Electricity Services - Retail
7 May 2013 – 6 May 2021
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About this CUA

Contract essentials

**Contract name and number**  
Electricity Services – Retail CUAELC2012

**Contract term**  
7 May 2012 – 6 May 2021

**Status**  
**Mandatory services**

Purchasing energy through this Common Use Arrangement (CUA) is mandatory for all sites consuming over 50 MWh per annum that are on contract and connected to the South-West Interconnected System (SWIS) for retail electricity.

If you are currently on regulated tariffs, you have the option to continue to do so if you can demonstrate that this equals value for money.

In accordance with State Supply Commission policy, agencies can buy outside of this CUA and directly source from an Australian Disability Enterprise (ADE) or Aboriginal Business.

For more information and to connect with an ADE or Aboriginal Business, please see the following links:

- [Australian Disability Enterprise](#)
- [Aboriginal Business](#)

**Non-mandatory services**

- Renewable Energy Certificates
- Demand Side Management
- Energy Buy Back Schemes

**Categories**

**Category A - Small Sites**  
50 MWh to 160 MWh per annum.

**Category B - Large Sites**  
Above 160 MWh per annum.

**Applicable GCOC**  
[General Conditions of Contract (July 2011)](#)

Contract manager

**Benedicte Jean-Louis**  
Senior Procurement Officer

**Phone:** (08) 6551 1370  
**Email:** benedicte.jean-louis2@finance.wa.gov.au

**Address:**  
Government Procurement  
Level 4, 16 Parkland Road  
OSBORNE PARK, WA 6017

*Last updated: 6 May 2019*
What’s on offer?

Service description and categories

Category A: Small Sites (50 - 160 MWh per annum)
If your usage is between 50 and 160 MWh per annum, you can pick and buy retail electricity services without getting multiple quotes.

In this category, pricing is ‘bundled’: a simple pricing structure that combines the price of energy, network, metering and other charges. Once bundled, pricing is presented to you in an on-peak and an off-peak rate.

Category B: Large Sites (>160 MWh per annum)
If your usage is larger than 160MWh per annum, you can buy retail electricity services using a simplified procurement process.

In this category, pricing is mostly ‘unbundled’: energy, network, capacity, and other charges are charged and presented to you separately. You can opt for bundled pricing, which may be more expensive, but will minimise the risk of price fluctuations throughout the contract term.

Non-mandatory services

• Demand Side Management: management of the capacity of a site to vary its consumption of electricity through the SWIS in peak and off-peak periods.

• Renewable Energy Certificates (REC): trading of Renewable Energy Certificates with the aim to increase use of renewable energy.

• Renewable Energy Buy Back Scheme: sites with solar renewable energy systems have the potential to sell surplus electrical energy back onto the SWIS.

• Other incidental services directly related to the supply of retail electricity (as determined by the Contract Authority)

Speak to your contractor for further information about non-mandatory services on offer.

Out of scope activity

The following activities are not in scope of this CUA:

• sites using up to 50MWh per annum

• solar PV installations

• the trading of energy credits between agencies.

Last updated: 6 May 2019
What are the buying rules?

To keep in mind before you buy
This table shows the minimum number of quotes to be sought. Customers may seek more than the minimum number of quotes.

<table>
<thead>
<tr>
<th>Site size</th>
<th>Minimum number of quotes to be sought</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 50-160 MWh per annum</td>
<td>Pick and Buy from a Category A contractor AND/OR seek a quote.</td>
<td>Bundled</td>
</tr>
<tr>
<td>160 MWh to 2 GWh per annum</td>
<td>Minimum of two written quotations from Category B contractors</td>
<td>Bundled or unbundled</td>
</tr>
<tr>
<td>Above 2 GWh per annum</td>
<td>Invitation to quote to ALL Category B contractors</td>
<td>Bundled or unbundled</td>
</tr>
</tbody>
</table>

See the What will it cost? section for an explanation of bundled versus unbundled pricing.

Policy requirements

Buyers should be aware of the following requirements under State Supply Commission policies and Treasurer’s Instruction 820, and whether or not they are applicable to purchases from this CUA:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Applicable to purchases made under this CUA?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyers must publish details of their purchase, or any variation to any purchase under this CUA, on TendersWA.</td>
<td>Yes, for all purchases above $50,000.</td>
</tr>
<tr>
<td>Buyers must record the purchase on the agency’s contract register, as instructed within the buying agency’s financial management manual.</td>
<td>Yes, for all purchases above $50,000.</td>
</tr>
<tr>
<td>Buyers must submit a procurement plan and a contract management plan to the State Tender Review Committee.</td>
<td>No, not required for purchases made under this CUA.</td>
</tr>
<tr>
<td>Buyers must submit an evaluation report and any contract variation memo(s) to the State Tender Review Committee.</td>
<td>No, not required for purchases made under this CUA.</td>
</tr>
<tr>
<td>Buyers must involve the Department of Finance</td>
<td>No, not required for purchases made under this CUA.</td>
</tr>
</tbody>
</table>
Buyers must obtain approval from an authorised officer of the Department of Finance to purchase through an alternative arrangement to this mandatory CUA.

Yes, at all values, for all contestable sites (sites using over 50 MWh per annum) on contract connected to the South-West Interconnected System (SWIS) grid for retail electricity.

Please note that public authorities are not required to request advice or approval from the Department of Finance, regardless of value, when seeking an exemption from the minimum requirements of the Open and Effective Competition Policy and the use of mandatory Common Use Arrangements for a purchase from an Australian Disability Enterprise or an Aboriginal Business.

Exemption from using this CUA

Exemption requests should be directed to either the Director Common Use Arrangements or contract manager in the first instance. Requests for exemption may be received by posted letter or email, but must be in writing and provide sufficient explanation and background to enable the request to be considered. The requesting officer should be the Accountable Authority or delegate of the agency.

For guidelines on what to include in an exemption request, please refer to the Procurement Practice Guide appendix on Exemptions.

Last updated: 6 May 2019
Sustainability

How does this CUA impact on people and planet?

As part of the tender process, contractors on this arrangement have provided details of, and have been evaluated on, their corporate social and environmental responsibility, and the initiatives they have in place to support this.

Forming part of an industry that is highly topical in terms of sustainability, this contract offers a number of opportunities to support the generation and use of renewable energy:

- You can opt to purchase ‘green energy’ to meet some or all of your energy needs
- You can request for your contractor to purchase Renewable Energy Certificates on your behalf to offset your CO₂ emissions
- You can request your contractor to do an assessment of your energy profile and recommend ways of reducing your environmental footprint.

Last updated: 6 May 2019
Who are the contractors?

A choice of contractors for you to select from

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Category A</th>
<th>Category B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alinta Sales Pty Ltd</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Electricity Generation and Retail Corporation</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>(trading as Synergy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perth Energy Pty Ltd</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Clear Energy Pty Ltd (trading as EMC Power)</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>For 160 MWh to 2 GWh per annum only</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All contractors have departures from, or additional terms and conditions to, this CUA. For further information please contact the contract manager.

Last updated: 1 August 2019
Alinta Sales Pty Ltd

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dinshaw Nanavati</td>
<td>(08) 9486 3002</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ABN</th>
<th>ACN</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>92 089 531 984</td>
<td>n/a</td>
<td>Level 13/1 William Street PERTH WA 6000</td>
</tr>
</tbody>
</table>

- Alinta services Small Sites 50 – 160 MWh per annum
- Alinta services Large Sites above 160 MWh per annum
- Pick and Buy rates available for Category A (50 – 160 MWh per annum)
- Alinta offers non-mandatory services:
  - Purchase of additional Renewable Energy Certificates available as an option.
  - Demand Side Management services available but depend on capacity availability
- Free tailored training on energy efficiency in the work place and electricity pricing, industry information & updates
- FREE Network Tariff analysis
- Energy audits, electrical work and associated services provided at a cost
- Electronic billing offered and available to be sent via e-mail
- Standard 14 days payment, longer period may be negotiated
- Price variation terms (electricity component) indexed to CPI quarterly (not applicable to Step Pricing) - see terms and conditions
- Late payment interest at 5% above 90 day domestic dealer’s bill published in Australian Financial Review
- Our Customer Online Portal is available on request to our business customers, at no additional cost. The portal will enable you to access your invoices, view your historical data, run reports, view messages and more
- Half hourly data/consumption and expenditure reports available on request

Payment by Purchasing Card - please contact the contract manager regarding this. Fees apply (0.7% with a limit of $500,000 per transaction).
Electricity Generation and Retail Corporation (trading as Synergy)

Contact Name | Phone
---|---
Graeme Ross | 1300 859 333
 | 0417 170 527

ABN | ACN | Address
---|---|---
58 673 830 106 | n/a | GPO Box K851, Perth WA 6842

Email | Website
---|---
salestenders@synergy.net.au & Graeme.ross@synergy.net.au | www.synergy.net.au/largebusiness

- Synergy services Small Sites 50 - 160 MWh per annum
- Synergy services Large Sites above 160 MWh per annum
- Pick and Buy rates available for Category A (50 - 160 MWh per annum)
- Synergy offers non-mandatory services:
  - Renewable Energy Buyback Scheme offered up to 5KW systems
  - Purchase of additional Renewable Energy Certificates available
  - Demand Side Management services available - but limited capacity
- Free online energy training on the WA energy market
- Free tailored training and education session each year on energy efficiency
- Self-service web portal 'My Account' available for reports and consumption data
- Web based tool to assist customers in better understanding their Synergy bill
- Energy audits, load surveys and associated services provided at a cost
- Electronic billing available, which can be downloaded as *.csv or *.pdf format
- 30 days payment terms offered – lower rates estimated at 1% savings on 14 days payment terms
- Price variation terms, CPI quarterly for unbundled, CPI annually for bundled
- Late payment interest at Reserve Bank of Australia Cash Rate plus 6%

Payment by Purchasing Card - please contact the contract manager regarding this. Fees apply (0.53% merchant service fee).
Perth Energy Pty Ltd

- Pick and Buy rates available for Category A (50 to 160 MWh per annum)
- Non-mandatory services:
  - Renewable Energy Buyback Scheme offered (any KWh)
  - Energy Management Services including Energy Audits, evaluation and advice for Solar installations etc. available on request
  - Free industry information updates, data and power factor reports, seminars and general advice on energy management
  - Half hourly interval data, power factor reports available to customers as required
  - Monthly bills with consumption details, graphs of demand vs. time
  - Electronic billing offered and provided where required
  - Standard payment terms 14 days – longer terms may be negotiated
  - Payment by Purchasing Card offered – a 1.5% fee applies. Please contact the contract manager regarding this
  - Price variation terms, CPI annually on contract anniversary

Network tariff optimisation study carried out as part of every quote to ensure maximum savings.
Clear Energy Pty Ltd (trading as EMC Power)

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Walker</td>
<td>1300 558 687</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ABN</th>
<th>ACN</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>93 129 057 030</td>
<td>n/a</td>
<td>PO Box 1268, West Perth WA 6005</td>
</tr>
</tbody>
</table>

Contact Name: Mark walker
Phone: 1300 558 687

- Large Sites 160 MWh to 2 GWh per annum
- Standing offer: 9% discount off Synergy R3 tariff (160 MWh – 2 GWh per annum)
- Non-mandatory services:
  - Purchase of additional Renewable Energy Certificates at market prices
  - Demand Side Management services (through Amanda Australia Pty Ltd)
- Free training for customer personnel on the use of EMC Power real-time displays
- Online real time power generation and power usage data, with comparisons
- Online monthly summaries of clean energy generated, used and CO2 saved
- Offers solutions to energy efficiency and carbon issues on fee for service basis
- Offers Uninterrupted Power Supply and on-site diesel generators at a cost
- Increased use of renewable energy (no capital costs but insurance required)
- Ability to contract another retailer in Parallel with EMC Power to supply retail electricity beyond what the installed solar panels can produce
- Electronic billing offered – online real time version of invoice information
- Standard 14 days payment terms
- Price variation terms, CPI quarterly for unbundles, CPI annually for bundled
- Late payment interest charged – speak to the **contract manager**.
- Payment by Purchasing Card offered – no fees apply
- EMC Power will need to install solar panels at your site, subject to a feasibility study. No capital outlay required – these are EMC owned solar panels
- Prior to placing an order, you are to seek approval for the installation of EMC solar panels at your site. Please ensure that EMC has written confirmation from you that approval has been given for the proposed installation of EMC Electricity Supply Equipment at the proposed site from the following:
  - Building Management and Works, Department of Finance, in the case of government-owned premises; or
  - A person or establishment with the authority to approve the proposed installation of Electricity Supply Equipment in the case of privately owned premises.

_Last updated: 1 August 2019_
Making the most of this contract

Buying tips

**Seeking quotes pays off**: despite standing offers being available, seek quotes from contractors to see if they can better their Pick and Buy rates.

**Negotiate**: You can negotiate term and/or service commitments with the contractors for reduced pricing.

**Term**: The most efficient term is two years — this is where you are likely to get the best rates.

**Aggregation**: If you aggregate your sites you may get a better price.

**Consumption profile**: Get your contractor to keep you informed of your consumption profile. This exercise is useful not only at the start of your contract, but also throughout your contract as it will help you minimise your capacity charge.

**Plan your consumption**: Use your consumption profile to establish your usage patterns throughout the seasons — and plan your energy consumption accordingly. This will help you minimise your capacity charge.

**Pay early**: You may achieve savings by selecting the lowest cost contractor that meets your agency’s needs, and pay bills within 14 days.

*Last updated: 6 May 2019*
What will it cost?

Pricing and payment options

Pricing information is ‘commercial in confidence’ and as such unauthorised use of the information is strictly prohibited. It is very important that quoted rates and standing offers remain confidential for the exclusive use of government.

- Category A: For small users, there is an eDecision Aid available to help you determine the standing offer rate and to assist in assessing value for money. Refer to the How do I Buy section for further information.

These prices are available for viewing by Approved CUA Users only. To be included in the Approved CUA Users list, requests for access must be sent via your work email address to demonstrate you are employed by a qualifying organisation. When access has been granted, you can log in with a password.

- Category B: Large users will need to seek quotes. Refer to the How do I Buy section for further information.

If you experience any difficulties locating CUA information, please call the Service Centre on 6551 2020 or email Procurement Systems.

Category A – Bundled Pricing for Small Sites (50 MWh to 160 MWh per annum)

(a) Bundled pricing is a simple pricing method that includes the aggregated price of energy, network, metering and other charges. Cost components are on-peak and off-peak rates with all other costs factored into these rates. This is with the exception of the Retail Service Fee component (sometimes referred to as the supply charge), which is charged separately.

(b) Bundled pricing includes all network charges and all market charges applicable to the delivery of retail electricity to your sites.

Category B – Unbundled Pricing for Large Sites (>160 MWh per annum)

(a) Unbundled pricing is a pricing method that disaggregates the price for retail, network, metering and other charges.

(b) Large sites will generally use a simplified quotation process for unbundled pricing to purchase electricity.

(c) During a quotation process, the contractors shall quote rates as per the unbundled pricing method.
   i. The exception is where the Buying Rules allow for customer sites using more than 2 GWh per annum the option to seek quotes at bundled pricing.
   ii. If requested by the customer and where both bundled and unbundled pricing options are available, the contractor shall advise the customer on the risks and benefits of each option and recommend the most cost-effective proposal based on the information available. The contract manager, too, can give advice around this.
   iii. The customer, not the contractor, will decide whether to use bundled or unbundled pricing.
d) For unbundled pricing, all ‘pass through’ costs shall be passed through to the customer at cost. Cost increases imposed by future legislative changes shall also be passed through to the customer at cost.

e) The customer will have the option to procure Renewable Energy Certificates and pass them to the Contractor to meet mandatory Large-scale Renewable Energy Target and Small-scale Renewable Energy Scheme requirements. The contractor may negotiate an administrative charge payable by the customer for this.

Payment by Purchasing Card

Please contact the contract manager regarding the use of your purchasing card for this contract. Every contractor has their own way of passing on merchant fees – see the Contractor Profiles section for more information.

Last updated: 6 May 2019
How do I buy?

Step by step buying process
There are a number of resources to help you make the purchasing decision that is right for you:

For schools:
- How to buy?
- Quote and Order form

For small sites:
- eDecision Aid containing the following information:
  - Contractor Terms and Conditions
  - Price Comparison Calculator (for Category A only)
  - Standing Offer Rates for all contractors
- Order Form to confirm order of standing offer prices
- Quote and Order Form to seek quotes and confirm orders.

For large sites:
- Quote and Order Form
- Specifications Guide

To request a login for the eDecision Aid, or if you experience any difficulties locating CUA information, please call the Service Centre on 6551 2020 or email Procurement Systems.

Category A: Small Sites between 50-160 MWh per annum

Where contractors have provided standing offer rates, you can pick and buy without calling for quotes or tenders.

Consider seeking quotes too, to determine if contractors are prepared to better their standing offer rates.

You may negotiate with contractors for better rates and/or more services.

If your contractor of choice does not offer the lowest price, you may need to justify your purchasing decision (e.g. for reasons of product differentiation, value added services etc).

If you are currently on regulated tariffs, you have the option of remaining on these based on a value for money assessment.
Pick and Buy: how does it work?

- View the eDecision Aid to obtain the bundled rates for the services you require. Ensure to make a note of the validity of the standing offer.
- To pick and buy, place your order directly with your contractor of choice using the Order Form.
- Contractors supply their standing offer as a bundled rate. They may provide more than one standing offer rate tailored to a specific customer group, such as schools, police stations, government offices, hospitals, 24-hour sites etc.
- Standing offer rates will be made available fortnightly, in a pricing schedule viewable only by customers, not by other contractors. New rates take effect fortnightly on Wednesdays.
- When purchasing retail electricity, evaluate the standing offer rates by comparing them with existing tariffs or contracted rates, then use the Pick and Buy form to place your order.

Seeking a quote

Contractors providing standing offer rates can still offer quotes. Quoted prices may be lower than standing offer rates, so it is worth doing this exercise.

To get a quote:
1. Complete the Quote and Order Form, ticking the ‘Request for Quote’ box and forward it to the contractor(s) for a quote.
2. The contractor returns a copy to the customer by the stipulated date (if any). Quotes are valid for six weeks.
3. On receiving the quote(s) from the contractor(s), your contract manager will help you compare the quoted prices with your existing contract rates or tariffs and determine a value for money decision. You may seek further quotes.
4. After selecting the quote representing value for money, you may seek to negotiate with the potential contractor on quoted rates and services before finalising the order.
5. If the you accept a quote, make sure to:
   a. update and reprint the order form, ticking the ‘Purchase Order’ box and sign the form
   b. attach the Customer Contract Details and any other documents where applicable
   c. send the documents back to your contractor of choice to establish a purchase agreement.
6. Successful contractor acknowledges by confirming that the order form has been received and liaises with you to deliver services as per the order.
7. You advise unsuccessful contractors of their bids as soon as is reasonably practical.

Category B: Large Sites >160MWh per annum

For large sites using > 160 MWh per annum, your contract manager will help you obtain unbundled quotes from the required number of contractors using the Quote and Order Form.

Large sites using up to 2 GWh per annum have the option to request a bundled pricing quote. This may be more expensive, but will minimise the risk of price fluctuations throughout the contract term.
The customer, not the contractor, will decide whether to use bundled or unbundled pricing. Speak to the Contract Manager and / or contractors for an explanation of the benefits of each option.

You need to indicate clearly to the contractors if a bundled and / or unbundled pricing option is required.

To get a quote

1. Gather relevant details such as your National Metering Identifier (NMI), meter number, on/off peak consumption for the last 12 months and a recent invoice for electricity for each of your sites.

2. Contact the contract manager, who will help you to complete the quotation form and send it to the required number of contractors to request quotes.

3. The contractor(s) will quote prices and return a copy by the stipulated date (if any). Quotes are valid for six weeks.

4. Note that the Clear Energy (T/A EMC Power) standing offer of 9% discount off the Synergy R3 tariff (for 160 MWh – 2 GWh per annum) may be treated as one quote. You can still seek a quote from Clear Energy to determine if they are prepared to offer even better rates

5. On receiving the quotes from the contractors, the contract manager will help you compare the quoted prices with existing contract rates or tariffs, and determine a value for money decision. You may seek further quotes as required from other contractors.

6. The contract manager will advise you of any pass-through costs (capacity and network charges) that you may be charged.

7. After selecting the quote representing value for money, you may seek to negotiate with the potential contractor on quoted rates and services before finalising the order.

8. If you accept a quote, the contract manager will help you establish a purchase agreement.

9. The successful contractor confirms that the order form has been received, and liaises with you to deliver services as per the order.

10. You advise unsuccessful contractors of their bids as soon as is reasonably practical.

Last updated: 8 May 2019
After I buy

Active contract management pays off

- Continue to monitor your site’s consumption profile and adjust your usage accordingly.
- Check your invoices to ensure the correct prices are being applied.
- Manage your contract term – keep an eye on your contract expiry date.
- If your contract expires without a new one being in place, the contractor may apply penalty rates.
- Pay your bill on time to avoid paying overdue interest/late payment charges – these can add up.
- Ensure you allow time to plan your contract renewal and invest time in researching your requirements.

*Last updated: 6 May 2019*
Contact us

Where to go for more information?

Contract manager details

Benedicte Jean-Louis
Senior Procurement Officer
Phone: (08) 6551 1370
Email: benedicte.jean-louis2@finance.wa.gov.au
Government Procurement
Department of Finance
4th Floor Optima Centre
16 Parkland Road
OSBORNE PARK WA 6017

Email subscription/circulars

To receive regular updates about this contract, subscribe to its Circular list.

Complimentary feedback and complaints resolution

Government Procurement aims to continuously improve the services it provides to customers and welcomes feedback on the level of satisfaction experienced under this contract or with the contractor(s) performance. If you are dissatisfied with the goods and/or service provided by the contractor or have any specific concerns, these should be discussed in the first instance directly with the contractor.

If the problem or issue is not resolved to your satisfaction, please log your complaints via Finance’s online Feedback Management System.

The online system provides for both complimentary feedback and complaint resolution considerations.

Last updated: 6 May 2019
Supporting information

Frequently asked questions

What benefits and savings can I expect from this CUA?
What is the area covered by the SWIS for which this CUA is mandatory?
What is the difference between small end-user and large end-user sites?
Where can I find Synergy regulated tariffs?
Can a site remain on tariff if it offers better value?
Can a customer site on contract move back onto tariff?
Will a common rate for multiple sites minimise electricity costs for an agency?
Will aggregation of purchases reduce retail electricity costs?
Should sites seek quotes individually or as an agency?
What is the difference between Bundled and Unbundled Pricing?
Should I seek Bundled or Unbundled pricing?
How can I compare the quotes received?
Will signing a longer contract term offer better prices?
Are electricity prices varied over the term of a customer contract?
What makes up my electricity costs?
What is a ‘Network Charge’?
What is a ‘Capacity Charge’?
Why are there Renewable Energy cost components in Unbundled Pricing?
How can an agency increase its use of Green Energy?
What is a Renewable Energy Buy-back Scheme (REBS)?
What is Demand Side Management?
Who reads the electricity meters?
Who generates the electricity and who sells it?
Are shortfall charges payable?
Are excess electricity consumption charges payable?
Why is insurance required for the EMC Power offer?
Is my site required to keep records on planned and unplanned maintenance of plant or equipment?
What is a smart meter?
Do I need to approach Finance to buy from this CUA?
What benefits and savings can I expect from this CUA?

This CUA provides an efficient Pick and Buy system for small end-user sites and a simplified quote process for large end-user sites. This reduces the lead time required to purchase retail electricity services, and eliminates duplicated agency tendering and negotiation costs. In addition, agencies can purchase a wider range of incidental services using a simplified process.

Contestable sites (sites using more than 50 MWh per annum) currently on regulated tariffs may achieve savings when moving over to contracts. Contracted sites may achieve savings by selecting the lowest cost contractor that meets an agency’s needs, and pay bills within 14 days.

What is the area covered by the SWIS for which this CUA is mandatory?

The South West Interconnected System (SWIS) is the primary electricity grid in Western Australia, supplying the bulk of the South-West region. It extends from Albany in the South, to Kalgoorlie in the East and up to Kalbarri in the North.

A map of the SWIS (provided by Western Power on its website for customer information) is shown below:
What is the difference between small end-user and large end-user sites?

Small end-user sites use below 160 MWh per annum. Section 47 of the Electricity Industry Act 2004 defines the 160 MWh per annum threshold. Small end-user sites are protected by customer protection provisions as outlined in Part 3 of the Electricity Industry Act 2004. Synergy supplies electricity to small end-user sites based on regulated tariffs unless the customer chooses to go on a contract.

Sites using above 160 MWh per annum are referred to as large end-user sites and are not offered the same protection under the Act. Synergy is not obligated to supply them electricity based on regulated tariffs.

Where can I find Synergy regulated tariffs?

Rates for business organisations can be found on the Synergy website. Note that A1 residential tariffs are only applicable to residential homes, and not government sites. There are also restrictions on the type of tariffs that your site is eligible for.

Can a site remain on tariff if it offers better value?

Yes. Contestable sites (sites using over 50 MWh per annum) on regulated tariffs have the option of remaining on regulated tariffs (not part of this CUA) based on a ‘value for money’ decision. Agencies may decide to switch over to a contract for retail electricity if there are savings. Rates quoted from the CUA can be compared against the regulated Synergy tariffs or an agency's contracted rates to make an informed decision.

Can a customer site on contract move back onto tariff?

Small end-user sites: Under section 40 of the Electricity Industry (Customer Contract) Regulations 2005 (the “Customer Contract Regulations”), Synergy is required to offer supply of electricity on tariff under its Standard Form Contract to small use customers. Therefore, provided that the customer doesn't owe Synergy a debt (or is not currently in a payment arrangement to repay a debt), Synergy is obliged to offer to supply applies irrespective of whether the customer has been on a negotiated contract with Synergy or another retailer.

Large end-user sites: Synergy's tariffs are governed by the Energy Operators (Electricity Generation and Retail Corporation) (Charges) By Laws 2006 (the ‘Tariff By-Laws’), which set out Synergy’s tariffs for customers of all sizes. The Tariff By-Laws do not contain a statutory requirement to supply electricity to customers. While Synergy is required by statute to supply small use customers at tariff, and has tariffs for large use customers, it is not obliged to supply large use customers at those tariffs. Hence, it may not be possible for a large end-user site that enters into a contract to revert to regulated tariffs.

Will a common rate for multiple sites minimise electricity costs for an agency?

Contractors price the rates for each individual site based on its peak usage and load profile. Contractors can offer a common rate that applies across multiple sites if you can award these sites to a single contractor. However, this means that some sites may be subsidising the other sites. This option may or may not achieve cost savings as there have been instances where an agency would do better by awarding the lowest cost contractor for each of its sites individually. However, this decision must be balanced against administrative costs and agency considerations.

Will aggregation of purchases reduce retail electricity costs?

Unlikely, as rates are quoted based on the individual site’s usage profile. The contractor will generally assess the profile of electricity usage associated with a metered site before quoting. Sites with a flat profile will generally attract lower rates. More than half the electricity costs are impacted by the site’s usage profile and regulated charges (e.g. capacity costs, network costs) outside the control of the electricity retailer.
However, aggregation elevates an agency’s significance in terms of total business and may provide better leverage in negotiations with contractors. For contractors like Perth Energy, all sites taken together will be considered as a Combined Facility and this may minimise penalty risks of not meeting the minimum contracted electricity consumption.

**Should sites seek quotes individually or as an agency?**

It is an administrative decision for the agency whether their sites should individually seek quotes or to have a purchaser seek quotes for all the sites at the same time. Whichever way, a Finance Contract Manager is available to provide support. Agencies seeking quotes for several sites (particularly larger sites) may have better leverage in negotiating further benefits.

**What is the difference between Bundled and Unbundled Pricing?**

Bundled pricing is a simple pricing that includes the aggregated price of network, metering and other charges. Cost components are ‘on-peak’ and ‘off-peak’ rates with all other costs factored into these rates. This is with the exception of the Retail Service Fee component (sometimes referred to as the ‘supply charge’), which is charged separately. Contractors may factor into their pricing the risks associated with increases in the regulated cost components of electricity costs, such as the capacity costs managed by the Australian Energy Market Operator (AEMO) and network charges that are managed by Western Power. Bundled pricing is easier for contractors to manage and for customers to understand their electricity bills.

Unbundled pricing disaggregates the price into energy, network, capacity, and other charges separately. Contractors are generally unwilling to take on risks to provide a bundled rate for large sites due to the uncertainty of regulated network and other cost increases. Using an unbundled pricing proforma, contractors can pass through regulated cost components over which they have no control. In this manner, they can offer customers a more competitive rate based on the cost components that they have control over.

The trade-off between efficiency and risks differs between contractors. Hence, some contractors may offer only unbundled pricing where the annual site consumption exceeds the threshold stated in the contractor’s offer.

**Should I seek Bundled or Unbundled pricing?**

Small end-user sites between 50 and 160 MWh per annum will only be offered bundled pricing (unbundled pricing may cost more as contractors have to manage the customer’s complex bills). Large end-user sites above 2 GWh per annum will mostly be offered unbundled pricing to provide incentives to contractors to reduce risk premiums. There is a choice of pricing structure for sites between 160 MWh to 2 GWh per annum.

In general, a retailer has advised that if your site’s electricity usage is quite level, unbundled pricing would be beneficial. Conversely, if your site’s electricity usage is intermittent (e.g. stadium, theatres for live performance etc.), bundled pricing may be better.

Customers may consult the contractors or the [Contract Manager](#) for advice on which pricing structure would be most beneficial for their circumstances.

**How can I compare the quotes received?**

A price comparison calculator is available from the [Contract Manager](#). Enter all the quoted component rates and any applicable site usage profile data and the calculator will provide an estimated annual cost for comparison. The Finance [Contract Manager](#) can provide further assistance if required.

For unbundled rate comparison, estimates for AEMO Capacity and Western Power Network charges may vary between contractors due to the different assumptions used. However, the figures entered into the comparison spreadsheet as ‘pass-through’ costs should be identical for all contractors, taking the most reasonable figure as a benchmark.

**Will signing a longer contract term offer better prices?**
Not necessarily. An optimum contract term is two years for small-end user sites on bundled pricing. The AEMO forecasts and publishes rates for capacity charges up to two years ahead and this provides certainty to contractors on the cost factors. Most contractors won’t offer a bundled rate for contracts exceeding two years unless there is a provision to pass through regulated cost increases. Alternatively, contractors may factor in a price premium after the second year to mitigate their risks.

Large end-user sites on unbundled pricing may still find competitive rates for contracts up to four years. A number of regulated cost components are ‘pass-through’ (rather than bundled) to minimise risks to the contractors. In addition, some contractors have longer term energy contracts that can provide them certainty of their energy costs when providing quotes to customers.

In summary, two-year contracts are recommended for all sites unless there are benefits for larger end-user sites to sign longer term contracts.

Are electricity prices varied over the term of a customer contract?

A standard price variation clause in the Head Agreement and Customer Contract governs the price variations. In summary, the standard provisions are:

- Bundled Pricing – prices are fixed for the first year and then varied annually by CPI.
- Unbundled Pricing – prices may be varied quarterly by CPI for components that are not ‘pass-through’ costs.

However, contractors may have negotiated variations and the details are available from the Finance Contract Manager.

What makes up my electricity costs?

Based on the CUA ELC 2012 unbundled pricing rates tendered for sampled sites, the following provide an estimate of what makes up the total electricity costs.

<table>
<thead>
<tr>
<th>Cost components</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy and retail</td>
<td>35%</td>
</tr>
<tr>
<td>Capacity and AEMO Charges</td>
<td>36%</td>
</tr>
<tr>
<td>Network, distribution and transmission losses</td>
<td>22%</td>
</tr>
<tr>
<td>REC’s</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

What is a ‘Network Charge’?

Western Power maintains the South West Interconnected System (SWIS) grid from which various customer sites draw electricity. The management and maintenance of this shared use grid for access arrangements has a cost. There is an annual review of Western Power tariffs for access arrangements and the Economic Regulation Authority (ERA) approves tariffs for cost recovery. This is the main component of ‘Network Charge’.

Users on bundled pricing will not have ‘network charges’ itemised separately in their invoices.

What is a ‘Capacity Charge’?

‘Capacity charge’ is commonly used to describe the cost of the Australian Energy Market Operator (AEMO) Individual Reserve Capacity Requirements to balance input into the electricity grid to match the power drawn from it during peak demand periods. ‘Standby generators’ is a key cost component necessary to produce more electricity to meet the...
power surges during hot summer days to avoid blackouts. However, these standby generators and other reserve mechanisms incur costs and those sites responsible for the demand ‘peaks’ pay for it. The total cost is apportioned based on a site’s contribution to the demand peaks, and hence the existence of a capacity charge.

Users on bundled pricing will not have ‘capacity charges’ itemised separately in their invoices.

Why are there Renewable Energy cost components in Unbundled Pricing?

The renewable energy cost components (comprising Large-scale Renewable Energy Target and the Small-scale Renewable Energy Scheme) are implemented through the following legislation and regulations such as:

- **Renewable Energy (Electricity) Act 2000**
- **Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000**
- **Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010**
- Renewable Energy (Electricity) Regulations 2001
- Renewable Energy (Electricity) Amendment (Transitional Provision) Regulations 2010

These schemes create a financial incentive for investment in renewable energy sources through the creation and sale of certificates.

How can an agency increase its use of Green Energy?

The retail electricity in the marketplace already includes a mandatory % of green energy that varies annually based on the Large-scale Renewable Energy Target and Small-scale Renewable Energy Scheme enacted by Federal legislation.

You may increase the % of green energy use at your site by:

(a) Purchasing Renewable Energy Certificates (RECs) from a contractor and then acquitting them;

(b) Request the contractor to supply additional green energy with a quoted rate per MWh; or

(c) Use the services of EMC Power if your site has suitable roofs for mounting solar panels and your annual consumption is within 160 MWh to 2 GWh. Any green electricity generated is sold to you at 9% off the regulated Synergy R3 tariff.

What is a Renewable Energy Buy-back Scheme (REBS)?

Sites owning their solar renewable energy systems have the potential to sell surplus electrical energy back onto the SWIS provided they meet the regulations governing energy buy-back schemes and where the retailer agrees. There are limits to the inverter capacity imposed by Western Power and some contractors offer buyback without limitations. Agencies may obtain further information from their contractors.

What is Demand Side Management?

Demand Side Management is a type of capacity held at a customer site connected to the SWIS; specifically, the capability of a customer site to reduce its consumption of electricity through the SWIS. This may involve substituting SWIS generated power during peak hours by using a generator, or cogeneration.

This capability needs to be demonstrated at the customer site and agreed by the Australian Energy Market Operator (AEMO) to be available by the next hot season, in accordance with the AEMO Market Rules. The customer gets paid for being ‘on-call’ to reduce demand when required.
All contractors can assist in the implementation of Demand Side Management Services. This includes providing customer education and securing capacity credits for the customer’s demand side management programmes.

**Who reads the electricity meters?**

Western Power reads electricity meters on behalf of all electricity retailers (contractors) and this is determined by legislation. The electricity retailer does the billing for your electricity usage and also coordinates with Western Power if there are issues. Agencies only need to deal with their contractors (not Western Power).

**Who generates the electricity and who sells it?**

Licensed ‘generators’ comprising private investors and a legacy government entity (Verve, now merged with Synergy) generates the electricity. Verve is the largest and generates over half the electricity requirements on the SWIS. Licensed electricity retailers have back-to-back contracts with generators to supply the required electricity for its customer base and retailers then bill the consumers based on the Western Power meter readings.

**Are shortfall charges payable?**

Some contractors bill a ‘shortfall charge’ if in any contract year, the total consumption is below the contracted minimum annual electricity consumption (normally set at 75%). Check with the contractor or Finance Contract Manager regarding the offered terms.

There are also differences between the various contractor offers. Perth Energy allows for shortfalls to be measured against a ‘combined facility’ consumption which is the combined total of the electricity consumption for each of the sites that comprise the combined facility. The shortfall quantity is the difference between the combined facility consumption for that relevant contract year and the combined facility minimum annual electricity consumption.

**Are excess electricity consumption charges payable?**

Some contractors charge a premium for excess electricity consumption, which is electricity consumed in excess of the contracted maximum annual electricity consumption in a contract year. This is particularly true for contracts based on Contracted Maximum Demand (CMD) which is necessary to safeguard the network capacity. When the CMD is exceeded, higher Western Power network charges are payable and some retailers charge excess usage at a higher cost. Check with the contractor or the **Contract Manager** if you are unfamiliar with the terms offered.

**Why is insurance required for the EMC Power offer?**

The EMC Power offer is unique as it involves the installation of 30 KW solar panels onsite to generate electricity – subject to a site feasibility assessment. No capital outlay is required by the customer and EMC Power retains ownership of the solar panel assets.

Under the Head Agreement, agencies shall ensure that property insurance covering EMC Power assets is taken out and maintained, on and from the date on which the equipment is installed at the agency’s site. This insurance policy must be sufficient to cover theft or any damage, whether intentional or unintentional, to the equipment, for the full re-instatement value.

Unless agreed otherwise, the insurance must be affected in the joint names of the parties or EMC Power must be endorsed on the policy in relation to the installed equipment. Options for insurance:

(a) RiskCover: Agencies should incorporate the values of solar panels within their annual property declaration for each site to RiskCover. It would also be helpful if the number of units and the overall value across all sites could be provided. The addition of solar panels may / may not attract additional costs and is dependent on the individual agency’s risk profile.
Contact: Jonathan Howell, A/Client Services Manager, RiskCover, Tel. 9264 3454, email Jonathan.Howell@icwa.wa.gov.au.

(b) EMC Power: There is also the option to negotiate with EMC Power to arrange its own insurance and include the costs in its quote to you.

Is my site required to keep records on planned and unplanned maintenance of plant or equipment?

Yes, particularly for facility managers. Facility managers need to be familiar with the obligations of an electricity user under the Electricity Transmission Regulations 1996 and Electricity Distribution Regulations 1997.

Clause 31 ‘Operation, maintenance and extension planning’ of the Electricity Transmission Regulations 1996 requires an electricity user to, besides other things, report on or before 30 September each year a maintenance schedule in respect of the plant and equipment connected at each of its connections for the following financial year. Clause 33 ‘Maintenance’ of the Electricity Distribution Regulations 1997 requires an electricity user to keep records on planned and unplanned maintenance carried out in respect of plant or equipment connected at each of its distribution connections which plant or equipment may impact on the quality of electricity supply through the electricity distribution network or the electricity transmission network.

What is a smart meter?

A smart meter is different from other meters, including existing digital meters, as it sends information back to Western Power electronically, rather than relying on someone to physically read the meter. It also measures the amount of electricity used each 30 minute period.

Like existing digital meters, a smart meter measures how much electricity you are using and, if you have solar panels, how much electricity is being fed back to the Western Power network.

Through its communication capability, a smart meter allows information on energy use to be shared with you on a regular basis. This can help you to better manage how much electricity you use and reduce your energy bills.

Do I need to approach Finance to buy from this CUA?

No. The procedure has been made simple for agencies to contract on their own using the prescribed processes detailed in this buyers guide, available calculators and e-Decision Aids. You don’t need to negotiate or sign any additional terms and conditions. Note that the Finance Contract Manager is always available to assist you as needed.