

Energy WA

Electricity Policy

Western Australia's electricity reform process resulted in the disaggregation of Western Power Corporation on 1 April 2006. Four separate Government owned electricity corporations were established:

- Synergy – having responsibility for retailing electricity in the South Western Interconnected System (“SWIS”).
- Verve Energy – having responsibility for generation of electricity in the SWIS.
- Western Power – having responsibility for electricity transmission and distribution (“poles and wires”) in the SWIS.
- Horizon Power – dedicated to the generation, transmission/distribution and retailing of electricity for rural electricity customers.



The establishment of the Electricity Corporations forms part of a broader electricity reform process, including:

- Establishment of a strong and independent regulatory framework applying to interconnected networks, and record Government financial investment to improve the electricity network across the State (see “Electricity Networks” Fact Sheet for further information).
- Establishment of a Wholesale Electricity Market to facilitate greater competition and encourage private sector investment in the generation and retail of electricity in the SWIS. It includes a Reserve Capacity Mechanism to ensure that there is adequate generation and demand side management capacity to maintain reliability and security of electricity supply.
- The Independent Market Operator administers the new Wholesale Electricity Market (see www.imowa.com.au for further information on the Wholesale Electricity Market).
- Market power mitigation measures to support the development of a more competitive electricity market including:
 - restrictions on Synergy from generating electricity and on Verve Energy from retailing electricity until 2013 (extendable to 2016);
 - capping the amount of electricity that Verve Energy can generate to 3,000 MW; and
 - Vesting Arrangements for the wholesale supply of energy and Capacity Credits between Verve Energy and Synergy.

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Office of Energy
Government of Western Australia

Level 9 Governor Stirling Tower
197 St Georges Terrace
PERTH WA 6000

P: (08) 9420 5600
F: (08) 9420 5700
E: enquiries@energy.wa.gov.au

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- A range of measures to provide standards of conduct for the electricity industry and to protect electricity customers, such as the establishment of:
 - an electricity licensing regime;
 - an independent Energy Ombudsman;
 - a Customer Code of Conduct for the supply of electricity to small use customers; and
 - continued Government energy concessions.

The Electricity Retail Market Review

- In 2008 the Minister for Energy commenced the Electricity Retail Market Review, comprising of a review of:
 - electricity retail tariff arrangements;
 - the introduction of full retail contestability (FRC) in electricity; and
 - the roll out of smart meters.
- The Office of Energy has responsibility for completing this review and preparing recommendations for the Minister for Energy's consideration.

Further information on electricity reform initiatives can be found at www.energy.wa.gov.au/2/3189/64/electricity_ref.pm.

Information on the Electricity Retail Market Review process is available at http://www.energy.wa.gov.au/2/3240/64/electricity_ret.pm.

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