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ERA CONSULTATION: PROCEDURE CHANGE PROPOSAL – WEM PROCEDURE: MONITORING PROTOCOL

Synergy welcomes the opportunity to provide feedback to the Economic Regulation Authority (**ERA**) on its proposed amendments to the WEM Procedure: Monitoring Protocol (**Monitoring Protocol**) published on 29 June 2026.

Synergy appreciates the ERA's work in reviewing the Monitoring Protocol and supports the overall direction of the proposed amendments. In particular, Synergy supports the ERA's proposed move towards a more proportionate and risk-based approach to breach reporting, monitoring and investigation. Synergy considers that the proposed amendments have the potential to improve the efficiency of compliance administration for both Rule Participants and the ERA, while maintaining effective regulatory oversight within the Wholesale Electricity Market (**WEM**).

Synergy also supports the proposed removal of the fixed 20 Business Day timeframe for self-reported alleged breaches. In Synergy's view, this is a practical and constructive change that recognises that the complexity and evidentiary requirements of alleged breaches can vary significantly. Synergy considers that the proposed replacement standard of reporting "as soon as reasonably practicable" is more consistent with a risk-based compliance framework and allows Rule Participants to focus on providing comprehensive and useful information to the ERA.

Synergy further supports the proposed introduction of low, moderate, and significant baseline risk ratings to inform the ERA's assessment of alleged breaches and investigation priorities. Synergy considers that this approach is consistent with a mature compliance framework where regulatory attention and resources are directed towards matters that present a greater risk to the effective operation of the market.

Synergy's comments are set out in Appendix A. These comments are intended to support the practical implementation of the proposed amendments and to provide further certainty for Rule Participants in applying the revised Monitoring Protocol.

Yours sincerely

[redacted]

Appendix A: Comments on WEM Procedure: Monitoring Protocol

Synergy's comments on Schedule 1 of Tranche 10 Amending Rules				
#	**Procedure ref**	**Classification**	**Issue**	**Suggestion**
1	4.1.3	Clarification	Clause 4.1.3 clarifies that alleged non-compliances relating to a Registered Generator Performance Standard (**GPS**), Generator Monitoring Plan (**GMP**) or Rectification Plan are to be reported to AEMO rather than self-reported to the ERA. Synergy understands that matters relating to the GPS framework are currently reported to AEMO through the arrangements established under Chapter 3A of the ESM Rules and the associated WEM Procedures. Synergy seeks for the Monitoring Protocol to provide regulatory clarity as to whether the intention of clause 4.1.3 is that this approach continues to apply to Chapter 3A obligations more broadly, or whether there are any Chapter 3A obligations that the ERA expects Rule Participants to self-report directly to the ERA under the Monitoring Protocol.	
2	4.1.3	Clarification	Synergy understands that where an alleged breach relates to an ESM Rule or WEM Procedure obligation that is not itself a GPS, GMP, or Rectification Plan non-compliance, the matter may remain reportable to the ERA under the Monitoring Protocol, even if the underlying cause or contributing factor relates to GPS or GMP arrangements. For example, a GPS non-compliance may lead to subsequent dispatch non-compliance under ESM Rule 7.10.1. In this scenario, the Market Participant would be obligated to self-report the suspected non-compliance of ESM Rule 7.10.1 to the ERA, irrespective of the root-cause being a GPS related issue. Synergy seeks confirmation within the Monitoring Protocol that this interpretation is consistent with the ERA's intended approach.	

Synergy's comments on Schedule 1 of Tranche 10 Amending Rules				
#	**Procedure ref**	**Classification**	**Issue**	**Suggestion**
3	5.1.2(a), 5.2.1, 5.2.2, 5.2.7	Clarification	To assist Rule Participants in understanding the practical application of the framework, Synergy would welcome greater transparency within the Monitoring Protocol regarding the obligations or categories of obligations that the ERA currently considers to have a low, moderate or significant baseline risk rating. Synergy notes that section 5.2.7 provides that the baseline risk rating informs the ERA's compliance planning and monitoring activities. Greater visibility of how obligations are categorised would assist Rule Participants in understanding and align the areas of regulatory focus, supporting compliance planning and internal prioritisation activities. Synergy would therefore advocate obligation-specific risk ratings, or an equivalent register or publication identifying obligations currently subject to heightened compliance monitoring, being made available to the market. Synergy acknowledges and considers it reasonable for the ERA to retain discretion to reassess risk over time and to consider matter-specific factors when assessing an alleged breach.	
4	6.8.2	Typographical	Synergy notes that there is no item 7.8.1 in the draft Monitoring Protocol.	6.8.2 When determining whether to suspend or close an investigation for any of the reasons in ~~7.8.1~~ 6.8.1, the ERA…
5	8.6.3(a)	Typographical	Synergy suggests reinstating the reference to civil penalties in Schedule 1 of the WEM Regulations, and the maximum limits of these penalties. This is present in the current Monitoring Protocol.	8.6.3 The ERA may apply to the ERB for the following types of orders: (a) A civil penalty order that does not exceed the maximum civil penalty prescribed in Schedule 1 of the WEM Regulations.
6	8.6.3(g)	Typographical	Synergy suggests referring to the WEM (the common term for the Market) in place of ESM (the common term for the Rules).	8.6.3 The ERA may apply to the ERB for the following types of orders: (g) To cancel the Rule Participant's registration in the ~~ESM~~ WEM.