



# Notice

7 November 2019

## Annual report to the Minister for Energy on the effectiveness of the Wholesale Electricity Market

### Release of issues paper

The Economic Regulation Authority invites public submissions to inform its annual review of the Wholesale Electricity Market for 2018/19. The ERA has released an [issues paper](#) detailing its preliminary view of whether the market has met its objectives in the past year.

The Wholesale Electricity Market's objectives are to:

- Promote secure, safe and economically efficient supply of electricity.
- Encourage competition among generators and retailers, including facilitating new competitors.
- Avoid discrimination against particular energy options and technologies.
- Minimise the long-term cost to electricity consumers.
- Encourage measures to help manage the amount of electricity consumed and when it is consumed.

The ERA's preliminary view is that the WEM is not fully meeting any of its objectives and only clearly achieving supply of electricity that is safe and secure. Lower wholesale electricity prices are the result of mild weather, rooftop solar and flat economic conditions, rather than indicating a more competitive and functional market. The ERA is concerned that an improvement in economic activity, or a return to normal weather conditions, could lead to higher wholesale electricity prices.

The State Government is addressing many of the challenges to the effective operation of the Wholesale Electricity Market through its Energy Transformation Strategy.

The ERA's 2018/19 review process will focus on issues that are unlikely to be addressed through that reform process.

These include the lack of coordination in the market, with individual parties making decisions that have system-wide implications and may increase costs, and the need for an entity to make incremental rule and process improvements once the current reform process is complete in 2022.



# Notice

## Invitation for submissions

The ERA invites interested parties to make submissions on the issues paper.

Submissions close 4:00 pm (WST) Monday, 16 December 2019.

Submissions should be lodged online using the form on our website  
[www.erawa.com.au/consultation](http://www.erawa.com.au/consultation).

## Further information

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