



# Media Statement

25 November 2022

## Electricity Review Board finds Synergy in breach of market rules

The Economic Regulation Authority (ERA) welcomes today's [determination](#) by the Electricity Review Board in relation to Synergy's generation offer prices in the Western Australian wholesale balancing market.

In April 2019, the ERA concluded an investigation into the prices Synergy was offering for its electricity in the balancing market, which is a part of the Wholesale Electricity Market where electricity is offered for sale in 30-minute trading intervals. The ERA alleged that Synergy offered its electricity at excessive prices and that this behaviour related to Synergy's market power.

The Market Rules require that dominant generators must price their electricity based on their reasonable expectation of marginal costs.

The ERA referred the matter to the independent Electricity Review Board for a determination. The Electricity Review Board heard the matter in May and June 2021.

The Electricity Review Board decision strongly endorses the ERA's application. The Board has found that for 11,012 Trading intervals between 16 April 2016 and 10 July 2017 Synergy offered its generation into the energy market based on inflated costs and that these price offers related to Synergy's market power.

ERA Chair Steve Edwell said "the investigation and legal process was unfortunately long and protracted and there are learnings to all involved.

"The ERA referred this matter to the Electricity Review Board after a detailed and thorough investigation found suspected breaches of the rules that govern Western Australia's wholesale electricity market.

"The ERA will work with market participants and policy agencies to ensure that the implications of the determination are understood and clear guidance is available to all parties on how price offers should be made to be consistent with the market rules.

"Ensuring compliance with the market rules should be a core element of management and Board governance for all electricity market participants. The ERA welcomes engagement with market participants to enhance their understanding of the rules and our approach.

"A well-functioning wholesale market is essential to ensuring that Western Australian consumers in the South West Interconnected System have access to secure and affordable electricity.

"Resolution of this matter has taken inordinate time and we now must move on with the challenging transformation to decarbonise the electricity system."

## **About the ERA**

The ERA is Western Australia's independent economic regulator. We aim to ensure the delivery of water, electricity, gas and rail services in Western Australia is in the long-term interest of consumers.

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