

Wholesale Electricity Market Report on Electricity Review Board Proceedings

21 March to 30 September 2016

11 October 2016

Economic Regulation Authority

WESTERN AUSTRALIA

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1 Introduction

The Economic Regulation Authority (**Authority**) is required by clause 2.13.26 of the Market Rules to release a report at least once every six months setting out a summary for the preceding six months of:

- proceedings that have been brought before the Electricity Review Board;
- findings of the Electricity Review Board on matters referred to them;
- orders made by the Electricity Review Board; and
- civil penalties imposed by the Authority under clause 2.13.16(a) of the Market Rules, where the Electricity Review Board has not set these aside.

This report provides a summary of these matters for the period 21 March to 30 September 2016.

2 Report for the period 21 March to 30 September 2016

2.1 Proceedings brought before the Electricity Review Board

On 30 October 2015, the Authority published a notice advising that it had determined that Vinalco Energy Pty Ltd had offered prices above its reasonable expectation of the short run marginal cost of generating the relevant electricity and that behaviour relates to market power. In accordance with clause 2.16.9G of the Market Rules as it applied at that time, the Authority requested that the Independent Market Operator (**IMO**) apply to the Electricity Review Board for an order for contravention of clause 7A.2.17 of the Market Rules.

Having received a request under clause 2.16.9G, as required under clause 2.16.9H of the Market Rules the IMO made an application (No 1 of 2016) on 5 May 2016 to the Electricity Review Board for orders pursuant to regulation 32(1) of the Electricity Industry (Wholesale Electricity Market) Regulations 2004.

The IMO alleges that Vinalco Energy Pty Ltd has contravened clause 7A.2.17 of the Market Rules. Refer to section 2.3 below for the status of this matter.

No other matters have been brought before the Electricity Review Board during the relevant period.

2.2 Findings of the Electricity Review Board on matters referred to them

The Electricity Review Board made no findings during the relevant period.

2.3 Orders made by the Electricity Review Board

In respect to the IMO's application (No 1 of 2016), procedural orders were made by the Electricity Review Board on 15 August 2016 and the next hearing is scheduled to occur after 7 October 2016. Details of the orders can be found on the Electricity Review Board's website - <http://www.edawa.com.au/reviews/12016>.

2.4 Civil Penalties imposed by the Economic Regulation Authority and not set aside by the Electricity Review Board

The Authority imposed no civil penalties during the relevant period.