



Notice

20 December 2024

Horizon Power's Pilbara network ringfencing rules

Invitation for submissions on amendments proposed by Horizon Power

The Economic Regulation Authority is seeking feedback from stakeholders on [proposed amendments to Horizon Power's Pilbara network ringfencing rules](#).

The application has been made under the *Pilbara Networks Access Code*. The Code sets out a light-handed access regime to facilitate third-party access to covered networks in the Pilbara region, which includes the Horizon Power Pilbara network.

For covered networks, the Code requires network service providers that also generate or retail electricity to submit ringfencing rules to us for approval. 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.

The ringfencing rules must ensure that:

- Commercially sensitive information received by the network business is not used outside of the network business or for a purpose other than for which the information was acquired or developed.
- Charges paid by users of the network include only network costs.
- The network business does not discriminate against competitors or in favour of its own, or associates', generation or retail businesses.

The Code requirements allow for flexibility, recognising that the structure and nature of network service providers businesses can differ. Under the light-handed regulatory approach of the Code, we can only require amendments to a service provider's proposed rules where the public benefit exceeds the cost of compliance.

In October, we [published information](#) about Horizon Power's non-compliance with its ringfencing rules that was identified by independent auditors during the annual audit. Horizon Power agreed on a remediation plan to address the issues with the independent auditor. The remediation plan was included with the material we [published](#) on 3 October 2024. The plan identified some amendments to the ringfencing rules that were likely to be required.

Horizon Power's application includes a status update for each remediation action and the proposed amendments to the ringfencing rules.

Invitation for submissions

The ERA invites interested parties to make submissions on the proposed amendments.

Submissions close 4:00 pm (WST) Friday, 31 January 2025.

Submissions can be lodged online using the form on our [Current Consultation webpage](#).

Further information

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