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### **Western Power's Submission to the 2025 Benchmark Capacity Providers Review Consultation Paper**

Western Power welcomes the opportunity to provide feedback to the 2025 Benchmark Capacity Providers Review. We support the intent of the Review and proposals that align with the State Electricity Objective, recognising the critical role of the Reserve Capacity Mechanism (**RCM**) in delivering system reliability and efficient investment outcomes in the Wholesale Electricity Market (**WEM**).

Western Power considers the RCM to be central to securing timely and efficient capacity investment. Appropriate selection of the Benchmark Capacity Providers (**BCP**) is foundational to the RCM, as it underpins the Benchmark Reserve Capacity Price (**BRCP**) and the market signals needed to incentivise the optimal mix of capacity at the most efficient cost to consumers. Western Power supports proposals that strengthen these signals and reinforce investor confidence in the WEM.

As the network service provider, Western Power is a key enabler of the RCM through our role in facilitating access for capacity providers. We undertake a range of activities to support the delivery of capacity, including the Critical Projects Framework (**CPF**) introduced in 2024. The CPF represents a strategic shift from a "first in, first served" model to a "first ready, first served" approach, where proponents' market readiness drives outcomes. It identifies connection-ready projects on the transmission network and prioritises resources to those who are both ready and essential for achieving the State's emissions reduction targets and improving system reliability.

Importantly, the CPF is designed to respond to market signals, not to shape them, ensuring that network readiness complements, rather than substitutes, the investment signals generated by the RCM. This distinction is critical to maintaining institutional clarity and ensuring that Western Power's planning and delivery processes remain aligned with market-led investment.

Western Power remains committed to working collaboratively with Energy Policy WA, the Australian Energy Market Operator (**AEMO**), and Market Participants to ensure the RCM continues to deliver reliable, efficient, and sustainable outcomes for the WEM.



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Thank you for considering this feedback. Should you have any queries, please contact Andy Kondola (Energy Market Regulation Manager) by email at [andy.kondola@westernpower.com.au](mailto:andy.kondola@westernpower.com.au).

Yours sincerely,

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