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Via email: energymarkets@demirs.wa.gov.au

**Submission from the WA Expert Consumer Panel on the Market Advisory Committee
Review Coordinator of Energy's Consultation Paper 9 June 2025**

Dear Ms Guzeleva,

Thank you for the opportunity for WA Expert Consumer Panel (ECP) members to make a submission on the review of the Market Advisory Committee (MAC).

As a panel supported by the State Government's Western Australian Advocacy for Consumers of Energy (WA ACE) program, we are committed to improving consumer outcomes in the energy sector. We represent household and small business energy consumers on the MAC and its working groups.

We participated in the Stage 1 - Independent Review by ACIL Allen - component of the MAC Review through surveys, interviews and through our submission to ACIL Allen.¹

The purpose of the MAC

As the consultation acknowledges, there is a need to ensure the MAC remains fit for purpose in an energy system and governance framework that is undergoing significant change. Households and small businesses rely on the MAC to provide advice to the Coordinator of Energy about a host of issues that are critical for affordability, reliability and emissions reduction, including how costs are allocated between market participants, how incentives are structured to drive investment and efficiency, and how to smooth the way for new, renewable, storage and smart energy technologies to come into the system.

The key to an effective MAC is ensuring it takes a holistic view of the new energy system in formulating advice about wholesale market and other settings in its remit for the Coordinator of Energy. This includes, for example, fully integrating thinking about how opportunities for consumer energy resources (CER), through Virtual Power Plants (VPP), demand response and other solutions can complement the traditional utility-scale generation and network infrastructure that historically has been the backbone of the system and dominated the membership of the

¹ ECP submission to ACIL Allen, May 2024:
https://www.wa.gov.au/system/files/2024-06/expertconsumerpanel_noelschubert_christophalexander-submission-marketadvisorycommitteereview_stage1.pdf

MAC. It is also ensuring that market participants, particularly in relation to where they site and design new generation and storage projects, do not seek to transfer system and market risks to consumers that they are best placed to manage.

Ensuring that the MAC governance is fully aligned with the new expanded State Electricity Objective (SEO) (which reflects this broader thinking about the system as a whole), and the direction of travel for rules which reflect higher levels of integration between wholesale, network and retail markets, must be a focus for the Review.

The Consultation Paper clearly outlines the purpose of the MAC Review on page 1, including that a number of currently-separate regulatory instruments will be incorporated into the Electricity System and Market Rules (ESM Rules) in future and a new State Electricity Objective is now applicable.²

The consultation paper states:

“As the content of these instruments is moved into the ESM Rules over the coming years, the advice that the MAC will be required to provide will expand significantly and become more technically complex. As such, it is essential to review the structure and operation of the MAC to ensure that it remains able to perform its functions effectively and that it is fit for purpose to provide advice on the expanded ESM Rules. The DER Act also amended the EI Act to introduce an overarching objective – the State Electricity Objective (SEO), requiring decision-makers to consider reliability, price, and, for the first time, the environment, including greenhouse gas emissions”.

ECP members support these statements in the consultation paper, and consider that the ‘purpose’ of the MAC itself needs to be updated to reflect, not just the coverage of the Wholesale Electricity Market and ESM Rules, but also the the SEO which is:

“The State Electricity Objective is to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity in relation to —

- (a) the quality, safety, security and reliability of supply of electricity; and
- (b) the price of electricity; and
- (c) the environment, including reducing greenhouse gas emissions”.

To ensure that the future broader coverage by the MAC is explicitly stated, the ECP considers it important for clause 2.3.1(d) of the ESM Rules to be changed to include the words ‘electricity system’, as follows:

² Consultation Paper:

https://www.wa.gov.au/system/files/2025-06/market_advisory_committee_review_coordinator_of_energys_consultation_paper.pdf

“to advise the Coordinator regarding matters concerning, and the Coordinator’s plans for, the evolution and development of the **electricity system**, Wholesale Electricity Market and these ESM Rules”.

Without the addition of ‘electricity system’ the clause does not adequately cover areas that are not, or will not be, part of the narrower coverage of the Wholesale Electricity Market (WEM) or ESM Rules, and may prevent MAC members from providing timely advice on issues such as:

- the electricity network itself, and any aspects of the network and its services that may not explicitly end up in the WEM or ESM Rules after the Access Code, Technical Rules, Metering Code, and network quality and reliability standards (NQRS) are incorporated into the rules.
- the broader coverage of the SEO, including “electricity services” (“for the long-term interests of consumers ...”) that don’t end up being part of the future WEM, or ESM Rules.

Examples are:

- Energy Services companies (ESCOs) providing separate demand management and energy efficiency services that don’t participate in the WEM via virtual power plants (VPPs) or WEM Demand-Side Programs
- Consumer Energy Resources (CER) (e.g. consumer appliances) or Distributed Energy Resources (DER) (e.g. network components or services) not covered by the ESM Rules.

The previous WEM Rules have already been renamed the Electricity System and Market Rules to reflect the future broader coverage. We consider that the MAC purpose should also include ‘electricity system’ to cover areas that inevitably will not end up being part of the WEM, or ESM Rules, given the rate of change of consumer and supply technologies and energy solutions, and regulation typically not keeping up with the changes.

Beyond the ‘purpose’ of the MAC, ECP members also wish to note support for Proposal 1 of the consultation paper.

Composition of the MAC

The ECP supports the consultation paper’s proposed composition of the MAC (types of Market Participants) – Proposal 2, other than the following aspects:

1. Contestable customers of all sizes need to be adequately represented on the MAC, rather than only having a "Large Contestable Customer" category. "Large" does not appear to be defined yet.

Small contestable customers in aggregate are significant, and are typically connected to the distribution system rather than the transmission system that most large customers are connected to. This can result in a different perspective from 'non-large' contestable customers with regard to things such as connection processes and requirements, reliability of supply, retail tariffs, demand-side program incentives, and technical requirements, to name a few.

2. ECP members also consider that there should be adequate representation from parties that are key to achieving the environmental limb of the SEO. This limb will often be in conflict with, or compete with, the commercial aspirations of other participants' categories and so needs adequate representation and advocacy. We suggest that the Coordinator be required to give consideration to how this can be achieved.
3. The traditional energy services sector, which is often supplied separately to retailers, networks, generators and WEM VPP and Demand-Side Programme aggregators, is important to represent even though it is still in its infancy in Australia and WA. For example, how would an energy service provider offering energy efficiency, non-WEM demand management or non-network solutions - like the Energy Trust of Oregon³ - be represented on the MAC when it is separate to any of the other categories? Such energy service providers (ESCO's as they have been called traditionally⁴) can provide very useful services (to help achieve the SEO, including the environmental limb) without participating in the WEM itself or being part of other proposed categories.

Drafting suggestions for the rule changes proposed in Appendix B of the consultation paper

ECP members recommend:

1. Proposed clause 2.3.1 be changed to include "..... of the **electricity system**, Wholesale Electricity Market and these ESM Rules..." as discussed above.
2. Proposed clause 2.3.5 (a) be changed to say "at least eight and not more than ten members representing Market Participants, ~~excluding Synergy~~;".

A Synergy member is intended in the consultation paper to represent Synergy's role as the only retailer to non-contestable customers as proposed by sub-clause (h), and ECP members support this.

Synergy is also a dominant generation market participant, and it would seem reasonable to allow a Synergy member to also represent this market participant role in the MAC, as

³ Energy Trust of Oregon website: <https://www.energytrust.org/>
2024, 33-minute presentation on the Energy Trust of Oregon:
https://www.youtube.com/watch?v=D8PvpMCrArk&list=PLmrdJWJCN0et0UDdF43NWKMKw_nbMEFiN&index=7&t=105s

⁴ Wikipedia article on ESCOs: https://en.wikipedia.org/wiki/Energy_service_company

in the past, although we hesitate to support two Synergy members if one person cannot represent both roles effectively.

3. ECP members suggest that the Coordinator include a MAC category that allows representation of energy services providers (ESCO's as they have been called traditionally) that are not part of other categories.

Thank you for considering this submission, and please do not hesitate to contact us to discuss it further.

Sincerely,
WA Expert Consumer Panel