Economic Regulation Authority

Material Constrained Portfolio determination

Quarter 4 – 2025

16 February 2026

D306400

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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Executive summary

This is the Economic Regulation Authority's (ERA) determination of Material Constrained Portfolios for the Wholesale Electricity Market (WEM), over the three-month Rolling Test Window from 8:00 am 1 October 2025 to 7:59 am 1 January 2026.[1]

This list of Material Constrained Portfolios replaces the ERA's previously published Material Constrained Portfolios on 25 November 2025.[2] The ERA's determination was made following the WEM Procedure for Portfolio determinations.[3]

Material Constrained Portfolios contain those Facilities that have the potential to exert localised market power due to network constraints.[4] Market Participants whose Facilities received Energy Uplift Payments in 10 per cent or more of the relevant intervals over the associated three-month Rolling Test Window, or Fixed Assessment Period, are part of a Material Constrained Portfolio.[5] All Facilities identified in the Material Constrained Portfolios must comply with the requirements under the Electricity System and Market (ESM) Rules which includes record keeping obligations on offer price construction.[6]

This determination is part of the ESM Rules' market power mitigation framework, which aims to focus regulatory monitoring and surveillance effort on those entities with the greatest potential to exercise localised market power. The ERA monitors Market Participants' price offers in the Real-Time Market to ensure they comply with the Offer Construction Guidelines and general trading obligations, as required by the ESM Rules.

The ERA has identified 35 Material Constrained Portfolios in Quarter 4 of 2025. These Portfolios are comprised of Registered Facilities belonging to the following ten Market Participants:

1. Bluewaters Power 1 Pty Ltd
2. Bluewaters Power 2 Pty Ltd
3. Synergy
4. NewGen Power Kwinana Pty Ltd
5. SRV GRSF Pty Ltd as Trustee for GRSF Trust
6. BEI WWF Pty Ltd as Trustee for WWF Trust
7. Alinta Sales Pty Ltd

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1 The ERA must make its Material Constrained Portfolios determination within 20 business days after the Settlement Date as required by the Electricity System and Market Rules (WA), (formerly the Wholesale Electricity Market Rules (WA)), 1 January 2026, Rule 2.16C.2, (online).

2 Economic Regulation Authority, 25 November 2025, *Material constrained portfolio determination* Q3 2025, (online), and Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.2A, (online).

3 Economic Regulation Authority, 27 November 2024, *WEM Procedure: Portfolio Determination*, (online).

4 Energy Policy Western Australia, *Market Power Mitigation Strategy: Information Paper*, 10 November 2022, p. 21, (online).

5 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.2, (online). A 'relevant interval' is an interval in which the network constraint equation, for which the Constrained Portfolio was assigned, bound.

6 Further information is available in Economic Regulation Authority, February 2025, *Offer Construction Guideline*, Chapter 8, (online). The record keeping requirement is in the Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.3, (online).

8. Tesla Geraldton Pty Ltd

9. Tronox Management Pty Ltd

10. SRV AGWF Pty Ltd as Trustee for AGWF Trust

Our detailed processes for identifying Material Constrained Portfolios is explained in our method paper which is published on our website.[7]

[7] Economic Regulation Authority, *Portfolio Assessment*, (online).

1. Introduction

Under the ESM Rules' market power mitigation framework, the ERA is required to identify those Facilities with the greatest potential to exercise localised market power in the Real-Time Market via two processes.

These processes are:

1. Identify Portfolios or Facilities and those that are Material Portfolios.[8] The ERA published its latest Portfolio and Material Portfolio determination on 14 October 2025.[9] Changes to the ESM Rules in November 2024 require the ERA to make this determination annually.[10]

2. Identify Material Constrained Portfolios that comprise Facilities with the potential to exercise localised market power.[11] This determination is conducted quarterly.[12]

Material Constrained Portfolios contain those Facilities that have the potential to exert localised market power due to network constraints.[13] Portfolios whose Facilities received Energy Uplift Payments in more than 10 per cent of relevant intervals over the associated Rolling Test Window, or Fixed Assessment Period, are part of a Material Constrained Portfolio.[14,15] All Market Participants with Facilities that are determined to be in a Material Constrained Portfolio must keep adequate records, as per the ESM Rules, to substantiate and justify their offers into the WEM.[16]

Market Participants whose Facilities that are not included in these Material Constrained Portfolios are still monitored. The ERA monitors all Market Participant bidding in all intervals, as required by the ESM Rules. The ERA expects all Market Participants to comply with the Offer Construction Guidelines, as required by the ESM Rules.[17]

8 Electricity System and Market Rules (WA), 1 January 2026, Rules 2.16B.1 and 2.16C.1, (online).

9 Economic Regulation Authority, 14 October 2025, *Portfolio identification and material portfolio – Determination*, (online).

10 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16B.1, (online).

11 Energy Policy Western Australia, *Market Power Mitigation Strategy: Information Paper*, 10 November 2022, p. 11, (online).

12 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.2, (online).

13 Energy Policy Western Australia, *Market Power Mitigation Strategy: Information Paper*, 10 November 2022, p. 21, (online).

14 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.2, (online).

15 A 'relevant interval' is an interval in which the network constraint equation, for which the constrained portfolio was assigned, bound.

A Fixed Assessment Period is a period of at least seven consecutive trading days in which a relevant constraint equation has bound continuously within a Rolling Test Window. This is defined in the Electricity System and Market Rules (WA), 1 January 2026, Chapter 11, (online).

16 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.3, (online).

17 Ibid, Section 2.16D, (online).

1.1 ERA's determination process

To make this determination, the ERA:[18]

1. Identified the Constrained Portfolios of Facilities by 16 February 2026.[19] To identify the Constrained Portfolios, the ERA:

    a. Identified each constraint equation that bound for at least one interval in the current Rolling Test Window.

    b. Identified each Constrained Portfolio of Facilities for each identified constraint equation.

2. Identified each Material Constrained Portfolio, published this determination and notified the affected Market Participants on 16 February 2026 of their Registered Facilities being classified under a Material Constrained Portfolio.[20] To identify each Material Constrained Portfolio, the ERA:

    a. Calculated the constrained uplift payment ratio for each constrained portfolio, for both the current Rolling Test Window and any relevant Fixed Assessment Period.[21]

    b. Classified those Constrained Portfolios with constrained uplift payments in 10 per cent or more of all relevant intervals for which the relevant network constraint bound within the current Rolling Test Window as Material Constrained Portfolios.

The outcome of these processes is contained within this report, with these Material Constrained Portfolios replacing the previous quarter's determination.

1.2 Record keeping obligations for Facilities that are part of a Material Constrained Portfolio

All Market Participants with Facilities that are part of a Material Constrained Portfolio must ensure that adequate records are kept that can be independently verified to support a Market Participant's price offers for those Facilities made in the Real-Time Market, within three months of receiving the notice from the ERA.[22]

An example of the types of records that are required include:

- Internal governance arrangements.
- Methods, assumptions, and cost inputs.

This includes those documents that Market Participants use to develop their prices, quantities, and ramp rates for each identified Facility.

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18 Electricity System and Market Rules (WA), 1 January 2026, Rules 2.16B.2 and 2.16C.2(b), (online).

19 Ibid, Rule 2.16B.2, (online).

20 Ibid, Rule 2.16C.2, (online).

21 This includes any Fixed Assessment Periods during the Rolling Test Window which is a period of at least seven consecutive trading days in which a relevant constraint equation has bound continuously within a Rolling Test Window. This is defined in the Electricity System and Market Rules (WA), 1 January 2026, Chapter 11, (online).

22 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.3, (online).

Additional guidance regarding the record keeping obligations is available in the WEM Procedure detailing portfolio determinations and in our Offer Construction Guideline.[23, 24]

[23] Economic Regulation Authority, 27 November 2024, *WEM Procedure: Portfolio Determination*, pp. 9-10, (online).

[24] Economic Regulation Authority, 1 February 2025, *Offer Construction Guideline*, p. 6, (online).

2. Assessment of constrained portfolios

The ERA has completed its assessment of Constrained Portfolios and identified each constraint equation for network constraints that bound within the rolling test window of 8:00 am on 1 October 2025 to 7:59 am on 1 January 2026.

Constraint equations are a mathematical representation of a limitation on how electricity can be transferred over parts of the network.[25] A constraint equation is considered binding when the Australian Energy Market Operator (AEMO) applies the constraint to limit the risk to power system security or reliability. When a constraint equation is applied, those Registered Facilities that are located behind that constraint are assigned to a Constrained Portfolio. The Constrained Portfolio includes all Registered Facilities behind the constraint equation that are in the same Portfolio.

The ERA identified 72 unique binding network constraint equations in the three-month Rolling Test Window. This resulted in identification of 342 Constrained Portfolios. A full list of constraint equations and Constrained Portfolios is included in the accompanying spreadsheet on the ERA's website.[26]

The ERA used the Portfolios identified in October 2025 for this Constrained Portfolio identification process.[27]

2.1 Constraint equation identification

The ERA identified 72 unique binding network constraint equations over the current Rolling Test Window. The ERA used AEMO's constraint data from the Market Surveillance Data Catalogue to identify all network constraints that bound during the Rolling Test Window.

2.2 Constrained portfolio identification

The ERA identified 35 unique Constrained Portfolios over this Rolling Test Window. The Constrained Portfolios consist of those Registered Facilities assigned to Portfolios in the ERA's Portfolio determination and where the Facility is located behind a binding network constraint.[28] Registered Facilities can be assigned to multiple Constrained Portfolios.[29]

The ERA uses a combination of constraint, energy uplift payments and Facility registration data from our Market Surveillance Data Catalogue to identify the Constrained Portfolios.[30]

25 Electricity System and Market Rules (WA), 1 January 2026, Chapter 11, (online).

26 See Economic Regulation Authority, *ESM Rule 2.16C.2(a) Calculation results – Material Constrained Portfolio* spreadsheet on the Economic Regulation Authority's website, Portfolio Assessment, (online).

27 Economic Regulation Authority, 14 October 2025, *Portfolio Identification and Material Portfolio Determination*, pp. 3-6, (online).

28 Ibid, (online).

29 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16B.3, (online).

30 Australian Energy Market Operator, 'Operational Constraints Library', (online).

3. Material Constrained Portfolio identification

After identifying the Constrained Portfolios over a Rolling Test Window, the ERA must determine the Material Constrained Portfolios by calculating and applying the materiality threshold specified in the ESM Rules to the constrained uplift payment ratio (see section 3.1). The ratio is a percentage of the number of dispatch intervals where a network constraint bound where any Registered Facilities within the relevant Constrained Portfolio received Energy Uplift Payments.

A Material Constrained Portfolio is a Constrained Portfolio that meets or exceeds the 10 per cent threshold in its constrained uplift payment ratio. The ERA has notified Market Participants that have Registered Facilities allocated to a Material Constrained Portfolio. The ERA monitors any prices offered by the Market Participant in the real time market in line with the market power test.[31, 32]

3.1 Constrained uplift payment ratio

The ERA has identified those Constrained Portfolios that have received Energy Uplift Payments in 10 per cent or more relevant dispatch intervals within the Rolling Test Window.[33] Where this occurs, the Constrained Portfolio is deemed to be a Material Constrained Portfolio and the Facilities within each Material Constrained Portfolio are considered to have the potential to exercise localised market power when located behind a network constraint. The calculation of the constrained uplift payment ratio is:[34]

$$Constrained\ uplift\ payment\ ratio = \frac{CP\_UP}{NC} x\ 100$$

where:

CP_UP is the number of dispatch intervals in the Rolling Test Window or Fixed Assessment Period (as applicable) in which:

1. the constraint equation relevant to the identification of the Constrained Portfolio identified under ESM Rule 2.16B.2(a) bound; and

2. a Registered Facility in the Constrained Portfolio received an Energy Uplift Payment; and

NC is the total number of dispatch intervals in the Rolling Test Window or Fixed Assessment Period (as applicable) in which the constraint equation relevant to the identification of the Constrained Portfolio bound.

31 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.2(d), (online).

32 Ibid, Rule 2.16C.4, (online).

33 This includes any Fixed Assessment Periods during the rolling test window which is a period of at least seven consecutive trading days in which a relevant constraint equation has bound continuously within a rolling test window. This is defined in the Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.2(a), (online).

34 Electricity System and Market Rules (WA), 1 January 2026, Rule 2.16C.2(a), (online).

3.2 Constrained uplift payment ratio calculation results

The constrained uplift payment ratio calculation is applied to the Rolling Test Window and in any relevant Fixed Assessment Periods.[35] The calculation returned 109 of 342 identified Constrained Portfolios with a non-zero result which means that these Portfolios have received constrained uplift payments during the time period. Full results of the calculation are provided in the spreadsheet accompanying this report on the ERA's website.[36]

3.3 Material Constrained Portfolios

The constrained uplift payment ratio calculation resulted in 35 Material Constrained Portfolios, capturing a total of 35 different Facilities belonging to ten different Market Participants.

3.4 Market Participants and Facilities in a Material Constrained Portfolio

Table 1: Market Participants and their Facilities that are part of a Material Constrained Portfolio contains a list of Market Participants with Facilities that are part of a Material Constrained Portfolio. For a detailed list of all Material Constrained Portfolios identified as part of this report, refer to the accompanying spreadsheet published on the ERA's website.[37] The ERA notifies Market Participants with Facilities that are part of a Material Constrained Portfolio via email about our findings.

Table 1: Market Participants and their Facilities that are part of a Material Constrained Portfolio

Market Participant	Facility
Bluewaters Power 1 Pty Ltd	BW1_BLUEWATERS_G2
Bluewaters Power 2 Pty Ltd	BW2_BLUEWATERS_G1
Synergy	MUJA_G7 MUJA_G8 MUNGARRA_GT1 MUNGARRA_GT3 PINJAR_GT1 PINJAR_GT2 PINJAR_GT3 PINJAR_GT4 PINJAR_GT5 PINJAR_GT7 PINJAR_GT9 PINJAR_GT10 PINJAR_GT11

35 Economic Regulation Authority, *WEM Procedure: Portfolio Determination*, 27 November 2024, 4.2.1, (online).

36 Economic Regulation Authority, *Portfolio Assessment*, (online).

37 Economic Regulation Authority, *Portfolio Assessment*, (online).

Market Participant	Facility
	COCKBURN_CCG1 COLLIE_G1 KEMERTON_GT11 KEMERTON_GT12 KWINANA_GT2 KWINANA_GT3 WEST_KALGOORLIE_GT2 WEST_KALGOORLIE_GT3
NewGen Power Kwinana Pty Ltd	NEWGEN_KWINANA_CCG1
SRV GRSF Pty Ltd as Trustee for GRSF Trust	GREENOUGH_RIVER_PV1
BEI WWF Pty Ltd as Trustee for WWF Trust	WARRADARGE_WF1
Alinta Sales Pty Ltd	ALINTA_WGP_GT ALINTA_PNJ_U1 ALINTA_WGP_GT ALINTA_WGP_U2
Tesla Geraldton Pty Ltd	TESLA_GERALDTON_G1
Tronox Management Pty Ltd	TIWEST_COG1
SRV AGWF Pty Ltd as Trustee for AGWF Trust	ALBANY_WF1 GRASMERE_WF1

Source: ERA assessment of WEM data

3.5 Comparison to the previous determination

The differences between the most recent and previous Roling Test Windows are detailed below:

- Table 2 is the number of constraint equations identified to have bound.
- Table 3 is the number of unique constrained portfolios identified.
- Table 4 is the number of unique Facilities that were part of a Material Constrained Portfolio.
- Table 5 is the number of unique Market Participants that have Facilities that are part of a Material Constrained Portfolio.

Table 2: Number of constraint equations identified

Rolling Test Window	Number of constraint equations identified
Q4 2025	72
Q3 2025	59

Source: ERA analysis of WEM data

Table 3: Number of unique constrained portfolios identified

Rolling Test Window	Number of unique constrained portfolios
Q4 2025	342
Q3 2025	243

Source: ERA analysis of WEM data

Table 4: Number of unique Facilities within Material Constrained Portfolios

Rolling Test Window	Number of unique Facilities
Q4 2025	35
Q3 2025	23

Source: ERA analysis of WEM data

Table 5: Number of unique Market Participants that have Facilities in a Material Constrained Portfolio

Rolling Test Window	Number of unique Market Participants
Q4 2025	10
Q3 2025	8

Source: ERA analysis of WEM data

Appendix 1 List of Tables