



CONSULTATION

2012 Wholesale Electricity Market Report to the Minister for Energy

DISCUSSION PAPER

The *Wholesale Electricity Market Rules* (**Market Rules**) require that the Economic Regulation Authority (**Authority**) provide a report to the Western Australian Minister for Energy (**Minister's Report**), at least annually, on the effectiveness of the Wholesale Electricity Market (**WEM**) in meeting the Wholesale Market Objectives.¹ The Authority provided its 2011 Minister's Report on 10 April 2012, and published a public version of that report on 14 May 2012.

Submissions from interested parties on issues impacting the effectiveness of the WEM will assist the Authority in preparing its 2012 Minister's Report. Such issues may include matters raised in the Authority's Discussion Paper on the 2012 Minister's Report.

The Authority intends to focus mainly on issues surrounding the operation of the capacity market. These issues include the:

- role of Reserve Capacity Auctions;
- Capacity Credits assigned by the IMO;
- responsiveness of the Reserve Capacity Price to market conditions;
- treatment of DSM as a separate product/service; and
- incentives for plant availability and retirement of inefficient plant.

The Discussion Paper is available on the Authority's [website](#).

Interested parties are invited to make submissions on the Discussion Paper by **4:00 pm (WST) on Tuesday, 18 December 2012**.

Submissions should be marked to the attention of Assistant Director Markets.

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¹The Wholesale Market Objectives are: (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West Interconnected System; (b) to encourage competition among generators and retailers in the SWIS, including by facilitating efficient entry of new competitors; (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 SWIS; and (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

Confidentiality

In general, all submissions from interested parties will be treated as being in the public domain and placed on the Authority's website. Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which confidentiality is claimed, and specify in reasonable detail the basis for the claim. Any claim of confidentiality will be considered in accordance with the provisions of section 55 of the *Economic Regulation Authority Act 2003*.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

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LYNDON ROWE
CHAIRMAN
19 November 2012