



Economic Regulation Authority

Report to the Minister for Energy on the Economic Regulation Authority's compliance 2023/24

Wholesale Electricity Market Rules

17 December 2024

Acknowledgement of Country

At the ERA we value our cultural diversity and respect the traditional custodians of the land and waters on which we live and work.

We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

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1. Compliance summary

The Economic Regulation Authority is Western Australian's independent economic regulator. The ERA carries out the regulatory functions for the Wholesale Electricity Market (WEM), which include monitoring whether the market is operating effectively, monitoring and enforcing compliance with the WEM Rules, and reviewing and approving market parameters.

The WEM Rules require the ERA to provide an annual report on its own compliance with the WEM Rules and WEM Procedures to the Minister for Energy.¹ For this report, the ERA carried out an internal audit for the period 1 July 2023 to 30 June 2024.

Significant changes were made to the WEM in this audit period and new WEM Rules and WEM Procedures took effect from 1 October 2023.²

There were no outstanding or reportable findings in relation to the ERA's compliance with the WEM Rules and WEM Procedures for the period 1 July 2023 to 30 September 2023.

For the WEM Rules in place from 1 October 2023, the ERA has complied, in all material respects except for two minor matters:

- The ERA did not meet the legislative deadlines at the start of 2024 for its first determination of material constrained portfolios for the WEM. This occurred because the ERA did not receive the data it needed from the Australian Energy Market Operator in time.
- The ERA was consequently late to notify relevant market participants and publish its material constrained portfolio determination.

The ERA has investigated these non-compliances and found that the consequences were minimal as the ERA still made the required determination, albeit after the tight deadlines prescribed in the WEM Rules. The non-compliances did not result in any adverse impacts to the market, power system or to other WEM Rule Participants. Following WEM Rule changes that came into effect on 20 November 2024, the ERA has been allocated more time to complete this determination. This minimises the risk of the ERA breaching these obligations again.

Appendix 1 contains the WEM Rules that were applicable to the ERA during the 2023/24 audit period.

There are no recommendations for improvements to the ERA's systems and processes in this 2023/24 audit report.

¹ Wholesale Electricity Market Rules, 22 May 2024, clause 2.14.5A, ([online](#))

² The most significant changes included the move to a constrained network access model, changing the requirements for how generators make their offers in the market, and the introduction of real-time markets for energy and essential system services.

Appendix 1 – Summary of relevant WEM Rules

The table below includes only those WEM Rules relevant to the ERA during the 1 July 2023 to 30 June 2024 period. Table 1 does not include those WEM Rules that are relevant to the ERA during the 2023/24 period where the ERA may not have been required to take action because there was no triggering event during or no action required within the audit period.

Table 1: WEM Rules that were applicable to the ERA and tested for compliance for the audit period 1 July 2023 to 30 June 2024.³

WEM Rule number and title	Clause	Compliant	Exception
1.36C. General Transitional Provisions – Staging of Amendments	1.36C.2	Yes	
1.43. Specific Transitional Provisions – WEM Procedures for Tranches 2 and 3 Amending Rules	1.43.2, 1.43.5, 1.43.7	Yes	
1.59 Specific Transitional Provisions – Compliance Monitoring	1.59.1	Yes	
1.60 Specific Transitional Provisions for Reviews of the Energy Price Limits and FCESS Offer Price Ceilings	1.60.4, 1.60.5	Yes	
1.61 Specific Transitional Provisions for the Market Price Limits	1.61.2	Yes	
1.62. Specific Transitional Provisions for Portfolio Assessments	1.62.1	No	Publication delayed. Investigated.
1.7 Publication	1.7.3	Yes	
2.2A The Economic Regulation Authority	2.2A.1	Yes	
2.5 Rule Change Proposals	2.5.1B	Yes	
2.9 WEM Procedures	2.9.2B, 2.9.2F, 2.9.7B	Yes	
2.10 Procedure Change Process	2.10.2A, 2.10.3, 2.10.5B, 2.10.10, 2.10.12B, 2.10.13, 2.10.17, 2.10.18	Yes	
2.11 Coming into Force of Procedure Amendments	2.11.4	Yes	
2.13 Compliance Monitoring and Enforcement	2.13.1, 2.13.2, 2.13.3, 2.13.6, 2.13.27,	Yes	

³ Wholesale Electricity Market Rules (WA), 22 May 2024, ([online](#)).

WEM Rule number and title	Clause	Compliant	Exception
	2.13.28, 2.13.29, 2.13.33, 2.13.34, 2.13.35, 2.13.45, 2.13.46, 2.13.48		
2.14 Market Audit and Compliance Reports	2.14.5A, 2.14.5B	Yes	
2.15 Monitoring and Reporting WEM Procedures	2.15.1, 2.15.2, 2.15.3	Yes	
2.16 Monitoring the Effectiveness of the Market	2.16.2A, 2.16.2AA, 2.16A.2, 2.16B.1, 2.16B.2, 2.16C.1, 2.16C.2 ⁴ , 2.16C.4, 2.16D1, 2.16D.15	Yes	2.16C.2.Publication delayed. Investigated.
2.21 Market Consultation	2.21.1, 2.21.2	Yes	
2.22A Determination of AEMO's budget	2.22A.2B, 2.22A.5, 2.22A.6, 2.22A.9, 2.22A.17	Yes	
2.26 Economic Regulation Authority Reviews of Market Price Limits	2.26.1, 2.26.2, 2.26.2A, 2.26.2B, 2.26.2F, 2.26.2L, 2.26.2M, 2.26.2P, 2.26.2U,	Yes	
3A.3 Exempt Transmission Connected Generating Systems	3A.3.6	Yes	
4.1 The Reserve Capacity Cycle	4.1.19	Yes	
4.16 The Benchmark Reserve Capacity Price	4.16.3, 4.16.5, 4.16.6, 4.16.7, 4.16.9, 4.16.10	Yes	