



Economic Regulation Authority

# Electricity System and Market Rules and Gas Services Information Rules

Compliance report for the period 1 January 2025 to  
30 June 2025

31 July 2025

## 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.

## Economic Regulation Authority

Level 4, Albert Facey House

469 Wellington Street, Perth WA 6000

**Telephone** 08 6557 7900

**Email** [info@erawa.com.au](mailto:info@erawa.com.au)

**Website** [www.erawa.com.au](http://www.erawa.com.au)

This document can also be made available in alternative formats on request.

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## Executive summary

The Economic Regulation Authority has compliance and enforcement responsibilities under both the Electricity System and Market (ESM) Rules (formerly Wholesale Electricity Market (WEM) Rules) and the Gas Services Information (GSI) Rules. Both the ESM and GSI Rules require the ERA to publish a report at least once every six months setting out a summary for the preceding six months of a range of compliance activities. The ERA has adopted a report structure whereby its ESM and GSI obligations are combined into a single report. Details of the requirements of each report are provided in Appendix 1.

In this report, we provide information about our compliance activities for the period between 1 January 2025 and 30 June 2025.

This report identifies investigations of which there are eight into alleged breaches of the ESM Rules and 21 into alleged breaches of the GSI Rules. We have also applied the risk-based approach allowed by the ESM Rules and applied the discretion granted to the ERA under the *Electricity Industry (Electricity System and Market) Regulations 2004* and the *Gas Services Information Regulations 2012*, to resolve 70 ESM breach allegations and 21 GSI breach allegations without undertaking an investigation into each matter.

Based on the number of breach allegations relating to GSI participants provision of information requested by the Australian Energy Market Operator (AEMO) we carried out checks of GSI participants contact information. We found that five of 24 participants did not have up-to-date contact information on the Western Australian Gas Bulletin Board (WA GBB). These participants have been advised to update their information urgently.

# 1. Our compliance role

The Economic Regulation Authority is responsible for the compliance and enforcement functions in the Electricity System and Market (ESM) Rules (formerly the Wholesale Electricity Market Rules) and the Gas Services Information Rules.

We monitor participants' compliance with their ESM Rules and GSI Rules obligations and investigate matters that effect the efficient and effective functioning of both the Wholesale Electricity Market (WEM) and the Western Australian Gas Bulletin Board (WA GBB).

We evaluate breach allegations as we receive or identify each matter, using the risk-based approach described in the Monitoring Protocol WEM Procedure to decide whether to investigate further. We prioritise our investigative activity based on the nature of each breach and the other demands on our resources.

Before we open an investigation, we may engage with participants to improve our understanding of a breach allegation.

We notify participants alleged to be in breach when we open an investigation, unless such notification could prejudice the investigation.

We can request further information and/or records from a participant to establish the facts of an alleged breach.

Once we have determined the facts of an allegation, we will share our preliminary findings with the participant and request a written response. The participant may provide additional evidence and make additional claims relating to the alleged breach which will be considered by us before we finalise the investigation.

When we reach a final decision as to whether the participant committed a breach, or not, we tell the participant and advise them of any enforcement action(s) we consider appropriate. We have a range of enforcement actions available to us, including providing advice to educate a participant or the market, issuing a warning, applying a civil penalty or commencing proceedings before the Electricity Review Board.

We may suspend or close an investigation according to the processes set out in section 5.4 of the Monitoring Protocol WEM Procedure.

When we open an investigation into an alleged breach of the ESM Rules, we must publish basic information in the Public Register of Investigations. We do not disclose potential concerns and breach allegations until we have thoroughly investigated each matter and reached our conclusions.

When we close an investigation there are several enforcement options available to us, including issuing a warning, publishing detailed information in the Public Register of Breaches, issuing a civil penalty, or referring the matter to the Electricity Review Board. Each regulatory enforcement tool is applied with due consideration of the seriousness of the breach, the consequences to the participant and the broader public interest.

We are also responsible for preparing the following reports to inform WEM and WA GBB participants of our compliance activities and the compliance activities of others:

- The Economic Regulation Authority's compliance activities for the preceding six months.
- Annual report to the Minister for Energy on the ERA's compliance with the ESM Rules and WEM Procedures.

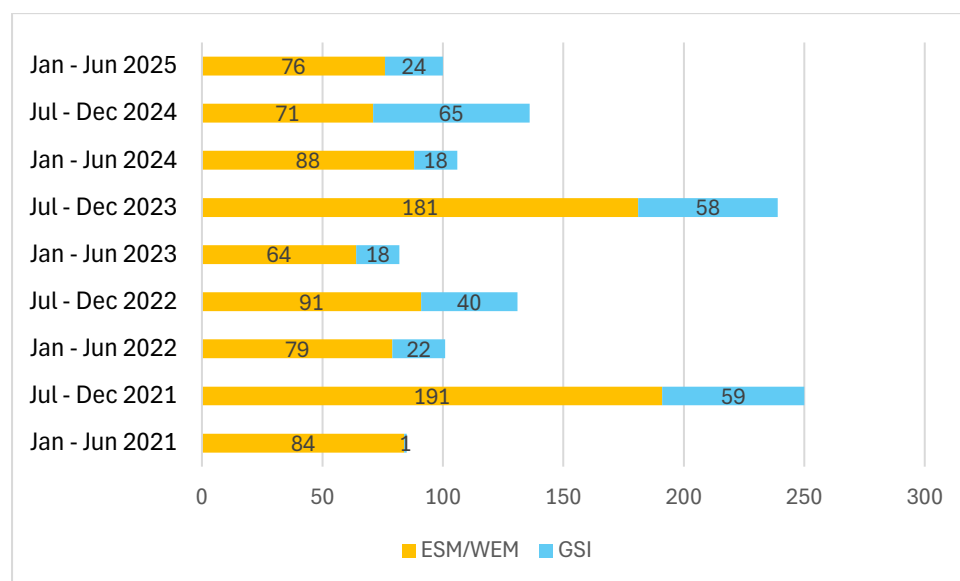
- Annual report to the Minister for Energy on the Australian Energy Market Operator's compliance with the ESM Rules and WEM Procedures.
- Annual report to the Minister for Energy on the Network Operator's self-reported compliance with the ESM Rules and WEM Procedures.

## 2. Compliance update

We identify potentially non-compliant behaviour through our monitoring of participants' compliance with their obligations under the ESM Rules and the GSI Rules. Breach allegations are also reported to us by market participants, including the Australian Energy Market Operator (AEMO) and Network Operator.

Alleged breaches recorded by the ERA since 1 January 2021, as of 30 June 2025, are shown in Figure 1.

**Figure 1: ESM and GSI Breaches received since 1 January 2021**



The ERA recorded 76 breach allegations relating to the ESM Rules and WEM Procedures and 24 breach allegations relating to the GSI Rules in the current reporting period.<sup>1</sup> The source of these allegations is presented in Table 1. Most allegations are self-reported to the ERA by the participant or reported by a third party.

**Table 1: Source of breach allegations recorded in the current reporting period**

Breach allegation reported by	Post-1 October 2023 ESM Rules	GSI Rules	Total
ERA	2	6	8
Self-reported	30	2	32
Reported by other	44	16	60
Total	76	24	100

The ERA's monitoring systems focus on participant behaviours where non-compliance may pose a material risk to the market. The breach allegations referred to in Table 1 are generally lower risk and relate to potential non-compliances with dispatch instructions, outage reporting,

<sup>1</sup> Alleged breaches received includes matters that have been self-reported by a participant, reported by a different participant or identified by the ERA. There may be duplication if the same breach allegation is made by multiple parties.

and late payment of invoice. Under the current ESM Rules it is still the obligation of participants to report breaches, or suspected breaches, when they become aware of them.

Where a potential non-compliance is identified by the ERA but has also been reported to us by a Rule Participant, it is classified as self-reported or reported by other.

## 2.1 ESM Rules compliance activities

Under ESM Rule 2.13.23, a Rule Participant who is aware that it has breached or has reasonable cause to suspect it may have breached, the ESM Rules or a WEM Procedure, must notify the ERA in writing.<sup>2</sup> This obligation applies equally to AEMO and Network Operators. A Rule Participant may inform the ERA or AEMO in writing if it considers that another participant has breached the rules or a WEM Procedure and should provide evidence of that breach.

If the ERA becomes aware of an alleged breach of the Rules or Procedures by a WEM Rule Participant, it must follow the breaches, investigations and enforcement processes outlined in the Monitoring Protocol WEM Procedure.<sup>3</sup>

The *Electricity Industry (Electricity System and Market) Regulations 2004* gives the ERA the discretion to decide not to investigate a contravention or possible contravention of the ESM Rules or WEM Procedures.<sup>4</sup> When deciding whether to investigate a matter further, the ERA takes into account the WEM Procedure Monitoring Protocol risk framework.

### 2.1.1 ESM matters resolved without investigation

During the reporting period, the ERA resolved 70 ESM matters as shown in Table 3 below. These matters were resolved based on the nature of the breach allegation, whether the participant had taken action to rectify the breach or prevent a future breach and the likely impact on the market.

Rule Participants were informed that these matters had been resolved and that the ERA would continue to monitor future behaviour in relation to the ESM Rules and WEM Procedures in question.

**Table 2: ESM matters resolved without investigation in reporting period.**

WEM / ESM Reporting category	Pre-1 Oct 2023	Post-1 Oct 2023	Total
Balancing Submission Requirements	2		2
Dispatch Instruction Requirements	4		4
Generator Monitoring Plan	1	4	5
Late Payment of Invoice	2	5	7

<sup>2</sup> Electricity System and Market Rules, 4 June 2025, 2.13.23, ([online](#)).

<sup>3</sup> Monitoring Protocol WEM Procedure, ([online](#)).

<sup>4</sup> Electricity Industry (Electricity System and Market) Regulations 2004, regulation 38(3)(a), ([online](#)).



WEM / ESM Reporting category	Pre-1 Oct 2023	Post-1 Oct 2023	Total
Market Information Requirements	2	4	6
Outage Requirements	8	16	24
RTM Submissions		10	10
No breach		2	2
Others	2	7	9
Cancelled (participant no longer exists)		1	1
Total	21	49	70

### 2.1.2 ESM investigations

We maintain a public register of investigations on the ERA website.<sup>5</sup> As of 30 June 2025, we had five ongoing investigations, two of which were opened during the reporting period.

In the reporting period we completed four investigations and concluded participant breaches of ESM Rule obligations on five occasions.

Details of three of these breaches are published on the public register of breaches.<sup>6</sup> When determining our enforcement action, we ensure it is proportionate to the offence and balances appropriate transparency and fairness to participants and the market.

### 2.1.3 ESM breach allegation backlog

On 1 January 2025 there were 28 unresolved matters relating to alleged breaches of the pre-1 October 2023 WEM Rules. Since 1 January 2025, the ERA closed 24 of these matters leaving four pre-1 October 2023 WEM matters outstanding.

Of the 174 pending post-1 October 2023 ESM matters, 125 were actively being assessed during the reporting period, and the assessment on the remaining 49 is yet to be undertaken.

When we become aware of any alleged breach, we carry out a preliminary assessment, assign a breach risk rating and decide whether we will investigate the matter. The breach risk rating informs how each new matter is prioritised against the other breach allegations and investigations being managed by the ERA.<sup>7</sup> Most of the outstanding matters relate to Rule Participants obligations for reporting outages, payment of invoices, providing requested market information, and Real Time Market submissions.

<sup>5</sup> Electricity System and Market Rules, 4 June 2025, 2.13.49A, ([online](#)).

Wholesale Electricity Market (WEM) Public Registers, Public Register of Investigations, ([online](#)).

<sup>6</sup> Wholesale Electricity Market (WEM) Public Registers, Public Register of Breaches, ([online](#)).

<sup>7</sup> WEM Procedure Monitoring Protocol, section 2.2 Risk-based Approach, ([online](#)).

## 2.2 GSI Rules compliance activities

The ERA monitors the compliance of Gas Market Participants and AEMO with the requirements of the Rules and the Procedures in accordance with the GSI Act, the GSI Regulations, the Rules and any relevant Procedures.

A Gas Market Participant may inform the ERA or AEMO in writing if it considers that it or another participant has breached the Rules or a Procedure and may provide evidence of that breach.<sup>8</sup> Alleged breaches can be reported through the ERA's website.<sup>9</sup>

If the ERA becomes aware of an alleged breach of the GSI Rules or Procedures by a Gas Market Participant, it must investigate the alleged breach in accordance with Part 10 Division 2 of the Gas Services Information Rules.<sup>10</sup>

The *Gas Services Information Regulations 2012* gives the ERA the discretion to decide not to investigate a contravention or possible contravention of the GSI Rules.<sup>11</sup> The ERA will take a risk-based approach to its decision focusing on the effect on the market of the alleged breach behaviour.

### 2.2.1 GSI matters resolved without investigation

During the period, the ERA resolved 21 GSI matters. These matters were resolved based on the nature of the breach allegation, whether the participant had taken action to rectify the breach or prevent a future breach, and the likely impact on the market.

The GSI matters resolved mainly related to participants payment of invoices and their provision of information requested by AEMO to inform the Gas Statement of Opportunities. The number of matters in each reporting category is provided in Table 3 below.

**Table 3: GSI matters resolved without investigation in reporting period.**

GSI reporting category	Total
Market information requirements	11
Others	10
	<b>21</b>

### 2.2.2 GSI investigations

In the reporting period we completed 21 investigations. The reporting categories and investigation outcomes are provided in Table 4 below. Participants were notified of the outcome of the investigation and encouraged to undertake corrective action where necessary.

<sup>8</sup> Gas Services Information Rules, 23 April 2025, Rule 168, ([online](#)).

<sup>9</sup> Report a suspected breach of the ESM, GSI or Pilbara Network Rules, ([online](#)).

<sup>10</sup> Gas Services Information Rules, 23 April 2025, Part 10 Compliance and Enforcement, ([online](#))

<sup>11</sup> *Gas Services Information Regulations 2012*, regulation 23(3)(a), ([online](#)).

**Table 4: Matters investigated to conclusion in the reporting period.**

Reporting category	Investigation	Outcome
Late payment of invoice	7	Breach
Market information requirements	14	Breach
Total	21	

### 2.2.3 GSI breach allegation backlog

On 1 January 2025 there were 165 unresolved matters relating to alleged breaches of the GSI Rules. During the reporting period, we closed 42 of these matters. Of the 147 pending matters, 46 were being actively managed during the reporting period awaiting final decisions on appropriate compliance and enforcement actions.

### 2.2.4 GSI participants' contact information

During the current reporting period, we carried out a check of GSI participants contact information. The GSI Rules require participants to maintain up to date contact information with AEMO so AEMO can contact them as needed.<sup>12</sup>

We attempted to contact 24 GSI participants using the details available on AEMO's WA Gas Bulletin Board website.<sup>13</sup> The contact information was correct for 19 of the 24 participants contacted. For the remaining five participants, we identified an appropriate person and advised them to provide AEMO with updated contact information. We will be checking that these participants have updated their contact information.

This obligation is a Category A civil penalty provision under the GSI Regulations.<sup>14</sup> This means a maximum civil penalty of up to \$10,000 plus a daily amount of up to \$5,000 may be applied for a first contravention, and up to \$20,000 plus a daily amount of up to \$5,000 may be applied to subsequent contraventions. No civil penalties have been issued as a result of this check of participants' contact information, but we strongly encourage all participants to maintain their contact information as required to avoid a possible future penalty.

<sup>12</sup> Gas Services Information Rules, 23 April 2025, 53(1), ([online](#)).

<sup>13</sup> AEMO website – Wholesale Electricity Market (WEM) – Data (WEM) – Participants, ([online](#)).  
AEMO website - WA Gas Bulletin Board GSI Register – Participants, ([online](#)).

<sup>14</sup> Gas Services Information Regulations 2012, Schedule 1 – Civil penalty provisions and amounts, r. 53(1), ([online](#)).

### **3. Enforcement actions and Electricity Review Board matters**

#### **3.1 ESM warnings issued**

The ERA issued warnings on four breaches under the ESM Rules for the reporting period.<sup>15</sup>

Warnings advised the Rule Participant that the ERA had determined that a breach had occurred, identified the clause or clauses contravened, described the behaviours that comprised the contraventions and required that the contraventions be rectified.

#### **3.2 Civil penalties imposed by the ERA**

The ERA did not impose any civil penalties under either the ESM Rules or GSI Regulations during the reporting period.<sup>16</sup>

#### **3.3 Proceedings brought before the Electricity Review Board**

The ERA did not take any matters to the Electricity Review Board under the ESM Rules or the GSI Regulations during the reporting period.

#### **3.4 Findings or orders made by the Electricity Review Board**

There were no new findings or orders made by the Electricity Review Board during the reporting period.

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<sup>15</sup> Electricity System and Market Rules, 4 June 2025, 2.13.36(a), ([online](#)).

<sup>16</sup> Electricity System and Market Rules, 4 June 2025, 2.13.36(c), ([online](#)).

Gas Services Information Regulations 2012, as at 1 October 2023, regulation 16, ([online](#)).

## 4. Recent rule changes

All Rule Participants should be aware that both the ESM Rules and GSI Rules are subject to ongoing updates and amendments.

It is the responsibility of all Rule Participants to ensure that they are always consulting and compliant with the most recent versions of the relevant rules.<sup>17</sup>

### 4.1.1 ESM Rule changes

Between 1 January 2025 and 30 June 2025, six versions of the ESM Rules were published, the most recent being on 4 June 2025.

The Wholesale Electricity Market (WEM) Rules have been renamed to the Electricity System and Market Rules (ESM Rules) in line with legislative reforms introduced through the *Electricity Industry Amendment (Distributed Energy Resources) Act 2024* (DER Act 2024).

The DER Act 2024 made three key amendments to the Electricity Industry Act 2004:

1. It established a new overarching objective for the electricity sector, known as the State Electricity Objective.
2. It renamed the WEM Rules to the ESM Rules and broadened their application to include areas previously governed by other regulatory instruments.
3. It expanded the scope of the ESM Rules to cover new areas, particularly those related to the distribution network and the integration of Distributed Energy Resources (DERs).

### 4.1.2 GSI Rule changes

The GSI Rules were most recently updated on 23 April 2025. The major change is the introduction of a new rule, 107A – \*Specific Transitional Provisions\*, which disapplies Part 7 Division 2 and Part 7 Division 3 relating to the determination of AEMO's budget.

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<sup>17</sup> Electricity System and Market Rules ([online](#))  
Gas Services Information Rules ([online](#))

## 5. Stakeholder engagement and reports

The ERA engages regularly with various WEM, GSI and Pilbara Network stakeholders. Our engagement includes one on one discussions, routine forums, such as the WEM Surveillance meetings held by Energy Policy WA, AEMO and the ERA, and ad hoc forums, such as those recently convened by Energy Policy WA for its review of the AEMO allowable revenue framework.

The ERA is an observer on the Market Advisory Committee and the Gas Advisory Board.

The ERA published its annual report to the Minister for Energy on AEMO's compliance on 23 May 2025.<sup>18</sup> The report to the Minister for Energy also included the results of our investigations of AEMO's compliance with the ESM Rules.

The ERA has scheduled its annual Energy Markets Stakeholder forum later this year. The forum will be an information session for Rule Participants to provide a summary of ERA activities in response to Rules changes, other key projects across the ERA's Energy Markets division, and a market update.

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<sup>18</sup> Report to Minister for Energy on AEMO compliance 2023-24, 23 May 2025, ([online](#)).

## Appendix 1 Compliance report requirements

### Electricity System and Market Rules<sup>19</sup>

**2.13.45.** The Economic Regulation Authority must release a report at least once every six months setting out a summary for the preceding six months of:

- a. investigations completed by the Economic Regulation Authority;
- b. breaches or contraventions of the ESM Rules the Economic Regulation Authority concludes have occurred;
- c. warnings issued by the Economic Regulation Authority under clause 2.13.36(a);
- d. proceedings that have been brought before the Electricity Review Board;
- e. findings of the Electricity Review Board on matters referred to them;
- f. orders made by the Electricity Review Board; and
- g. unless they have been set aside by the Electricity Review Board, civil penalties imposed by the Economic Regulation Authority under clause 2.13.36(c).

### Gas Services Information Rules<sup>20</sup>

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(1) The ERA must publish a report at least once every six months setting out a summary for the preceding six months of:

- a. proceedings that have been brought before the Board;
- b. findings of the Board on matters referred to it;
- c. orders made by the Board; and
- d. civil penalties imposed by the ERA under regulation 16 of the GSI Regulations, where these have not been set aside by the Board.

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<sup>19</sup> Electricity System and Market Rules, 4 June 2025, 2.13.45, ([online](#)).

<sup>20</sup> Gas Services Information Rules, 23 April 2025, 167, ([online](#))