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Economic Regulation Authority  
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Submitted via [www.erawa.com.au/consultation](http://www.erawa.com.au/consultation)

Dear Sara

***Report on the Effectiveness of the Electricity Generation and Retail Regulatory Scheme***

Thank you for the opportunity to make a submission in respect to the Synergy Regulation Scheme as input to your 2017 report to the Minister for Energy. Perth Energy has little to add beyond the comments we raised last year. We continue to have specific concerns in respect to a number of areas which are generally well known and have been comprehensively addressed in the ERA's 2016 report to Government. These are:

- Administration – the scheme has no effective change mechanism and no mechanism for other market participants to raise issues;
- Reporting – in the absence of more granular reporting there is limited transparency and other market participants cannot be assured that Synergy's activities are in line with the Scheme's requirements;
- Standard Products – these do not match the requirements of third party retailers so do not provide the support for new entrants that is supposedly their purpose;
- Ring fencing – this appears to have been breached by staff movements which undermines the appearance of full compliance by Synergy.

It is clear that the ERA's reports are gaining little traction with the Minister. Each year your reports highlight the same general issues, they are welcomed by market participants who see these same issues and then they vanish. There has been some indication from the PUO that matters are being considered but no indication has been given as to what elements are being considered or what changes might be proposed.

It is particularly frustrating that market participants put considerable effort into responding to discussion papers on this only to have our comments, and your analysis, ignored. Similar frustrations were vented by others at the recent PUO briefing on proposed changes to network access. Private participants are committing significant resources away from our commercial operations to support Government agencies in the reform process while seeing little progress being made.



To this end Perth Energy believes it is now time for the ERA to propose changes to the electricity market to achieve the *"fair, competitive and efficient environment for consumers and businesses"* that your organization seeks to support. We are very concerned that the ERA is reluctant to put rule changes forward and, instead, wants market participants to do this for you. This is not appropriate especially given the amount of effort we are committing elsewhere to the market reform process.

Private industry is very happy to support any ERA proposals to the Rule Change Panel but we consider that this is an area where the ERA must take the lead.

Yours sincerely



Patrick Peake  
General Manager EMR, Regulation

