27 July 2026

Economic Regulation Authority (ERA)

Via ERA website: https://www.erawa.com.au/

WEM Procedure Change EEPC_2026_02: Monitoring Protocol

Alinta Energy welcomes the opportunity to provide feedback on the proposed WEM Procedure Change for the Monitoring Protocol (Protocol).

Participants' understanding of how their compliance is monitored is can support strong compliance outcomes. We consider this is a key reason underlying the requirements in the ESM rules for the Protocol. Greater transparency regarding the ERA's monitoring approach enables participants to design, target and refine their own internal controls and assurance processes to focus on the areas of greatest compliance risk. At present, the Protocol and the Compliance Framework and Strategy and related documents provide limited information on how compliance is monitored in practice. We consider the Protocol should operate as the single source of truth for market participants and set out all material aspects of the ERA's compliance monitoring methodology.

The following table provides our detailed feedback.

Alinta Energy Recommendation	**Rationale**
The investigation reporting process should promote procedural fairness by ensuring appropriate and transparent consideration of evidence relied upon and participant responses.	The final and preliminary investigation reports should identify the material evidence relied upon in reaching its findings and the final report should explain how the ERA has considered information provided by the participant in response to the preliminary report. Where material submissions or evidence are not accepted, the report should provide reasons for that conclusion. This promotes procedural fairness, transparency, confidence in the investigation process and allows participants to understand the basis on which findings have been reached.
The requirement of the ERA to notify as to whether they have decided to investigate should be unconditional.	It is unclear how notification could prejudice an investigation. We consider that delayed notification may instead undermine procedural fairness. Timely notification also promotes better compliance outcomes. Providing prompt notice enables participants to investigate potential issues, and implement corrective actions to prevent non-compliance from continuing or recurring. It also supports collaborative, transparent and good-faith engagement between the ERA and market participants,

	reducing the likelihood of unnecessarily prolonged investigations and supporting compliance. If any exception is to remain, it should be limited to clearly defined circumstances.
Participants should be notified where AEMO or Western Power reports that they have breached.	For similar reasons to the above, delaying notification risks prolonging potential breaches, and creating an unnecessarily adversarial regulatory process.
ERA should consider public interest in deciding whether to investigate.	This would enable consideration of the alleged breach in the context of the broader market, the individual circumstances as well as the importance of the investigation in the context of other matters that the ERA has on foot at any point in time. This will assist in ensuring resources are always focused on the right matters at the right time.
Update figure 1 for consistency with document	Figure 1 appears to suggest, based on the flow of the arrows, that all matters proceed to investigation. This seems inconsistent with the narrative description later in the document, which indicates that matters assessed as having a low baseline risk would generally not be investigated. The process flow should be revised to clearly reflect that investigation is intended to be the exception rather than the default outcome.
Publish baseline risk assessments	This would provide greater certainty to participants, improve self-monitoring capabilities, and assist participants in understanding how compliance risks are assessed. The ESM Rules carrying the highest potential market impacts and risks should be identified as priority compliance areas and the primary focus of the ERA's compliance resources.
Establishing a default closure timeframe.	The application of baseline risk ratings to self-reported breaches appears as though it should be a relatively straightforward and timely assessment. The Protocol should provide greater certainty regarding when Market Participants can consider a self-report closed. For example, consideration could be given to a default closure timeframe of six months where the ERA has not initiated further action. This would reduce unnecessary administrative burden, avoid leaving participants with open-ended compliance exposures, and allow the ERA (and participants) to appropriately focus resources. ERA would maintain appropriate discretion to extend the review period where justified by the circumstances. A shorter timeframe could be used for self-reports that satisfy the criteria under 5.4.4.
Clarifying next steps where a breach report is not validated.	In relation to section 5.3.2, it would be useful to clarify the outcome where a breach report is not validated. The Protocol should clearly explain whether the matter is closed, whether any notification is provided to the participant, and how this outcome is recorded
Clarify how gains are	In the description of risk factors, it should be clarified that the

considered	materiality of a participant's gain should be relevant – progressing based on whether a participant gained without a view to materiality could lead to efforts being disproportionate to outcomes.
Whether a participant self-reported should be a relevant factor in considering compliance actions	Self-reporting and early engagement can be indicators of a positive compliance culture and should therefore be treated as a mitigating factor when the ERA is deciding whether, and how, to take compliance action.

Thank you for your consideration of Alinta Energy's submission. If you would like to discuss this further, please contact [redacted]

Yours sincerely,

[redacted]