



Notice

03 October 2024

Horizon Power's Pilbara network ringfencing rules

Notification of non-compliance

Horizon Power has notified the Economic Regulation Authority that independent auditors found some non-compliances with its ringfencing rules during its annual audit.

The Horizon Power network in the Pilbara is regulated under the *Pilbara Networks Access Code*. The Code sets out a light-handed access regime that facilitates third-party access to covered networks in the Pilbara region.

The Code requires network service providers that also generate or retail electricity to have ringfencing rules approved by the ERA. The ringfencing rules ensure that vertical integration – that is, owning both distribution and generation or retail assets - does not lead to a reduction in competition.

Horizon Power's ringfencing rules require annual independent audits to be undertaken to ensure compliance with its ringfencing policies and procedures.

As provided for under section 141(3) of the Code, the ERA has decided to publish information on the nature of Horizon Power's non-compliances. The ERA has published the [audit scope, audit findings and Horizon Power's response to the audit findings](#).

Although it is concerning that the non-compliances have occurred, Horizon Power's response indicates that it has taken the matters raised seriously and has agreed remediation actions to address them.

The ERA will closely monitor the remediation plan to ensure Horizon Power implements it as quickly as possible, including any amendments that Horizon Power may need to make its ringfencing rules.

Further information

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