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14 October 2013

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**DISCUSSION PAPER: 2013 WHOLESALE ELECTRICITY MARKET REPORT TO THE MINISTER FOR ENERGY – WESTERN POWER SUBMISSION**

Western Power welcomes the opportunity to contribute to the Economic Regulation Authority's (Authority) 2013 Wholesale Electricity Market (WEM) Report to the Minister for Energy.

This submission is confined to relevant issues from a network management perspective. Responses relating to system management functions will be submitted separately with the Authority by System Management.

In the 2012 report, the Authority highlighted areas that should be investigated to ensure that the Reserve Capacity Mechanism functions more efficiently. Similarly, in the 2011 report, the Authority recommended that the existing governance arrangements in the WEM be reviewed to determine whether the arrangements remain appropriate for the ongoing development of the market.

The Authority recommended that the Public Utilities Office was the most appropriate body to undertake these reviews. Western Power notes that neither of these reviews has occurred and considers that the Wholesale Electricity Market objective to minimise the long-term cost of electricity supplied to customers would be enhanced if these reviews were to proceed.

Western Power is pleased to be able to contribute to the 2013 WEM review process. Western Power would welcome the opportunity to further discuss these matters, or any other issues the Authority may wish to raise.

Yours sincerely

**STEWART HART**  
**CHIEF FINANCIAL OFFICER**

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