



Economic Regulation Authority

Procedure Change Proposal: Portfolio Assessment

(EEPC_2026_01)

6 May 2026

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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Invitation to make submissions

Submissions are due by 4:00pm WST, Thursday, 4 June 2026

The ERA invites comment on this paper and encourages all interested parties to provide comment on the matters discussed in this paper and any other issues or concerns not already raised in this paper.

We would prefer to receive your comments via our online submission form <https://www.erawa.com.au/consultation>.

You can also send comments through:

Email: publicsubmissions@erawa.com.au

Post: Level 4, Albert Facey House, 469 Wellington Street, Perth WA 6000

Please note that submissions provided electronically do not need to be provided separately in hard copy.

All submissions will be made available on our website unless arrangements are made in advance between the author and the ERA. This is because it is preferable that all submissions be publicly available to facilitate an informed and transparent consultative process. Parties wishing to submit confidential information are requested to contact us at info@erawa.com.au.

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1. Introduction

In the Wholesale Electricity Market (WEM), the Economic Regulation Authority (ERA) has a role to conduct regular Portfolio assessments, which consider the registration, ownership and operational control of energy generation Facilities.

This procedure change proposal report is published as part of the ERA's review of the WEM Procedure: Portfolio Assessment and proposes some amendments to this Procedure for public consultation.¹

To conduct its review of the WEM Procedure, the ERA must:

- Ensure that the WEM Procedure is consistent with the State Electricity Objectives, Electricity System and Market (ESM) Rules, the *Electricity Industry Act 2004* and Electricity Industry (ESM) Regulations 2004.²
- Follow the procedure change process as outlined in the ESM Rules and the relevant WEM Procedure.^{3,4}

This paper is organised as follows:

- Chapter 1 summarises the procedure change and stakeholder consultation processes. Section 1.1 also summarises our obligations for conducting a WEM Procedure change.
- Chapter 2 outlines the proposed changes to the WEM Procedure and the ERA's reasons for proposing the changes. The draft WEM Procedure is provided in tracked changes in Appendix 1.

All capitalised terms in this document are defined terms under the ESM Rules.

1.1 The procedure change process

The ERA must publish a procedure change proposal that includes the proposed amended draft for the WEM Procedure and the reasons for those amendments.⁵ Following publication, the consultation period must be at least 20 Business Days.^{6,7} Rule Participants may suggest changes to a WEM Procedure by emailing market.compliance@erawa.com.au.

The ERA may seek advice from the Market Advisory Committee (MAC) when conducting this review.⁸ The MAC may provide feedback to the ERA through meetings or by delegating its role to a working group of Rule Participants and other stakeholders.⁹

¹ To amend a WEM Procedure, the ERA must publish a procedure change proposal which includes the proposed replacement of the WEM Procedure and the reasons for the replacement. See Electricity System and Market Rules (WA), 1 April 2026, clause 2.10.6, ([online](#)).

² Electricity System and Market Rules (WA), 1 April 2026, clause 2.9.3(a), ([online](#)).

³ Ibid, clause 2.10.

⁴ Energy Policy WA, 1 July 2021, *WEM Procedure: Procedure Administration*, ([online](#)).

⁵ Electricity System and Market Rules (WA), 1 April 2026, clause 2.10.13, ([online](#)).

⁶ Energy Policy WA, 1 July 2021, *WEM Procedure: Procedure Administration*, clause 2.3.2, ([online](#)).

⁷ The ERA has discretion to extend the consultation period by publishing a notice of extension. See Electricity System and Market Rules (WA), 1 April 2026, clauses 2.10.17 and 2.10.18, ([online](#)).

⁸ Electricity System and Market Rules (WA), 1 April 2026, clause 2.10.9, ([online](#)).

⁹ Ibid, clauses 2.3.17 and 2.10.13(d).

After considering stakeholder feedback on its proposal, the ERA will publish a procedure change report that outlines:

- The wording of amendments to the WEM Procedure and the reasons for the amendments.
- All submissions received before the due date for submissions, a summary of these submissions, and the ERA's response to the issues raised in those submissions.
- A summary of the views expressed by the MAC or, if the MAC has delegated its role to a working group to consider the procedure change proposal, a summary of the views expressed by that working group.
- A proposed date and time for the amendments to commence, which must, in the ERA's opinion, allow enough time after the date of publication of the procedure change report for Rule Participants to implement the changes required.¹⁰

1.2 Stakeholder feedback

We are seeking stakeholder feedback on any aspect of this WEM Procedure. Stakeholders are encouraged to seek clarification or further details about the proposed updates to the WEM Procedure: Portfolio Assessment.

To support the finalisation of this WEM Procedure, the ERA is particularly interested in receiving responses to the following questions:

1. What further clarification, if any, do stakeholders require about the ERA's proposed changes to the WEM Procedure: Portfolio Assessment?
2. Do stakeholders support the proposal to remove the concept of "practical influence" from the WEM Procedure?
3. Do stakeholders support the updated example provided in the WEM Procedure?
 - a. Does it provide a clearer explanation of how the ERA assigns Facilities to Portfolios?
 - b. Are further amendments to the example required? If so, please outline what those changes should be.
4. Do stakeholders support the proposed changes to the Declaration of Control of a Facility form?
5. Do stakeholders have any additional suggestions or comments about the WEM Procedure: Portfolio Assessment?

¹⁰ Electricity System and Market Rules (WA), 1 April 2026, clauses 2.1.10 and 2.10.12B, ([online](#)).

2. Proposed amendments to the WEM Procedure: Portfolio Assessment

2.1 The ERA's proposed changes

The ERA proposes several minor changes to the WEM Procedure: Portfolio Assessment. The most substantive changes are:

- Updating the example in the Explanatory Note of the WEM Procedure about how Facilities are allocated to Portfolios.
- Removing the reference to “practical influence”.
- Adding a clause about the ERA's update of Portfolios when there are new Facilities being registered and/or changes in registration, ownership or control of existing Facilities.
- Requiring Market Participants to provide sufficient information when requesting guidance about the Offer Construction Guideline.
- We have provided a link to a centralised location on the ERA's website for the form that Market Participants will fill out to request guidance about their offer construction.
- We have proposed some minor wording changes to the form for the Declaration of Control of a Facility. These changes are to provide greater clarification, including about what information is mandatory, and to assist the ERA's staff to assess the information provided.
- We also proposed to include an area on the form where Market Participants can indicate that their information should be kept confidential (see section 2.8).
- An updated form for the Declaration of Control of a Facility is attached in Appendix 2 of the proposed WEM Procedure. The changes include minor wording changes to the form to provide greater clarification.

We also propose more minor changes around the clarification of existing obligations (as set out in sections 2.8 to 2.9 of this report).

Further, we have updated references to the ESM Rules due to the name change from the WEM Rules in June 2025.¹¹

Appendix 2 sets out the detailed and specific changes that we propose for the WEM Procedure: Portfolio Assessment.

2.2 Updated example

The current example provided in Explanatory Note 1 within the WEM Procedure and only partially reflects the process of assigning Portfolios as set out in the ESM Rules. As such, the

¹¹ See Energy Policy WA, 'Historical Versions of the ESM Rules', ([online](#)) [accessed 29 April 2026].

ERA is proposing to provide an updated example that more accurately reflects the process for assigning Portfolios.

An updated example is provided in Explanatory Note 1 in section 3.1.9 of the proposed WEM Procedure: Portfolio Assessment.

2.3 Practical influence

According to section 3.1.8(a) of the current WEM Procedure, when identifying which Market Participant or other entity has control of a Registered Facility, the ERA will, among other things, consider the:

Practical influence (emphasis added) 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.

The ESM Rules refer to the concepts of owning, controlling, or operating a Facility to determine Portfolios. Therefore, the ERA considers it unnecessary to refer to the concept of 'practical influence'. As a result, the ERA proposes to remove this clause.

2.4 Updates to the list of Portfolios

The ERA proposes to add a new clause to the WEM Procedure that sets out the obligations of the ERA and Market Participants in response to the introduction of clause 2.16B.5 in the ESM Rules.

This clause would require the ERA to update the published list of identified Portfolios within 20 Business Days of receiving a declaration from a Market Participant when a new Facility (Scheduled, Semi-Scheduled or Non-Scheduled) is registered in the WEM or there is a change in the registration, ownership or control (directly or indirectly) of an existing Facility (Scheduled, Semi-Scheduled or Non-Scheduled).

For information, the current WEM Procedure for Portfolio Determination (version 2) and the ESM Rules require Market Participants to provide Declarations of Control of Facilities to the ERA by 1 August each year.¹² Market Participants have 30 business days to provide declarations to the ERA if they register a new Facility or there is a change in the registration or ownership of a Facility currently registered in the WEM.¹³ The relevant Facility types are Scheduled Facilities, Semi-Scheduled Facilities and Non-Scheduled Facilities.¹⁴

¹² Economic Regulation Authority, 27 November 2024, WEM Procedure: Portfolio Determination, clause 3.1.11(a), ([online](#)).

Electricity System and Market Rules (WA), 1 April 2026, clause 2.16B.4(a), ([online](#)).

¹³ Economic Regulation Authority, 27 November 2024, WEM Procedure: Portfolio Determination, clauses 3.1.11(b) and 3.1.11(c), ([online](#)).

Electricity System and Market Rules (WA), 1 April 2026, clauses 2.16B.4(b) and 2.16B.4(c), ([online](#)).

¹⁴ Ibid.

2.5 Request for guidance about the Offer Construction Guideline

The ERA proposes to add a new clause to the WEM Procedure that when making a request for guidance about the Offer Construction Guideline, the relevant Market Participant must provide sufficient information to enable the ERA to respond to the request for guidance.

This WEM Procedure also deals with the identification of Material Portfolios and Material Constrained Portfolios. The requirements of the Offer Construction Guideline regarding record keeping would apply after the relevant Market Participants have been identified as holding Material Portfolios and/or Material Constrained Portfolios.

2.6 Updated form – Request for Guidance about the Offer Construction Guideline

We have proposed adding a link to the ERA's website in Appendix 1 of the WEM Procedure: Portfolio Assessment where Market Participants who have been identified as holding a Material Portfolio and/or Material Constrained Portfolio can request guidance on offer construction. This proposal replaces having the form within the WEM Procedure itself.

This provides a centralised location for Market Participants to access the form the requesting guidance. It will also allow ERA to update and maintain the form without requiring WEM Procedure Changes to make amendments to a form which is administrative in nature. This proposal has the positive effect of reducing regulatory and administrative burden.

2.7 Updated form – Declaration of Control of a Facility

We have proposed some minor wording changes to the form for the Declaration of Control of a Facility. These changes are to provide greater clarification, including about what information is mandatory, and to assist the ERA's staff to assess the information provided.

We also proposed to include an area on the form where Market Participants can indicate that their information should be kept confidential (see section 2.8).

An updated form for the Declaration of Control of a Facility is attached in Appendix 2 of the proposed WEM Procedure.

2.8 Confidential information

We propose to clarify to Market Participants in the WEM Procedure that information provided by Market Participants about the ownership, registration and/or control of a Facility will generally be considered Public Information by the ERA. The exception is if the Market Participant makes a submission that its information is confidential information. The submission about the confidentiality of information should meet the grounds as set out in clause 10.2.3 of the ESM Rules.¹⁵

As indicated in section 2.7, Market Participants can submit on the form for the Declaration of Control of a Facility that their information should be kept confidential.

¹⁵ Electricity System and Market Rules (WA), 1 April 2026, clause 10.2.3, ([online](#)).

2.9 Process clarification around Material Portfolios and Material Constrained Portfolios

As a result of the recommendations in the recent WEM Effectiveness Review by Energy Policy WA, we propose a couple of minor clarifications to this WEM Procedure.¹⁶

First, we propose to update the WEM Procedure to include information about how we advise Market Participants that their Facility has been identified as a Material Portfolio, which is in writing. We also propose to clarify in the WEM Procedure that we publish the identified Material Constrained Portfolios for each relevant quarter on our website.

The proposed changes are intended to provide further clarification to Market Participants.

¹⁶ Energy Policy WA, July 2025, *WEM Operation Effectiveness Report*, p. 1, ([online](#)).

Appendix 1 Proposed WEM Procedure (draft in tracked changes)

The proposed draft (in tracked changes) of the updated *WEM Procedure: Portfolio Assessment* (version 3) is available on the ERA's website ([online](#)).

Appendix 2 Proposed WEM Procedure (clean draft)

The proposed draft of the updated *WEM Procedure: Portfolio Assessment* (version 3) is available on the ERA's website ([online](#)).

Appendix 3 Current WEM Procedure

The current *WEM Procedure: Portfolio Determination* (version 2) is available on the ERA's website ([online](#)).