



Economic Regulation Authority

# WEM Procedure

~~Portfolio Determination~~ Portfolio Assessment

Effective ~~27 November 2024~~ 1 July 2026

<b>Prepared by:</b>	Energy Markets Division
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<b>Name:</b>	Jenness Gardner
<b>Title:</b>	Chief Executive Officer, Economic Regulation Authority

## VERSION HISTORY

Version	Effective Date	Notes
1	1 October 2023	Creation of WEM Procedure for New Market (Procedure Change Proposal EEPC_2023_02)
2	27 November 2024	Update following FCESS review associated rule changes made by Wholesale Electricity Market Amendment (FCESS Cost Review) Rules 2024.
<a href="#">3</a>	<a href="#">1 July 2026</a>	<p><a href="#">Updated reference to Electricity System and Market Rules (from Wholesale Electricity Market Rules).</a></p> <p><a href="#">Updated example in Explanatory Note 1 to provide further clarification about how Facilities are allocated to Portfolios.</a></p> <p><a href="#">Form to request guidance about Offer Construction Guideline has been changed to a link to the ERA's website where the form can be requested.</a></p> <p><a href="#">Removed the Amended wording on 'practical influence' test to align with the ESM Rules. <del>to be more in line with the ESM Rules.</del></a></p>

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## 1. Procedure overview

### 1.1 Relationship with the ~~WEM~~ ESM Rules

- 1.1.1 This WEM Procedure sets out the methodology and processes by which the Economic Regulation Authority (ERA) makes a ~~Portfolio Determination–Assessment~~ determination in accordance with the ~~Wholesale Electricity Market Rules (WEM Rules)~~ Electricity System and Market Rules (ESM Rules) [~~WEM~~ ESM Rule 2.16D.15].
- 1.1.2 This WEM Procedure: ~~Portfolio Determination–Assessment~~ must be read in conjunction with ~~WEM Rule~~ ESM Rules 2.16A to 2.16E and is made in accordance with the ERA's functions under those Rules.

### 1.2 Interpretation

- 1.2.1 In this WEM Procedure, unless the contrary intention is expressed:
- (a) Terms used have the same meaning as those given in the ~~WEM Rule~~ ESM Rules (made pursuant to the *Electricity Industry (Electricity System and Market/Wholesale Electricity Market) Regulations 2004* (~~ESM~~ WEM Regulations)).
  - (b) To the extent that this procedure is contrary or inconsistent with the ~~WEM Rule~~ ESM Rules, the ~~WEM Rule~~ ESM Rule shall prevail to the extent of the inconsistency.
  - (c) A reference to the ~~WEM Rule~~ ESM Rules or WEM Procedures includes any associated forms required or contemplated by the ~~WEM Rule~~ ESM Rules or WEM Procedures.
  - (d) Words expressed in the singular include the plural and vice versa.
- 1.2.2 References to the ~~WEM Rule~~ ESM Rules in this Procedure in square brackets [~~WEM Rule~~ ESM Rule #] are included for convenience only and do not form part of this Procedure.
- 1.2.3 References to ~~WEM Rule~~ ESM Rules within this WEM Procedure are to the ~~WEM Rule~~ Rules as in force at 1 April 2026 ~~20 November 2024~~.<sup>1</sup>
- 1.2.4 Terms defined in the *Electricity Industry Act 2004*, the ~~ESM~~ WEM Regulations and the ~~WEM Rule~~ ESM Rules have the same meanings in this Procedure unless the context requires otherwise.

### 1.3 Purpose of this procedure

- 1.3.1 This WEM Procedure: ~~Portfolio Determination~~ Portfolio Assessment is developed to meet the requirement of ~~WEM Rule~~ ESM Rule 2.16D.15 to document:
- (a) The methodologies and processes to be followed by the ERA in relation to:

<sup>1</sup> [https://www.wa.gov.au/system/files/2024-07/wholesale\\_electricity\\_market\\_rules\\_-\\_27\\_july\\_2024.pdf](https://www.wa.gov.au/system/files/2024-07/wholesale_electricity_market_rules_-_27_july_2024.pdf) *Electricity System and Market/Wholesale Electricity Market Rules (WA)*, (as at 20 November 2024/1 April 2026), ([online](#)).

- (i) Identifying each Portfolio and Constrained Portfolio operating in the Wholesale Electricity Market pursuant to [WEM Rule ESM Rules 2.16B.1\(a\)](#) and [2.16B.2](#), respectively (see section 3);
  - (ii) Carrying out the calculations under [WEM Rule ESM Rules 2.16C.1\(a\)](#) and [2.16C.2\(a\)](#) in relation to identifying each Material Portfolio and Material Constrained Portfolio, respectively (see section 4.1, 4.2); and
  - (iii) Monitoring prices offered by a Market Participant under [WEM Rule ESM Rule 2.16C.4](#), and making determinations under [WEM Rule ESM Rules 2.16C.6](#) and [2.16C.7](#) (see section 2.3) in relation to those price offers.
- (b) The types and format of the information, and level of detail required to be maintained or recorded by a Market Participant to enable the ERA to carry out its monitoring of price offers under [WEM Rule ESM Rule 2.16C.4](#) (see section 5).
  - (c) Details of the processes the ERA and Market Participants must follow in respect to a request for guidance under [WEM Rule ESM Rule 2.16D.5](#), which may include a template that a Market Participant must use for making a request (see section 6).
  - (d) The form and process for making a declaration under clause 2.16B.4.

#### 1.4 Application of this procedure

- 1.4.1 In this WEM Procedure where obligations are conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations [[WEM Rule ESM Rule 2.9.8](#)].

#### 1.5 Associated market procedures and guidelines

- 1.5.1 WEM Procedure: Monitoring Protocol (ERA Procedure)
- 1.5.2 WEM Procedure: ERA triggering the SESSM (ERA Procedure)
- 1.5.3 Offer Construction Guideline
- 1.5.4 Trading Conduct Guideline

#### 1.6 Conventions used

- 1.6.1 In this WEM Procedure, the conventions specified in [WEM Rule ESM Rules 1.3](#) to [1.5](#) apply.
- 1.6.2 Explanation boxes, headings and comments, including those in footnotes are for convenience only and do not affect the interpretation of these [WEM Rule ESM Rules](#).

## 2. Participant Obligations

### 2.1 General trading obligations and Materiality Test Obligations

- 2.1.1 Market Participants are prohibited from:

- (a) Engaging in conduct in the STEM or Real-Time Market that:
  - (i) Is false, misleading or deceptive, or likely to mislead or deceive.
  - (ii) Is fraudulent, dishonest or in bad faith.
  - (iii) Has the purpose, or has or is likely to have the effect, of distorting or manipulating prices in the WEM.

[~~WEM Rule~~[ESM Rule 2.16A.3](#)].

- (b) Making an Irregular Price Offer in their Real-Time Market Submissions or STEM Portfolio Supply Curve that results in an inefficient market outcome. [~~WEM Rule~~[ESM Rule 2.16C.5](#)]. [The Offer Construction Guideline provides information on constructing offers in a way that does not result in inefficient market outcomes.]

## 2.2 ERA Guidelines

- 2.2.1 To help guide Market Participants on their general trading obligations ([as outlined in section 2.1.1 of this Procedure](#)), the ERA maintains an Offer Construction Guideline and Trading Conduct Guideline in accordance with ~~WEM Rule~~[ESM Rule 2.16D.1](#).<sup>2</sup>
- 2.2.2 The ERA may amend any of these guidelines at any time consistent with the procedure set out under ~~WEM Rule~~[ESM Rule 2.16D](#). The ERA may amend the guidelines in situations including:
  - (a) When new technologies with materially different cost components enter the market.
  - (b) As a result of new information gathered as part of the Supplementary Essential System Services Mechanism.
  - (c) Following any judicial or quasi-judicial decisions relating to matters covered by the guidelines.

## 2.3 ERA Monitoring and Investigation

- 2.3.1 The ERA's WEM Procedure Monitoring Protocol sets out how the ERA will monitor, investigate and enforce compliance with the ~~WEM Rule~~[ESM Rules](#) and WEM Procedures.<sup>3</sup> The ERA will conduct any investigation of suspected breaches in accordance with the WEM Procedure Monitoring Protocol and ~~WEM Rule~~[ESM Rule 2.13.27](#).
- 2.3.2 When monitoring compliance with the price offer obligations, the ERA monitors:

<sup>2</sup> Economic Regulation Authority, 1 February 2025, *Offer Construction Guideline*, ([online](#)).

Economic Regulation Authority, 1 February 2025, *Trading Conduct Guideline*, ([online](#)).

<sup>3</sup> Economic Regulation Authority, 14 September 2023, *WEM Procedure Monitoring Protocol*, ([online](#)).

- (a) The prices offered by a Market Participant in its STEM Portfolio Supply Curve.<sup>4</sup>
- (b) The prices offered by a Market Participant in its Real-Time Market Submissions for each of its Registered Facilities.<sup>5</sup>

[~~WEM Rule~~ESM Rule 2.16C.4].

2.3.3 To determine if a Market Participant has not met the obligations under Section 2.16A of the ~~WEM Rule~~ESM Rules, the ERA will consider if:

- (a) The price offered was an Irregular Price Offer [~~WEM Rule~~ESM Rule 2.16C.6].
- (b) The Irregular Price Offer resulted in an inefficient market outcome [~~WEM Rule~~ESM Rules 2.16C.5 and 2.16C.7].

2.3.4 In determining whether a Market Participant has engaged in conduct prohibited by ~~WEM Rule~~ESM Rule 2.16A.3, the ERA may consider:

- (a) Historical STEM Submissions or Real-Time Market Submissions made by the Market Participant with effect on or after the New WEM Commencement Day, including changes to STEM Submissions and Real-Time Market Submissions in which there is, or there appears to be, a pattern of behaviour that may indicate such conduct was engaged in.
- (b) The timeliness and accuracy of a Market Participant's Forced Outage notifications.
- (c) Information regarding whether the Market Participant did not comply with a Dispatch Instruction in respect of its Facility and the reasons for the non-compliance.
- (d) Any other information the ERA considers relevant to its determination.

[~~WEM Rule~~ESM Rule 2.16A.4]

2.3.5 The ERA may consider that a Market Participant made a STEM Submission or a Real-Time Market Submission in bad faith notwithstanding that the intention of the Market Participant is ascertainable only by inference from:

- (a) the conduct of the Market Participant
- (b) the conduct of any other person
- (c) the relevant circumstances.

[~~WEM Rule~~ESM Rule 2.16A.6]

2.3.6 The ERA must investigate and determine, whether an Irregular Price Offer has resulted in an inefficient market outcome, no later than six

<sup>4</sup> The process for the ERA to determine Material Portfolios is provided in section 3 of this WEM Procedure.

<sup>5</sup> The process for the ERA to determine Material Constrained Portfolios is provided in section 3 of this WEM Procedure.

months from the day the ERA commenced its investigation [~~WEM Rule~~ESM Rule 2.16C.8 and ~~WEM Rule~~ESM Rule 2.16C.8A].

### 3. Portfolio ~~a~~Assessment [~~WEM Rule~~ESM Rule 2.16B]

#### 3.1 Annual ERA assessment of portfolios

3.1.1 Declarations from Market Participants required by paragraphs 3.1.4 and 3.1.5 of this WEM Procedure, must be provided to the ERA, by the Market Participant, by 1 August of each year [ESM Rule 2.16B.4(a)]. ~~See also paragraph 3.1.11 regarding the timing for providing a declaration when a new Facility is registered to a Market Participant or there is a change in the registration, ownership or control of a Facility.~~

3.1.2 The ERA will by 1 October of each year, identify each Portfolio operating in the WEM by applying the following principles:

- (a) Each Scheduled Facility, Semi-Scheduled Facility and Non-Scheduled Facility must be allocated to a Portfolio.
- (b) Registered Facilities which are registered to the same Market Participant, or wholly or partly owned by the same entity (either directly or indirectly), or wholly or partly controlled by the same entity (either directly or indirectly), must be allocated to the same Portfolio.
- (c) A Registered Facility must not be allocated to a Portfolio containing another Registered Facility unless it is required by ~~WEM Rule~~ESM Rule 2.16B.1(a)(iv).

~~WEM Rule~~ESM Rule 2.16B.1(a)]

3.1.3 The ERA will use the Facility registration information provided by AEMO, and as recorded on the AEMO website.<sup>6</sup>

3.1.4 Market Participants must declare to the ERA the list of Facilities registered to all of their associated entities and the parent entity by completing the form provided in Appendix 2.

3.1.5 Market Participants must declare to the ERA their control of any Registered Facilities that are registered to another Market Participant by completing the form provided in Appendix 2.

3.1.6 A Market Participant is deemed to have control of a Registered Facility where the Market Participant:

- (a) Can determine the outcome of decisions about financial and operating policies that influence Market Submissions.
- (b) Has the authority to directly or indirectly control Market Submissions to the STEM or Real-Time Market.

<sup>6</sup> Australian Energy Market Operator, 'Market Data Western Australia – Facilities', ([online](#)) [accessed 23 March 2026].

- 3.1.7 A Registered Facility could be deemed to be controlled by more than one Market Participant. This means that a Registered Facility may belong to more than one Portfolio.
- 3.1.8 When identifying which Market Participant or other entity has control of a Registered Facility, the ERA will, among other matters, consider:
- ~~(a) The practical influence that the Market Participant, its associated entity or other entity, can directly or indirectly exert over the Registered Facility's offers to the WEM in terms of both price and quantities of services offered. An example of indirect influence on offers is influence on financial or operating policies that is likely to influence Market Submissions to the STEM as well as the Real Time Market.~~
- ~~(b)~~(a) The authority of the Market Participant, its associated entity or other entity, to introduce and implement financial or operating policies for the Registered Facility.
- 3.1.9 Where multiple Market Participants or other entities have the authority to control a Facility's offers to the WEM, the Market Participant to whom the Facility is registered is responsible for advising the ERA which Market Participant or entity has operational control of the Facility.

**Explanatory Note 1**

When allocating an individual Facility to a Portfolio, the ERA considers the Market Participant or entity to whom the Facility is:

- Registered
- Owned
- Controlled.

In many cases, Portfolios will comprise of Facilities registered to the same Market Participant, because many Facilities are registered to Market Participants that operationally control and own Facilities.

However, sometimes, Facilities registered to different Market Participants will be assigned to the same Portfolio based on shared ownership or control structures. To help demonstrate this point, the example below shows a range of possible ownership, control and registration structures.

In this example:

**FAC A and FAC B** share the same ownership interests (Owner R & Owner S) and are controlled by the same entity (Controller X). However, they are registered to different Market Participants (MP 001 & MP 002).

**FAC C** shares a common owner (Owner S) with FAC A and FAC B, creating a link between the Facilities. Although FAC C is registered to a different Market Participant (MP 003), the shared ownership interest means it may still form part of the same Portfolio as A and B under the ERA's assessment.

**FAC D** does not share any ownership or control relationships with the other Facilities and therefore forms its own standalone Portfolio.

This example demonstrates how Portfolios may include Facilities registered to different Market Participants where ownership or control connections exist, and how Facilities with no such relationships will be allocated to separate Portfolios.

**Table 1**

<u>Facility</u>	<u>Market Participant</u>	<u>Owner 1</u>	<u>Owner 2</u>	<u>Owner 3</u>	<u>Controller</u>
<u>FAC A</u>	<u>MP_001</u>	<u>Owner_R</u>	<u>Owner_S</u>		<u>Controller_X</u>
<u>FAC B</u>	<u>MP_002</u>	<u>Owner_R</u>	<u>Owner_S</u>		<u>Controller_X</u>
<u>FAC C</u>	<u>MP_003</u>	<u>Owner_T</u>	<u>Owner_S</u>		<u>MP_003</u>
<u>FAC D</u>	<u>MP_004</u>	<u>Owner_U</u>	<u>Owner_V</u>	<u>Owner_W</u>	<u>MP_004</u>

Based on the analysis performed in Table 1, we are able to allocate Facilities to the following Portfolios.

**Table 2**

Portfolio 1	Portfolio 2	Portfolio 3
<a href="#">FAC A</a> <a href="#">FAC B</a>	<a href="#">FAC A</a> <a href="#">FAC B</a> <a href="#">FAC C</a>	<a href="#">FAC D</a>
<a href="#">FAC A and FAC B are allocated to Portfolio 1 based on shared ownership and shared control structures.</a>		
<a href="#">FAC A, FAC B and FAC C are allocated to Portfolio 2 based on common ownership.</a>		
<a href="#">FAC D is allocated to its own Portfolio because it does not share common ownership or control with any other Facility.</a>		
<p>The ERA will consider the entity a Facility is registered to as the first indicator of operational control of Facilities when allocating Facilities to Portfolios. In many cases Portfolios will comprise Facilities registered to the same Market Participant, because many Facilities are registered to Market Participants that operationally control Facilities. However, the ERA will also consider who controls a Facility, for example, through association or contractual arrangements.</p> <p>To help demonstrate this point, the example below shows a range of possible ownership or control structures of Facilities:</p> <ul style="list-style-type: none"> <li>• Facilities A, B, C and D are registered to Market Participant Z.</li> <li>• Facilities E, F, G and H are registered to Market Participant Y.</li> <li>• Entity W and Entity V are not Market Participants.</li> <li>• Market Participant Z advised the ERA that:                             <ul style="list-style-type: none"> <li>- It has operational control of Facility A and E.</li> <li>- Entity W has operational control of Facility C.</li> <li>- Entity V has operational control of Facility D.</li> </ul> </li> <li>• Market Participant Y advised the ERA that:                             <ul style="list-style-type: none"> <li>- It has operational control of Facility B, F and G.</li> <li>- Market Participant Z has operational control of Facility E.</li> <li>- Entity W has operational control of Facility H.</li> </ul> </li> </ul>		
<p><b>Example of allocating Portfolios</b></p>		
	Facilities registered to Market Participant Z	Facilities registered to Market Participant Y
<b>Portfolio 1</b> (controlled by Market Participant Z)	Facility A	Facility E
<b>Portfolio 2</b> (controlled by Market Participant Y)	Facility B	Facility F and Facility G
<b>Portfolio 3</b> (controlled by Entity W)	Facility C	Facility H

<b>Portfolio 4</b> (controlled by Entity V)	Facility D	
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3.1.10 The ERA will publish a list on its website specifying the name of each Registered Facility within each identified Portfolio, within 10 Business Days of identifying each Portfolio [~~WEM Rule~~ ESM Rule 2.16B.1(b)] and within 20 Business Days of a declaration provided under ~~WEM Rule~~ ESM Rule 2.16B.4(b) or 2.16B.4(c), update the published list [~~WEM Rule~~ ESM Rule 2.16B.5].

(a) Any list published on the ERA website will be included in a Portfolio Assessment report.

### Updates to the list of identified Portfolios

3.1.11 In addition to the obligation for Market Participants to provide declarations to the ERA by 1 August each year (see 3.1.1), Market Participants must provide declarations to the ERA:

(a) Within 30 Business Days of registering a new Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility; and

(b) Within 30 Business Days of a change in registration or ownership of a Scheduled Facility, Semi-Scheduled Facility or Non-scheduled Facility currently registered in the WEM.

[ESM Rule 2.16B.4]

3.1.12 A declaration by a Market Participant in accordance with paragraph 3.1.11 is to be made by completing the form provided in Appendix 2 [ESM Rule 2.16D.15(d)]

3.1.13 Within 20 Business Days of receiving a declaration from a Market Participant under 3.1.11(a) or (b), the ERA must update the list of Portfolios. [ESM Rule 2.16B.5]

~~3.1.10 Market Participants must provide declarations to the ERA:~~

~~(a) By 1 August of each year; and~~

~~(b) Within 30 Business Days of registering a new Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility; and~~

~~(c) Within 30 Business Days of a change in registration or ownership of a Scheduled Facility, Semi-Scheduled Facility or Non-scheduled Facility currently registered in the WEM.~~

~~[WEM Rule 2.16B.4]~~

~~A declaration by a Market Participant in accordance with paragraph 3.1.11 is to be made by completing the form provided in Appendix 2.~~

~~[WEM Rule 2.16D.15(d)]~~

### Confidentiality of Information

Information provided by Market Participants relating to ownership, registration and/or control of a Facility will be considered Public Information by the ERA unless the Market Participant considers the information to be Confidential Information and makes a submission as set out in ESM Rule 10.2.7.

## Constrained portfolios

~~3.1.11~~3.1.14 Within 20 Business Days of the Settlement Date determined under ~~WEM Rule~~ESM Rule 9.3.1(d) for the Trading Week containing the last Trading Day of each Rolling Test Window, the ERA will identify:

- (a) Each Constraint Equation for a Network Constraint that bound during one or more Dispatch Intervals in the Rolling Test Window.<sup>7</sup>
- (b) Each Constrained Portfolio for each Constraint Equation identified above. A Constrained Portfolio, for a Constraint Equation, is a set comprising all the Registered Facilities within a single Portfolio that are located behind the relevant Network Constraint.

~~[WEM Rule~~ESM Rule 2.16B.2]

~~3.1.12~~3.1.15 The ERA may specify a Registered Facility within more than one Constrained Portfolio [~~WEM Rule~~ESM Rule 2.16B.3].

## 4. Portfolio assessments [~~WEM Rule~~ESM Rule 2.16C]

### 4.1 Material ~~Portfolio Determination~~Portfolio Assessment [~~WEM Rule~~ESM Rule 2.16C.1]

4.1.1 The ERA will within 10 Business Days of identifying each Portfolio as detailed in section 3.1 of this WEM Procedure, calculate the Portfolio percentage share of the total maximum sent out capacity of all Registered Facilities assigned to a Portfolio, and identify each Portfolio where the value determined is equal to or greater than 10 per cent. Such identified portfolios are deemed to be a Material Portfolio.

4.1.2 The ERA will calculate Portfolio percentage share as follows:

$$\text{MSOC\_Share}(p) = \frac{\sum_{f \in p} \text{MSOC}(f)}{\sum_{f \in \text{Facilities}} \text{MSOC}(f)} \times 100$$

where:

- (a) MSOC(f) is the maximum sent out capacity specified for Registered Facility f in Appendix 1(b)(v), Appendix 1(c)(v) or Appendix 1(d)(v) as applicable.

<sup>7</sup> A dispatch interval means each 5-minute period commencing at 0, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55 minutes past the hour, as specified in Chapter 11 of the Electricity System and Market Rules.

- (b)  $f \in p$  denotes all Scheduled Facilities, Semi-Scheduled Facilities and Non-Scheduled Facilities  $f$  assigned to Portfolio  $p$ .
- (c)  $f \in F$  denotes all Scheduled Facilities, Semi-Scheduled Facilities and Non-Scheduled Facilities assigned to a Portfolio identified under [WEM Rule ESM Rule 2.16B.1\(a\)](#).

[~~WEM Rule ESM Rule~~ 2.16C.1(a)]

4.1.3 The ERA will, within 10 Business Days of identifying each Material Portfolio, publish a list specifying the name of each Registered Facility within each identified Portfolio and the results of the calculation on its website and notify each Market Participant that has a Registered Facility assigned to a Material Portfolio [~~WEM Rule ESM Rule~~ 2.16C.1(c)].

- (a) Unless otherwise specified, Market Participants identified under ESM Rule 2.16C.1(c)(ii) will be notified in writing via letter.

~~4.1.34.1.4~~ Each set of Material Portfolios identified by the ERA replaces the previous set of Material Portfolios identified with effect from the time that the ERA publishes the results of the relevant calculations on the ERA's website [~~WEM Rule ESM Rule~~ 2.16C.1A].

## 4.2 **Material Constrained Portfolio ~~Determination Assessment~~ [~~WEM Rule ESM Rule~~ 2.16C.2]**

4.2.1 The ERA must, not more than 20 Business Days after the Settlement Date determined under [WEM Rule ESM Rule](#) 9.3.1(d) for the Trading Week containing the last Trading Day of a Rolling Test Window:

- i. Calculate for that Rolling Test Window, as a percentage, the Constrained Uplift Payment Ratio (see clause 4.2.5 of this Procedure) for each Constrained Portfolio identified under paragraph ~~3.1.13(b)~~<sup>3</sup> of this Procedure; and
- ii. Calculate for any relevant Fixed Assessment Period, as a percentage, the Constrained Uplift Payment Ratio (see paragraph 4.2.5 of this Procedure) for each Constrained Portfolio identified under paragraph ~~3~~<sup>3</sup> ~~3.1.13(b)~~ of this Procedure; and
- iii. Publish the results of the calculation and the Material Constrained Portfolios identified for the relevant quarter on its website.

[~~WEM Rule ESM Rules~~ 2.16C.2(a) and (c)]

4.2.2 The Rolling Test Window is a period of three consecutive Trading Months, commencing at the start of the first Trading Day of a Trading Month and ending at the end of the last Trading Day of a Trading Month. A Rolling Test Window does not overlap with any other Rolling Test Window with a new Rolling Test Window commencing immediately after the end of the preceding Rolling Test Window. [~~WEM Rule ESM Rules~~ Chapter 11].

4.2.3 A Fixed Assessment Period is a period of at least seven consecutive Trading Days in which the Constraint Equation relevant to the

identification of a Constrained Portfolio under ~~WEM Rule~~ [ESM Rule 2.16B.2\(b\)](#) has continuously bound within or across a Rolling Test Window. A Rolling Test Window may contain multiple Fixed Assessment Periods [~~WEM Rule~~ [ESM Rules Chapter 11](#)].

4.2.4 The ERA will identify each Constrained Portfolio with a Constrained Uplift Payment Ratio equal to or greater than 10 per cent and notify each Market Participant with a Constrained Uplift Payment Ratio equal to or greater than 10 per cent of this outcome. Such constrained portfolios are defined as a Material Constrained Portfolio [~~WEM Rule~~ [ESM Rules 2.16C.2\(b\) and \(d\)](#)]. The ERA will publish the results of the calculations identifying each Material Constrained Portfolio [~~WEM Rule~~ [ESM Rule 2.16C.2\(c\)](#)].

4.2.5 The ERA will calculate the Constrained Uplift Payment Ratio as follows:

$$\text{Constrained Uplift Payment Ratio} = \frac{\text{CP\_UP}}{\text{NC}} \times 100$$

where:

- (a) CP\_UP is the number of Dispatch Intervals in the Rolling Test Window or Fixed Assessment Period (as applicable) in which:
  - i. The Constraint Equation relevant to the identification of the Constrained Portfolio identified under paragraph ~~3.1.14(a)~~~~3.1.15(a)~~~~3.1.13(a)~~.
  - ii. A Registered Facility in the Constrained Portfolio received an Energy Uplift Payment.
- (b) 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.

~~[WEM Rule~~ [ESM Rule 2.16C.2\(a\)](#)]

4.2.6 Each set of Material Constrained Portfolios identified replaces the previous set of Material Constrained Portfolios identified with effect from the time that the ERA publishes the results of the relevant calculations [~~WEM Rule~~ [ESM Rule 2.16C.2A](#)].

## 5. Market Participant information recording

5.1.1 By no later than three months from the date of receipt of a notice provided under ~~WEM Rule~~ [ESM Rules 2.16C.1\(c\)\(ii\) or 2.16C.2\(d\)](#), a Market Participant with Facilities (except Non-Scheduled Facilities) identified in a Material Portfolio or a Material Constrained Portfolio must commence maintaining adequate records (that are capable of independent verification) of the:

- (a) Internal governance arrangements the Market Participant has in place to comply with its obligations under ~~WEM Rule~~ [ESM Rule 2.16C.5](#).
- (b) Methods, assumptions and cost inputs the Market Participant used to develop the prices in the Portfolio Supply Curve offered in its STEM

Submissions or Standing STEM Submissions, including, for each relevant Facility.

- (c) Methods and cost inputs the Market Participant used to develop the prices offered, quantities and Ramp Rate Limits in its Real-Time Market Submissions or Standing Real-Time Market Submissions, including, for each relevant Facility.

~~[WEM Rule~~ESM Rule 2.16C.3]

- 5.1.2 The ERA will maintain and publish in the Offer Construction Guideline the list of information that Market Participants are required to record to demonstrate compliance with ~~WEM Rule~~ESM Rule 2.16C.5.

## 6. Request for guidance ~~[WEM Rule~~ESM Rule 2.16D.5]

- 6.1.1 The ERA aims to assist Market Participants to understand their obligations, noting that the responsibility for meeting obligations rests with individual Market Participants.

- ~~6.1.4~~6.1.2 The ERA intends that its guidance will be made public by default and confidential by exception.

- ~~6.1.26~~6.1.3 A Market Participant that has received a notice from the ERA, under ~~WEM Rule~~ESM Rules 2.16C.1(c)(ii) or 2.16C.2(d), that their Facility have been allocated to a Material Portfolio and/or Material Constrained Portfolio, may request guidance from the ERA in relation to the Offer Construction Guideline, including, for the purposes of the ERA's assessment (under ~~WEM Rule~~ESM Rules 2.16C.6 and 2.16C.6A) of prices offered, how the matters in the Offer Construction Guideline may apply to the Market Participant's Registered Facility [~~WEM Rule~~ESM Rule 2.16D.5].

- ~~6.1.36~~6.1.4 The ERA is not required to provide guidance to a Market Participant where the ERA considers that:

- (a) The Offer Construction Guideline already provides sufficient guidance on the matters raised in the request.
- (b) The request does not meet the requirements as set out in ~~WEM Rule~~ESM Rule 2.16D.6.
- (c) The cost the ERA would incur to provide the guidance sought in the request is unreasonable or excessive.
- (d) The request is substantially similar to a previous request considered by the ERA from the same Market Participant.

~~[WEM Rule~~ESM Rule 2.16D.10]

- 6.1.5 A Market Participant must provide sufficient information to enable the ERA to respond to its specific request for guidance.

A Market Participant must use the template provided in Appendix 1 for making a request for guidance [~~WEM Rule~~ESM Rule 2.16D.15(c)].

~~6.1.46.1.6~~ Within 20 Business Days of receipt of a request under ~~WEM Rule~~[ESM Rule 2.16D.5](#) for guidance, the ERA will consider the request and use reasonable endeavours to provide guidance on the matters specified in the request, unless the ERA has already commenced processing another request received under clause 2.16D.5, in which case the 20 Business Days timeframe will commence after the earlier request has been resolved [~~WEM Rule~~[ESM Rule 2.16D.7](#)].

~~Market Participant must provide sufficient information to justify and enable the ERA to respond to its specific request for guidance. The ERA will not respond to insufficiently defined requests for guidance on how a Market Participant could act in a broad range of scenarios.~~

~~6.1.56.1.7~~ The ERA may request further information from a Market Participant that has made a request for guidance. If, within 15 Business Days of the date of the ERA's request for further information, the Market Participant does not provide the information requested, or the ERA reasonably considers the information provided is not satisfactory, the Market Participant will be deemed to have withdrawn the relevant request [~~WEM Rule~~[ESM Rule 2.16D.8](#)].

~~6.1.66.1.8~~ Prior to the ERA deeming that the Market Participant has withdrawn a request under paragraph ~~1.1.16.1.6~~~~8~~, the ERA will contact the Market Participant who has provided unsatisfactory information, ~~and~~ the ERA will provide details to the Market Participant of the reason why the ERA has deemed the information provided to be unsatisfactory. ~~After providing~~~~ed~~ the clarifying details to the Market Participant, the ERA will add an additional five Business Days to the timeline under paragraph ~~6.1.66.1.8~~.

~~6.1.76.1.9~~ The ERA will consider requests for extensions of time where the Market Participant can demonstrate the provision of information under paragraphs ~~6.1.76.1.6 and 6.1.76.1.7 and 6.1.9~~, will take longer than that specified in the ~~WEM Rule~~[ESM Rules](#).

~~6.1.86.1.10~~ If the ERA issues a request for further information under ~~WEM Rule~~[ESM Rule 2.16D.8](#), the timeframe specified in ~~WEM Rule~~[ESM Rule 2.16D.7](#) for the ERA to provide the relevant guidance will recommence from the date the Market Participant has provided all of the further information requested by the ERA [~~WEM Rule~~[ESM Rule 2.16D.9](#)].

~~6.1.96.1.11~~ Any guidance provided by the ERA is not binding on the ERA, the Market Participant who made the request, or any other person, and the ERA may, at any time, reconsider, revise or withdraw any guidance provided to a Market Participant [~~WEM Rule~~[ESM Rule 2.16D.11](#)].

~~6.1.106.1.12~~ When investigating, the ERA must take into account any guidance provided to the Market Participant that is relevant to the matters being investigated [~~WEM Rule~~[ESM Rule 2.16D.12](#)].

~~6.1.146.1.13~~ Where the ERA provides guidance to a Market Participant, the ERA must consider whether the Offer Construction Guideline should be amended to reflect that guidance. Where the ERA considers that

amendments are required, the ERA must initiate an update to the Offer Construction Guideline as soon as practicable [~~WEM Rule~~ [ESM Rule 2.16D.13](#)].

~~6.1.12~~ [6.1.14](#) The ERA must publish on its website a copy of any guidance provided to a Market Participant after redacting all information that is confidential or commercially sensitive, including the name of the Market Participant to whom the guidance was provided. Where the ERA considers that the guidance cannot be redacted to ensure the identity of the Market Participant remains confidential, the ERA will not publish the guidance [~~WEM Rule~~ [ESM Rule 2.16D.14](#)].

[6.1.15](#) In the event the ERA determines that a guidance cannot be published under paragraph ~~6.1.14~~ ~~6.1.15~~ ~~6.1.13~~ the ERA will seek to publish a non-confidential example of the guidance provided.

## Appendix 1 Request for offer construction guidance

The form to request guidance about offer construction once a Market Participant has been identified as holding Material Portfolios and/or Material Constrained Portfolios under ESM Rules 2.16C.1(c)(ii) and/or 2.16C.2(d), respectively, can be found on the ERA's website.

~~A Market Participant that has received a notice from the ERA under clauses 2.16C.1(c)(ii) or 2.16C.2(d) of the WEM Rule ESM Rules may, in accordance with clause 2.16D.6, request guidance from ERA in relation to the Offer Construction Guideline. In making a request, Market Participants must follow the processes set out in clauses 2.16D.6 and as specified in the WEM Procedure: *Portfolio Determination* *Portfolio Assessment*.~~

~~Please submit your request for guidance using the template below to: [Market.Monitoring@erawa.com.au](mailto:Market.Monitoring@erawa.com.au)~~

~~Please clearly indicate if any provided information is commercial in confidence and also state the reasoning for why this information should be considered commercial in confidence.~~

### Section 1: Your details

Market Participant Code:	Required
Market Participant Name:	Required
Participant Contact Name:	First and last name (Required)
Participant Contact Email:	Required
Participant Contact Telephone:	Required
Please specify below (or attach) reason for seeking guidance:	Required



**Section 2: ERA notice received**

Date of notice (required)	
---------------------------	--

Applicable Facilities and their Portfolio Status (required)

Name of Facility	Material Portfolio	Material Constrained Portfolio
	☐	☐
	☐	☐
	☐	☐
	☐	☐
	☐	☐

*Please add additional lines as required.*

**Section 3: Matters requiring guidance**

Specify the matters in the Offer Construction Guideline on which the Market Participant is seeking guidance (required)

Matter in the Offer Construction Guideline	Guideline Reference

*Please add additional lines as required.*

**Section 4: Supporting material and information**

Where relevant, please provide as attachments supporting materials that illustrate or evidence the matters raised in this request

<i>Name of Supporting Material</i>	<i>Confirm Attached</i>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

*Please add additional lines as required.*

Please provide below (or attach) any other information that you believe is relevant to support your request for guidance:

## Appendix 2 Declaration of control of a Facility

The Economic Regulation Authority must, in accordance with this WEM Procedure, by 1 October each year, identify each Portfolio operating in the Wholesale Electricity Market by applying the following principles:

- a. Each Scheduled Facility, Semi-Scheduled Facility and Non-Scheduled Facility must be allocated to a Portfolio;
- b. Registered Facilities which are registered to the same Market Participant, or wholly or partly owned by the same entity, or wholly or partly controlled by the same entity must be allocated to the same Portfolio; and
- c. a Registered Facility must not be allocated to a Portfolio containing another Registered Facility unless it is required by [WEM Rule ESM Rule 2.16B.1\(a\)\(iv\)](#).

[~~WEM Rule~~ [ESM Rule 2.16B.1\(a\)](#)]

This form is for a Market Participant to declare to the ERA the entity that controls (either through association, ownership or other arrangements) each of their Registered Facilities. An entity is deemed to have control of a Registered Facility where the entity is able to determine the outcome of decisions about financial and operating policies that influence Market Submissions, or which has the authority to directly or indirectly control Market Submissions to the STEM or Real-Time Market.

[Information provided in this form will be treated as public information unless the Market Participant makes a submission under ESM Rule 10.2.7 that the information is confidential information.](#)

### Section 1: Your details

Name of Market Participant (required)

Contact person (first and last name) (required)

Contact phone (required)

Contact email (required)

## Section 2: Facility details

Name of Registered Facility (required)

Name of Market Participant the Facility is registered to (required)

Name of Owner of Registered Facility [\(required\)](#)

Name of Controlling entity for Registered Facility [\(required\)](#)

The manner of control of the Registered Facility (required – select all relevant):

- able to determine the outcome of decisions about financial policies
- 
- able to determine the outcome of decisions about operating policies
- 
- authority to directly control Market Submissions to the STEM or Real-Time Market
- 
- authority to indirectly control Market Submissions to the STEM or Real-Time Market
- 
- Other (please provide details below)

## Section 3: Supporting evidence

Please provide [\(as attachments\)](#) supporting evidence demonstrating control [and ownership](#) of the Registered Facility. Please indicate below if you do not possess any material in addition to evidence of Facility Registration.

Examples of evidence that can be provided by Market Participants include contracts that demonstrate a controlling interest, or other arrangement allowing another entity or another Market Participant to determine, influence or make Market Submissions to the STEM and Real-Time Market on behalf of the Market Participant to whom the Facility is registered.

[The](#) Market Participant must clearly identify the relevant parts in the attached documents that demonstrate the relevant controlling interests and arrangements based on which the Market

Participants attributes control of Facilities to entities. Market Participants must provide explanation on their reasoning for attributing control of Facilities to entities.

<i>Name of Supporting Material</i>	<i>Summary of how material supports justification of control</i>

*Please add additional lines as required.*

Please provide below (or attach) any other information that you believe details the approach undertaken to determine the control of the Facility:

Please notify the ERA and detail in the below textbox if there is any confidential information.