

AEMO non-compliance with the ERA Regulatory Reporting Guideline

WEM Rule/s breached [ERA investigation reference]	Breach date	Breach details
Breaching participant Australian Energy Market Operator (AEMO)		
2.22A.8 [INV-2183]	31/10/2023	AEMO did not include Statements of Financial Position and Cashflows and some required information in relation to project expenditure and risks in its 2022/23 WA Financial Reports and so did not comply with the ERA's AEMO Regulatory Reporting Guideline.
2.22A.7(b) [INV-2197]	28/06/2024	AEMO did not include Statements of Financial Position and Cashflows in its 2024/25 WA Budget and so did not comply with the ERA's AEMO Regulatory Reporting Guideline.
2.22A.8 [INV-2183]	3/10/2024	AEMO did not include Statements of Financial Position and Cashflows and some required information in relation to project expenditure and risks in its 2023/24 WA Financial Reports and so did not comply with the ERA's AEMO Regulatory Reporting Guideline.

Breaching participant action

AEMO accepted that it had breached the relevant Wholesale Electricity Market Rules on three occasions and advised that it would be unable to provide Western Australian specific Statements of Financial Position and Cashflows until changes to its financial management system have been implemented.

ERA action

The ERA has written to AEMO to advise that AEMO breached the rules listed above.

The Coordinator of Energy is currently conducting an Allowable Revenue Framework Review. The ERA has written to the Coordinator for Energy to ask that AEMO's regulatory reporting obligations be included in the scope of the current Allowable Revenue Framework Review.

When the Allowable Revenue Framework Review has concluded, it is expected that AEMO will incorporate and implement any changes required to ensure its ongoing compliance with its regulatory and financial reporting obligations.

The ERA does not believe that AEMO's project management reporting, as required by the ERA's AEMO Regulatory Reporting Guideline, is dependent on changes to AEMO's financial management system. The ERA therefore expects AEMO to meet its project reporting obligations without having to wait for the outcome of the Allowable Revenue Framework Review.