



Notice

11 June 2021

Synergy

2020 performance audit and asset management system review

The Economic Regulation Authority has published the 2020 [performance audit](#) and [asset management system review](#) reports for the Electricity Generation and Retail Corporation's (trading as Synergy) electricity generation licence EGL7.

Synergy is the largest electricity generator in the South West Interconnected System. Its generation portfolio includes generating units with a diverse range of technologies, fuel types, ages and roles in the electricity market.

The ERA's decision

The ERA considers that Synergy has achieved a high level of compliance with its licence and has an effective asset management system.

The ERA has decided to increase the audit and review period from 48 months to 60 months. The next audit and review will cover the period 1 November 2020 to 31 October 2025, with the report due by 31 January 2026.

Background to the ERA's decision

Audit ratings

The auditor assessed 35 licence obligations applicable to Synergy's licence and found:

- 13 were rated A1 (adequate controls, compliant)
- one was rated A2 (adequate controls, non-compliance – minor effect on customers)
- nine were rated A/NR (adequate controls, not rated due to lack of activity)
- three were rated NP/1 (controls assessment not performed, compliant)
- nine were rated NP/NR (controls and compliance were not assessed).

The audit identified one non-compliance. Synergy did not submit its 2019 standing charge data to the ERA by the due date.¹

¹ A licensee's requirement to submit standing charge data to the ERA by the specified period falls under obligation 124. However, the auditor rated obligation 105 as non-compliant. The ERA did not identify this error until after the final report was submitted to the ERA.

Audit recommendations

The auditor did not make any recommendations. Therefore, a post-audit implementation plan was not required.²

Review ratings

The assessment of the 12 asset management components prescribed in the ERA's *2019 Audit and Review Guidelines: Electricity and Gas Licences* found:³

- 11 components were rated A1 (documentation adequately defined, performing effectively).
- One component was rated B1 (documentation requires some improvement, performing effectively).

Review recommendations

The auditor did not make any recommendations. Therefore, a post-review implementation plan was not required.⁴

Further information

General enquiries

Paul Reid
Ph: 08 6557 7976
licensing@erawa.com.au

Media enquiries

Natalie Warnock
Ph: 08 6557 7933 | Mob: 0428 859 826
media@erawa.com.au

² As per section 5.1.8 of the [2019 Audit and Review Guidelines: Electricity and Gas Licences](#), the licensee is only required to provide a post-audit implementation plan for licence obligations that have been rated 2, 3, 4, C or D.

³ A copy of the guidelines is available on the ERA [website](#).

⁴ As per section 5.1.8 of the [2019 Audit and Review Guidelines: Electricity and Gas Licences](#), the licensee is only required to provide a post-review implementation plan for asset management process deficiencies rated 3, 4, C or D.