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### **2011 Annual Wholesale Electricity Market Report to the Minister for Energy: Discussion Paper**

The Energy Supply Association of Australia (esaa) welcomes the opportunity to contribute to the Economic Regulation Authority's (ERA) 2011 annual Wholesale Electricity Market (WEM) Report to the Minister for Energy on the effectiveness of the market in meeting the Wholesale Market Objectives.

esaa is the peak industry body for the stationary energy sector in Australia and represents the policy positions of the Chief Executives of over 40 electricity and downstream natural gas businesses, including many with commercial interests in Western Australia. These businesses own and operate some \$120 billion in assets, employ over 61,000 people and contribute \$19.3 billion directly to the nation's Gross Domestic Product.

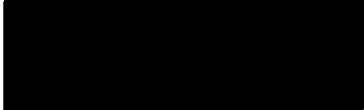
In November 2009 esaa released its *Western Australian Energy Market Study*, which was undertaken in consultation with our Western Australian members. The study covered the South West Interconnected System, the North West Interconnected System and the natural gas market. It made around 40 recommendations to contribute to the Western Australian Government's ongoing energy market reforms. The *2009 Study* was provided to the Authority in the context of its 2009 Report to the Minister.

In November this year the Association released a *2 Year Update* of the 2009 Study to examine where there has been positive progress against the Study recommendations, where continued reform effort is required and where there are issues of material concern.

As a significant part of the Update relates to the WEM, I have attached a copy to inform the Authority's 2011 Report. Noting that the Authority's Discussion Paper highlights recent comments by the State Government regarding consideration of a possible re-merger of Verve Energy and Synergy, I would like to particularly draw your attention to the commentary on this issue on page 7 of the Update.

If any further information is required on esaa's *Western Australian Energy Market Study – 2 Year Update*<sup>1</sup>, please contact Temay Rigzin, Acting Policy Development Manager on 03 9670 0188 or [temay.rigzin@esaa.com.au](mailto:temay.rigzin@esaa.com.au).

Yours sincerely



**Clare Savage**  
Interim Chief Executive Officer

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<sup>1</sup> A copy of the *2 Year Update* can also be accessed here:  
[http://www.esaa.com.au/Library/PageContentFiles/229ed859-afda-4c93-b9f6-04537ff34a81/WA\\_Energy\\_Market\\_Study\\_2\\_Year\\_Update.pdf](http://www.esaa.com.au/Library/PageContentFiles/229ed859-afda-4c93-b9f6-04537ff34a81/WA_Energy_Market_Study_2_Year_Update.pdf)