such a provision; or
- 25 (e) conspiring with others to contravene such a provision.

115. Prohibitions on hindering or preventing access

- (1) The network service provider in relation to network infrastructure facilities covered by the Code must not engage in conduct aimed at hindering or preventing —
- 5 (a) access by any person to services in accordance with the Code;
- (b) the making of access agreements or any particular agreement in respect of those facilities; or
- 10 (c) the access to which a person is entitled under an access agreement or a determination made by way of arbitration.
- (2) A person who has access to services under an access agreement must not engage in conduct aimed at hindering or preventing access by another person to services of network infrastructure facilities covered by the Code.
- 15 (3) Subsections (1) and (2) do not apply to conduct that the network service provider, or a person referred to in subsection (2), is entitled to engage in under this Act, the Code or some other written law or under an access agreement.
- 20 Penalty: \$100 000.
Daily penalty: \$20 000.

116. Proceedings

- (1) Civil proceedings cannot be brought in respect of a matter arising under the Code except —
- 25 (a) in accordance with the regulations;
- (b) by arbitration under the Code; or
- (c) in accordance with section 130.

- (2) Nothing in subsection (1) affects the right of a person —
- (a) to bring civil proceedings in respect of any matter or thing, or seek any relief or remedy, if the cause of action arises, or the relief or remedy is sought, on grounds that do not rely on the Code; or
 - (b) to bring proceedings for judicial review of a decision under this Act or the Code of the Minister, the arbitrator or the Board.

117. Criminal proceedings do not lie

- (1) Criminal proceedings (including proceedings under *The Criminal Code* section 177 or 178) do not lie against a person by reason only that the person has contravened a provision of the Code.
- (2) Nothing in subsection (1) affects section 115.

118. Regulations as to enforcement of Code

- (1) The regulations may prescribe all matters that are necessary or convenient to be prescribed for the enforcement of the Code.
- (2) Without limiting section 131 or subsection (1), the regulations may —
- (a) provide that a provision of the Code specified in the regulations, or of a class specified in the regulations, is a civil penalty provision for the purposes of the regulations;
 - (b) prescribe, for a contravention of a civil penalty provision —
 - (i) an amount not exceeding \$100 000; and
 - (ii) in addition a daily amount not exceeding \$20 000,that the Supreme Court may determine is payable by a person who contravenes the provision;

- 5 (c) provide for and regulate the taking of proceedings before the Supreme Court in respect of alleged contraventions of civil penalty provisions and provide for the orders that can be made in those proceedings;
- (d) provide for the manner in which amounts received by way of civil penalties are to be dealt with and applied;
- 10 (e) provide for and regulate the taking of proceedings before the Supreme Court for an injunction restraining engagement in conduct contravening a provision of the Code and provide for the granting of an injunction (including an interim injunction) and the rescission or variation of an injunction so granted;
- 15 (f) provide for and regulate the taking of proceedings before the Supreme Court for a declaration as to whether a provision of the Code is being or has been contravened and provide for the orders that can be made in those proceedings; and
- 20 (g) provide for and regulate the taking of action for the recovery of an amount of loss or damage suffered because of conduct contravening a provision of the Code.

- (3) In subsection (2)(b)(ii) —
“**daily amount**” means an amount for each day or part of a day during which the contravention continues.

25 **Division 4 — Transitional**

119. Value of existing facilities

- (1) In this section —
“**existing facilities**” means network infrastructure facilities of a relevant corporation;
- 30 “**ministerial valuation**” means a valuation of existing facilities obtained by the Minister under subsection (2).

- (2) The Minister may at any time commission a suitably qualified and experienced person to —
- (a) undertake a valuation of existing facilities in accordance with the asset valuation methodology known as depreciated optimised replacement cost; and
 - (b) provide that valuation to the Minister.
- (3) If —
- (a) it is necessary under the Code or an access arrangement, or it is otherwise appropriate, for the Authority or any other person to have regard to the depreciated optimised replacement cost of existing facilities for the purpose of network access price regulation in respect of access to services of those facilities; and
 - (b) there is a ministerial valuation of those facilities,
- the ministerial valuation is taken to be the depreciated optimised replacement cost of those facilities.

120. Expiry

This Division expires at the expiration of the period of 3 years from the day on which it comes into operation.

Part 9 — Wholesale electricity market

121. Terms used in this Part

(1) In this Part, unless the contrary intention appears —

“confer” includes impose;

5 “market” has the meaning given to that term in section 122;

“market rules” has the meaning given to that term in
section 123(1).

(2) A person is a “participant” for the purposes of this Part if —

10 (a) the person is registered in accordance with the market
rules as required under the regulations;

(b) functions are conferred on the person under the
regulations or the market rules; or

(c) functions relating to this Part are conferred on the
person by another written law.

122. Regulations for a wholesale electricity market

(1) Regulations are to be made for the purpose of establishing a
market (the “market”) in relation to the wholesale supply of
electricity in the South West interconnected system.

(2) The objectives of the market are —

20 (a) to promote the economically efficient, safe and reliable
production and supply of electricity and electricity
related services in the South West interconnected
system;

25 (b) to encourage competition among generators and retailers
in the South West interconnected system, including by
facilitating efficient entry of new competitors;

30 (c) to avoid discrimination in that market against particular
energy options and technologies, including sustainable
energy options and technologies such as those that make
use of renewable resources or that reduce overall
greenhouse gas emissions;

- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

123. Market rules

- (1) Without limiting section 122, the regulations are to provide for there to be rules (the “**market rules**”) relating to the market and to the operation of the South West interconnected system setting out or dealing with such matters as are prescribed by the regulations.
- (2) The market rules are not subsidiary legislation for the purposes of the *Interpretation Act 1984* and section 42 of that Act does not apply to them or to rules amending them or repealing and replacing them.
- (3) The *Interpretation Act 1984* sections 43 (other than subsection (6)), 44, 48, 48A, 50(1), 53, 55, 56, 58, 59, 75 and 76 and Part VIII apply to the market rules as if they were subsidiary legislation.
- (4) The regulations may provide for —
- (a) the establishment of the initial market rules;
 - (b) the amendment, or repeal and replacement, of the market rules by rules made in accordance with the regulations and the market rules; and
 - (c) the publication, commencement, and laying before each House of Parliament, of the initial market rules and rules amending, or repealing and replacing, the market rules.

124. Matters to be dealt with in regulations

- (1) The regulations may prescribe all matters that are necessary or convenient to be prescribed for the purpose set out in section 122(1) and to achieve the objectives set out in section 122(2).

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- (2) Without limiting section 122, 123 or 131 or subsection (1), the regulations may —
- (a) regulate the conduct of persons and impose obligations on them;
 - 5 (b) confer functions, or authorise the market rules to confer functions, on the Minister or any other person (including a person holding an office under a written law or a body established under a written law);
 - 10 (c) provide for the establishment, or authorise the formation, of a body (including a body corporate) and confer functions, or authorise the market rules to confer functions, on a body so established or formed;
 - 15 (d) provide for the relationship between the Minister, or another Minister, and a participant referred to in section 121(2)(b) or (c) in respect of the performance of the functions of the participant;
 - (e) provide, or authorise the market rules to provide, for the resolution of disputes between participants;
 - 20 (f) provide that a contravention of a regulation is an offence;
 - (g) prescribe a penalty of not more than \$100 000, with or without a daily penalty of not more than \$20 000, for an offence against the regulations;
 - 25 (h) provide that a provision of the market rules specified in the regulations, or of a class specified in the regulations, is a civil penalty provision for the purposes of the regulations;
 - (i) prescribe, for a contravention of a civil penalty provision —
 - 30 (i) an amount not exceeding \$100 000; and

-
- (ii) in addition a daily amount not exceeding \$20 000,
that may, in accordance with the regulations, be demanded from or imposed upon a person who contravenes the provision;
- 5
- (j) provide for demands for the payment of amounts referred to in paragraph (i) and the enforcement of demands for their payment;
- (k) provide for and regulate the taking of proceedings in respect of alleged contraventions of provisions of the market rules, provide for the orders that can be made and other sanctions that can be imposed in those proceedings and provide for the enforcement of those orders and sanctions;
- 10
- (l) provide for the manner in which amounts received by way of civil penalties are to be dealt with and applied;
- (m) provide for and regulate the making of applications for, and the issue of, warrants relating to the investigation of alleged contraventions of provisions of the market rules and for the powers exercisable under warrants; and
- 20
- (n) in respect of costs incurred in the performance of functions conferred on a participant referred to in section 121(2)(b) or (c), provide for —
- 25
- (i) the implementation of accounting arrangements to enable those costs to be identified;
- (ii) the allocation of those costs between participants; and
- (iii) the recovery of those costs.
- (3) Without limiting subsection (2)(a), the regulations may prohibit persons from engaging in an activity specified in the regulations unless they are registered in accordance with the market rules.
- 30

s. 125. Appeals

- 5 (4) Without limiting subsection (2)(n), if it is inappropriate to prescribe a set fee or charge in connection with the performance of a particular function the regulations may provide for the method of calculating the fee or charge, including calculation according to the cost of performing that function.
- 10 (5) A reference in subsection (2) to contravening a provision of the market rules includes a reference to —
- (a) attempting to contravene such a provision;
 - (b) aiding, abetting, counselling or procuring a person to contravene such a provision;
 - (c) inducing, or attempting to induce, a person, whether by threats or promises or otherwise, to contravene such a provision;
 - 15 (d) being in any way, directly or indirectly, knowingly concerned in, or party to, the contravention by a person of such a provision; or
 - (e) conspiring with others to contravene such a provision.
- 20 (6) In subsection (2)(i)(ii) —
“**daily amount**” means an amount for each day or part of a day during which the contravention continues.

125. Appeals

- 25 (1) Application may be made to the Board for the review by the Board of decisions of a participant referred to in section 121(2)(b) or (c) that are made under the regulations or the market rules and are not of a class specified in the regulations.
- (2) Regulations may —
- (a) provide for the powers of the Board; and
 - (b) apply provisions of the *Gas Pipelines Access (Western Australia) Act 1998* with or without modifications,
- 30 in relation to reviews provided for in those regulations.

s. 126. Immunity of certain participants

- (3) Nothing in subsection (1) prevents or affects the review by a court or tribunal, according to law, of decisions of participants made under the regulations or the market rules.

126. Immunity of certain participants

- 5 (1) In this section —
- “**civil monetary penalty**” means liability to pay damages or compensation or any other amount ordered in a civil proceeding, but does not include liability to pay a civil penalty under the regulations;
- 10 “**market governance participant**” means a participant referred to in section 121(2)(b) or (c);
- “**officer**” of a body corporate includes a person who is an officer within the meaning of the *Corporations Act 2001* of the Commonwealth section 82A;
- 15 “**system management participant**” means a market governance participant the functions of which include a function under the regulations or the market rules specified in the regulations as a system management function.
- (2) A market governance participant, or an officer or employee of a market governance participant, does not incur any civil monetary liability for an act or omission done or made in good faith in the performance, or purported performance, of a function under the regulations or the market rules.
- 20 (3) If an act or omission done or made after the expiration of the period of 12 months from the establishment of the initial market rules is negligent —
- 25 (a) the immunity given by subsection (2) does not apply to that act or omission; but
- (b) as long as that act or omission is done or made in good faith, the civil monetary penalty for it is not to exceed the prescribed maximum amount.
- 30

s. 127

- (4) Regulations may exempt a specified market governance participant, other than a system management participant, from the operation of subsection (3)(a).
- (5) The regulations may, for the purposes of subsection (3)(b), without limitation —
- (a) prescribe a maximum amount that is limited in its application to persons, events, circumstances losses or periods to which they are expressed to apply;
- (b) prescribe maximum amounts that vary in their application according to the persons to whom, or the events, circumstances losses or periods to which, they are expressed to apply; or
- (c) prescribe a manner in which the maximum amount is to be divided amongst claimants.
- (6) This section does not apply to any liability of an officer of a body corporate to the body corporate.

127. Trade practices authorisation by regulation

- (1) In this section —
- “arrangement”** includes any contract, arrangement or understanding, or any market practice or market or customer restriction, division, allocation or segregation of any nature, or a course of conduct or dealing.
- (2) The regulations may authorise or approve any arrangement, act, matter or thing in relation to the market rules for the purposes of the *Trade Practices Act 1974* of the Commonwealth and the Competition Code.

128. Review of market operation

- (1) The Authority is to review the operation of the market as soon as practicable after the expiration of 3 years from the commencement of this Part and thereafter as soon as practicable after the expiration of 3 years from a report being laid before each House of Parliament under subsection 5(a).

- (2) The purpose of the review is to assess the extent to which the objectives set out in section 122(2) have been or are being achieved.
- 5 (3) Not later than 3 years and 6 months after the commencement of this Part, or after the last preceding report was laid before each House of Parliament under subsection (5)(a), as the case may be, the Authority is to give the Minister a written report based on the review.
- 10 (4) If the Authority considers that some or all of the objectives set out in section 122(2) have not been and are not being achieved, the report is to set out recommendations as to how those objectives can be achieved.
- (5) As soon as practicable after receiving the report, the Minister is to —
- 15 (a) cause the report to be laid before each House of Parliament; and
- (b) prepare a response to the report and cause the response to be laid before each House of Parliament.
- 20 (6) As soon as practicable after the report is laid before each House of Parliament, the Authority is to post a copy of the report on an internet website maintained by the Authority.

129. Public consultation

- 25 (1) In the course of conducting a review under section 128(1), the Authority is to seek public comment on the extent to which the objectives set out in section 122(2) have been or are being achieved (the “**issue**”).
- (2) The Authority is to cause a notice giving a general description of the issue to be —
- 30 (a) published in a daily newspaper circulating throughout the State; and
- (b) posted on an internet website maintained by the Authority.

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- (3) The notice is to include —
- (a) a statement that any person may, within a specified period, make written submissions on the issue to the Authority; and
 - 5 (b) the address to which the submissions may be delivered or posted.
- (4) The period specified under subsection (3)(a) is not to end less than 30 days after the day on which the notice is published under subsection (2)(a).
- 10 (5) The Authority is to have regard to any submission made in accordance with the notice.

Part 10 — Other matters

130. Review by the Board

(1) In this section —

5 “Code” means the Code for the time being in force under section 104;

“gas pipelines access provisions” means the *Gas Pipelines Access (Western Australia) Act 1998* Schedule 1.

(2) This section applies to —

- 10 (a) a decision of the Authority to refuse to grant or renew a licence;
- (b) a decision of the Authority to refuse to approve the transfer of a licence;
- (c) a decision of the Authority to refuse to amend a licence under section 21;
- 15 (d) a decision of the Authority as to the length of the period for which a licence is granted or renewed;
- (e) a decision of the Authority as to any term or condition of a licence;
- 20 (f) a decision of the Authority to amend a licence under section 22;
- (g) a decision of the Authority to refuse to approve —
- (i) a standard form contract under section 51; or
- (ii) an amendment to, or replacement for, a standard form contract under section 52;
- 25 (h) a direction given by the Authority under section 53;
- (i) a decision by the Minister that network infrastructure facilities are to become covered by the Code or are to cease to be covered by the Code;
- 30 (j) a decision by the Authority to add to the obligations of a network service provider under the Code in respect of the segregation of the functions and business of

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providing services from the network service provider's other functions and business, or to waive any of those obligations;

- 5 (k) a decision by the Authority to approve or not to approve an arrangement lodged under section 104(2)(c); or
- (l) a decision by the Authority to release confidential data given to the Authority for the performance of its functions under Part 8.

Note: See *Economic Regulation Authority Act 2003* Part 6.

- 10 (3) A person adversely affected by a decision or direction to which this section applies may apply to the Board for a review of the decision.
- (4) Section 38(2) to (5) and (7) to (12) of the gas pipelines access provisions apply to the application and to the review of the
- 15 decision or direction as if references in them to —
- (a) the relevant appeals body were references to the Board;
- (b) a decision included references to a direction;
- (5) The application operates to stay the decision or direction unless, in the case of a decision under subsection (2)(j), the Board
- 20 determines otherwise.
- (6) In the case of a decision under subsection (2)(k), section 39(2) to (5) of the gas pipelines access provisions also apply to the application and to the review of the decision as if references in
- 25 them to —
- (a) the relevant appeals body were references to the Board;
- (b) the relevant regulator were references to the Authority.
- (7) In the case of a decision under subsection (2)(l), section 43(2) to (4) of the gas pipelines access provisions also apply to the
- 30 application and to the review of the decision as if references in them to —
- (a) the relevant appeals body were references to the Board;
- (b) the relevant regulator were references to the Authority.

(8) When the *Gas Pipelines Access (Western Australia) Act 1998* Part 6 Division 2 refers to the functions of, and proceedings before, the Board those functions and proceedings include functions and proceedings under this section.

5 (9) For the purposes of subsection (8), the references in the *Gas Pipelines Access (Western Australia) Act 1998* sections 57(1) and 59(4) to the Gas Pipelines Access (Western Australia) Law are taken to be references to the Code.

131. Regulations

10 The Governor may make regulations prescribing all matters that are required or permitted by this Act to be prescribed or are necessary or convenient to be prescribed for giving effect to the purposes of this Act.

132. Regulations as to fees and charges for supply and services

15 (1) Without limiting section 131, the regulations may —

(a) fix the fees and charges, or the means of determining the fees and charges, that, unless otherwise agreed, are to be payable by customers of a prescribed class in relation to —

20 (i) the supply of electricity in prescribed circumstances; or

(ii) the provision of any prescribed service;

and

25 (b) deal with any other matter relating to the fixing or determination of fees and charges.

(2) Without limiting subsection (1), the regulations may make provision for and in relation to discounts, rebates, or concessions to be made available to customers of a prescribed class or in prescribed circumstances in respect of fees or charges payable in relation to the supply of electricity or the provision of a prescribed service.

30

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**133. Regulations as to fees and charges for functions of
 arbitrator and Board**

- 5 (1) Without limiting section 131, regulations may make provision
 for and in connection with the performance of the respective
 functions of the arbitrator and the Board under this Act.
- 10 (2) If it is inappropriate to prescribe a set fee or charge in
 connection with the performance of a particular function the
 regulations may provide for the method of calculating the fee or
 charge, including calculation according to the cost of
 performing that function.
- 15 (3) Without limiting subsection (1) or (2) the regulations may —
 (a) authorise the Board to fix, and determine the incidence
 of liability for, the cost and expenses of the hearing and
 determination of proceedings before the Board; and
 (b) make any incidental or supplementary provision that is
 expedient for the purposes of paragraph (a).
- 20 (4) The application of subsection (3) extends to the cost and
 expenses of proceedings that are commenced but discontinued
 or otherwise not brought to finality.

Schedule 1 — Licence terms and conditions

[s. 11]

A licence may include provisions —

- 5 (a) if the licence is a generation licence or integrated regional licence, requiring the licensee to prepare and implement strategies for the management of greenhouse gas emissions;
- 10 (b) if the licence is a generation licence, a retail licence or an integrated regional licence, requiring the licensee to maintain and publish specified records in respect of greenhouse gas emissions caused by, or associated with, the generation of electricity supplied by the licensee;
- 15 (c) if the licence is a retail licence or an integrated regional licence, requiring the licensee to prepare and implement strategies to encourage the use of renewable energy;
- 20 (d) if the licence is a retail licence or an integrated regional licence, requiring the licensee to give information to customers on matters relating to electricity consumption, electricity conservation and the efficient use of electricity;
- 25 (e) if the licence is a retail licence or an integrated regional licence, specifying methods or principles to be applied by the licensee in determining fees or charges payable by customers of a class prescribed under section 132(1)(a) (“**tariff customers**”);
- 30 (f) if the licence is a retail licence or an integrated regional licence, requiring the licensee, when seeking payment by tariff customers of a fee or charge, to specify —
- 35 (i) the portion of the fee or charge that is attributable to the cost of generating the electricity supplied;
- (ii) the portion of the fee or charge that is attributable to the cost of transporting that electricity through a transmission system; and
- (iii) the portion of the fee or charge that is attributable to the cost of transporting that electricity through a distribution system;
- (g) if the licence is a retail licence or an integrated regional licence, regulating the extent to which the licensee’s customers may be of a particular class;

Schedule 1

- (h) requiring the licensee to maintain specified accounting records;
- (i) preventing the licensee from engaging in or undertaking specified business activities or any other business in the electricity industry in the State;
- 5 (j) specifying methods or standards to be applied in supplying electricity under the authority of the licence;
- (k) requiring the licensee to observe specified codes (including any codes issued by the Authority under section 39) with such modifications or exemptions as may be determined by the
10 Authority;
- (l) specifying procedures for surrender of the licence;
- (m) requiring the licensee to provide to the Authority, in the manner and form determined by the Authority, specified information on any matter relevant to the operation or enforcement of the licence, the operation of the licensing scheme provided for in Part 2, or the
15 performance of the Authority's functions under that Part;
- (n) requiring the licensee to lodge with the Authority securities in an amount and of a nature acceptable to the Authority securing the performance by the licensee of the requirements, responsibilities and obligations under the licence;
20
- (o) relating to the performance of functions by the licensee including —
 - (i) the range of functions that may be performed by the licensee;
 - 25 (ii) performance criteria to be met by the licensee; and
 - (iii) community service obligations, that is obligations that are not commercially justified, to be discharged by the licensee;
- (p) requiring the licensee to publish specified information in relation to its performance under the licence;
- 30 (q) relating to obligations of the licensee with respect to public authorities and other licensees;
- (r) regulating the construction or operation, or both, of any generating works, transmission system or distribution system to which the licence applies;

- (s) relating to the disposal or transfer of property, rights or liabilities of a specified kind either during the term of the licence or on or after its expiration by effluxion of time including provisions —
- 5 (i) prohibiting any disposal or transfer of property except with the approval of a specified person;
- (ii) prohibiting the giving of any encumbrance over specified property except with the approval of the Authority;
- 10 (iii) requiring the transfer of property, rights or liabilities of a specified kind to a specified person on or within a specified time after the expiration of the licence;
- (iv) with respect to the consideration to be provided in respect of any disposal or transfer;
- (v) with respect to the arbitration of disputes that arise in connection with any disposal or transfer; and
- 15 (vi) of a supplementary, consequential or transitional nature in relation to any disposal or transfer.

**Schedule 2 — Objectives to be met by the electricity
ombudsman scheme**

[s. 93]

Objectives stated

- 5 The objectives referred to in section 93 are that —
- (a) all licensees who are required to be members of the scheme —
 - 10 (i) are members of the scheme;
 - (ii) have agreed to be bound by decisions and directions of the electricity ombudsman under the scheme; and
 - (iii) as members, are so bound;
 - (b) the scheme will be appropriately funded by the licensees who are required to be members;
 - 15 (c) the scheme has satisfactory arrangements in place to deal with all disputes and complaints referred to in section 92(1);
 - (d) the electricity ombudsman will be able to operate independently of all licensees in performing his or her functions under the scheme;
 - (e) the scheme will be accessible to customers;
 - 20 (f) membership of the scheme will —
 - (i) be accessible to all potential members; and
 - (ii) provide appropriate representation for all members on the governing body of the scheme;
 - 25 (g) without limiting any other application of the scheme, the scheme will apply to all disputes and complaints referred to in section 92(1);
 - (h) the scheme will operate expeditiously and without cost to customers;
 - 30 (i) the scheme will satisfy best practice benchmarks for schemes of a similar kind, both in terms of its constitution and procedure and in terms of its day to day operations;

- 5
- (j) the scheme will provide for a monetary limit on claims covered by the scheme of an amount or amounts approved by the Authority;
- (k) the scheme will maintain the capacity of the electricity ombudsman, where appropriate, to refer disputes or complaints to other forums; and
- (l) the scheme will require the electricity ombudsman to inform the Authority of substantial breaches of —
- 10
- (i) any licence condition; or
- (ii) the code of conduct under Part 6, of which the ombudsman becomes aware.

Schedule 3 — Transitional provisions

[s. 79, 81]

Division 1 — Initial customer service code of conduct

1. Approval of initial customer service code of conduct

- 5 (1) The initial code of conduct under section 79 is to be approved by the Minister instead of by the Authority.
- (2) The Minister is to act under subclause (1) in consultation with the committee.
- (3) The provisions of —
- 10 (a) Part 6; and
- (b) the *Interpretation Act 1984* section 25 in its application to that Part,
- are modified so far as is necessary to enable effect to be given to subclauses (1) and (2).
- 15 (4) The code of conduct approved in accordance with this clause is to be taken, for the purposes of Part 6, to be a code of conduct approved by the Authority under Part 6.

2. Appointment of initial committee

- (1) The Minister instead of the Authority is to —
- 20 (a) determine the initial membership, constitution and procedures of the committee under section 81; and
- (b) appoint the initial members of the committee,
- and may make the initial determinations under section 81(3).
- (2) The provisions of —
- 25 (a) section 81; and
- (b) the *Interpretation Act 1984* section 25 in its application to that section,
- are modified so far as is necessary to enable effect to be given to subclause (1).

- (3) The committee established in accordance with this clause is to be taken, for the purposes of section 81 to be the committee established by the Authority under that section.

3. Regulations for transitional matters

5 If in the opinion of the Minister an anomaly arises in —

- (a) the carrying out of clause 1 or 2; or
- (b) the operation of Part 6 in accordance with the *Interpretation Act 1984* section 25,

10 the Governor may by regulations make such provision as is necessary —

- (c) to remove the anomaly; and
- (d) to achieve the purpose of clause 1(1) or 2(1).

Division 2 — Initial electricity ombudsman scheme

4. Approval of initial electricity ombudsman scheme

15 (1) The Minister instead of the Authority is to —

- (a) approve the initial electricity ombudsman scheme under sections 92 and 93; and
- (b) give the initial approval required for the purposes of Schedule 2 paragraph (j).

20 (2) The provisions of —

- (a) Part 7 Division 2;
- (b) Schedule 2; and
- (c) the *Interpretation Act 1984* section 25 in its application to the provisions mentioned in paragraphs (a) and (b),

25 are modified so far as is necessary to enable effect to be given to subclause (1).

- (3) A scheme approved in accordance with this clause is to be taken, for the purposes of Part 7, to be a scheme approved by the Authority under Division 2 of that Part.

Schedule 3

5. Regulations for transitional matters

If in the opinion of the Minister an anomaly arises in —

- (a) the carrying out of clause 4; or
- (b) the operation of Part 7 Division 2 in accordance with the *Interpretation Act 1984* section 25,

5

the Governor may by regulations make such provision as is necessary —

- (c) to remove the anomaly; and
- (d) to achieve the purpose of clause 4.

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Defined Terms

[This is a list of terms defined and the provisions where they are defined.

The list is not part of the law.]

Defined Term	Provision(s)
access.....	103(1)
access agreement.....	103(1)
access arrangement.....	103(1)
appropriate amendment	53(3), 64(3)
approved policy.....	60
approved scheme.....	90
arbitrator	3
arrangement	125(1)
Authority.....	3
Board.....	3
Civil monetary penalty	126
Code	103(1), 107(1), 127, 128(1)
code of conduct.....	78
commencement day.....	46(1), 55(1)
committee	78
Competition Principles Agreement	103(1)
confer.....	121(1)
connect	57
cooling-off period.....	48(1)
Coordinator	60
corporation.....	55(1), 60
customer	3, 47, 78, 90
customer contract	90
daily amount	118(3), 124(7)
designated area.....	67
distribution licence	3
distribution system	3
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