# Economic Regulation Authority

# Report to the Minister for Energy on Western Power's self-reported compliance for 1 July 2023 to 30 September 2024

Wholesale Electricity Market Rules

19 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. Introduction

### 1.1 Background

The ERA is responsible for the compliance and enforcement functions in the Wholesale Electricity Market (WEM) Rules. From 1 October 2023, a WEM Rule Participant (including a Network Operator) must self-report suspected breaches of the WEM Rules or WEM Procedures to the ERA.<sup>1</sup>

The ERA must annually prepare a report for the Minister for Energy on each Network Operators' self-reported compliance with the WEM Rules and WEM Procedures.<sup>2</sup> The report must contain the results of any investigations of each Network Operator's compliance with the WEM Rules and WEM Procedures carried out by the ERA. The report must be published on the ERA's website.

The Electricity Networks Corporation trading as Western Power is the sole network operator of the Southwest Interconnect System (SWIS) registered under the WEM Rules.

This report is concerned with compliance under the WEM Rules and WEM Procedures and not with Electricity Networks Access Code 2004, Electricity Act 2004 (WA) or their subsidiary legislation and regulations. Information related to electricity network access and licencing regulations can be found on the ERA website.<sup>3</sup>

## **1.2 Western Power obligations under the WEM Rules**

Western Power has obligations under the WEM Rules as a network operator and as a meter data agent.

As a network operator Western Power is responsible for developing and publishing technical standards, including network congestion and limit advice, generator performance standards and transmissions system plan. Western Power must adhere to all relevant procedures developed by AEMO and the ERA and comply with the Non-Co-optimised Essential System Service contract and Rate of Change of Frequency accreditation obligations.

As a metering data agent Western Power must maintain a meter registry, operate in accordance with the Metering Protocol requirements and the relevant procedures documented by AEMO.

<sup>&</sup>lt;sup>1</sup> Wholesale Electricity Market Rules, 7 October 2024, clause 2.13.23, (<u>online</u>).

<sup>&</sup>lt;sup>2</sup> Wholesale Electricity Market Rules, 7 October 2024, Rule 2.14.6, (<u>online</u>).

<sup>&</sup>lt;sup>3</sup> The ERA also has responsibility for regulating Western Power's licencing (<u>online</u>) and access (<u>online</u>) arrangements.

## 2. Western Power self-reported non-compliances

Western Power has introduced a WEM self-reporting process to comply with the WEM Rules' self-reporting requirements. Western Power has advised that the process is still being refined and improvements are being implemented. The ERA will continue to monitor Western Power's progress. Overall, the ERA is satisfied with both the progress that Western Power has made in building a robust self-reporting compliance process and the level of engagement that Western Power has with the ERA on this matter.

During the reported period Western Power self-reported eight suspected breaches of the WEM Rules. All reported matters related to information provision requirements and did not affect management of network outages, system security and reliability or outcomes for energy customers. Seven of the self-reported suspected breaches relate to Western Power's obligation to provide outage information to AEMO and one to provision of information on equipment thermal limit advice.

AEMO recorded 791 Western Power forced network outages for the period 1 October 2023 to 30 September 2024.<sup>4</sup> The matters that Western Power did not report correctly constitute a non-compliance rate of approximately one per cent.

The ERA completed a risk assessment of the eight self-reported matters. The ERA assessed these eight matters as low impact and low risk. Western Power has since put necessary corrective actions in place. The ERA did not commence investigations into any of these matters.

The ERA will continue to monitor Western Power's compliance with the WEM Rules and WEM Procedures.

<sup>&</sup>lt;sup>4</sup> Australian Energy Market Operator, Wholesale Energy Market Data (online).