



Notice

7 August 2023

Wholesale Electricity Market Rules and Gas Services Information Rules

Report on the Australian Energy Market Operator's compliance for 2021/22

The Economic Regulation Authority has published the annual report to the Minister for Energy on the Australian Energy Market Operator's (AEMO) compliance with the Wholesale Electricity Market (WEM) Rules and the Gas Services Information (GSI) Rules.

The ERA provided its 2021/22 report to the Minister for Energy on 2 August 2023. This report includes AEMO's most recent audit reports and details of investigations carried out by the ERA.

During 2021/22 the total number of AEMO's non-compliance matters in the WEM audit report was lower than the previous audit period. AEMO self-reported most of these matters and the auditor did not rate any of these matters as material. One non-compliance was identified for the GSI Rules.

The ERA understands from the auditor's findings that there are gaps and shortcomings in AEMO's processes and controls. AEMO implemented several initiatives to improve its operation and documentation requirements. These include developing new processes and work instruction documents, extending the remit of the Board Default Committee, conducting RTO training workshops, updating internal instructions on Margin Call Notices, and creating a new template to retain evidence of actions taken. AEMO is also addressing internal inconsistencies and updating practices to prepare for the new WEM.

The ongoing Energy Transformation Strategy reforms require AEMO to implement large-scale changes to its market operations and power system functions, increasing the risk of non-compliances. AEMO's IT systems are important to this transition and the ongoing functioning of the WEM in Western Australia. AEMO has been responsive to and fixed IT issues that have been identified as contributing to WEM Rules non-compliances and is aware of the critical role its IT systems play in the functioning of the market. The ERA will continue to monitor AEMO's management of its IT systems.

The report and AEMO's response are available on the [ERA's website](#).

Further information

General enquiries

Frances Hobday
Ph: 08 6557 7975
info@erawa.com.au

Media enquiries

Danielle Asarpota
Ph: +61 428 859 826
media@erawa.com.au