

22 December 2025

Energy Policy WA
Level 1 66 St Georges Tce
PERTH WA 6000

Via Email: energymarkets@deed.wa.gov.au

CONSTITUTION OF THE MARKET ADVISORY COMMITTEE

Alinta Energy appreciates the opportunity to provide feedback on the draft changes to the Constitution of the Market Advisory Committee (MAC), to implement the proposed changes to the Electricity System and Market (ESM) Rules.

Alinta Energy makes the following recommendations:

- 1. The MAC's role as set out in proposed clauses 2.1 and 2.2 should more accurately align with the proposed changes to clause 2.3.1 of the ESM Rules.**
- 2. The Constitution of the MAC should provide more guidance and direction on how the MAC should consider the 3 limbs of the State Electricity Objective (SEO) and the evidence required to substantiate such consideration.**

- 1. The MAC's role as set out in proposed clauses 2.1 and 2.2 should more accurately align with the proposed changes to clause 2.3.1 of the ESM Rules.**

Proposed MAC Constitution clauses 2.1 and 2.2 should be expressed in a manner that fully aligns with the ESM Rules, given that the ESM Rules provide the regulatory framework governing the WEM. Currently, the proposed Constitution separates the header (purpose) from the body (roles), whereas amended ESM Rule clause 2.3.1 integrates these elements into a single, cohesive provision. This separation introduces unnecessary complexity and risks creating interpretational inconsistencies between the Constitution and the Rules. Since the Constitution is subordinate to the ESM Rules, its language should mirror the Rules as closely as possible to maintain clarity and compliance.

Aligning clauses 2.1 and 2.2 with the integrated structure of ESM Rule clause 2.3.1 ensures that the MAC's purpose and functions are presented as a unified statement, reinforcing the primacy of the Rules and reducing ambiguity for stakeholders. This approach also supports governance efficiency by providing a clear, consistent reference point for MAC members and the Coordinator. Therefore, it is recommended that clauses 2.1 and 2.2 be amalgamated and reworded to replicate the ESM Rule format, ensuring the Constitution reflects the MAC's purpose and role without deviation. This will strengthen regulatory coherence and safeguard against misalignment in interpretation or application.

2. The Constitution of the MAC should provide more guidance and direction on how the MAC should consider the 3 limbs of the State Electricity Objective (SEO) and the evidence required to substantiate such consideration.

The MAC's Constitution should be further revised to more clearly instruct how its members should assess the three limbs of the SEO (reliability, price, and the environment), whenever it is providing advice to the Coordinator. This need was identified in Proposal 1 from the WEM Effectiveness Review which commits the Coordinator to work with the market bodies on how to integrate the SEO more broadly within the ESM Rules and Proposal 1 from the MAC Review that seeks to specify that the advice of the MAC must be consistent with the SEO.

The amended high-level statement contained in the MAC Constitution clause 2.3 alone isn't enough. Embedding practical guidance, such as requiring MAC advice to explicitly address each limb, would anchor discussions in measurable evidence, especially when a specific limb is given higher priority.

By formalising how the MAC considers and documents its regard to each the SEO's three limbs, members would have a clear, shared framework to follow. For example, any advice that prioritises environmental outcomes over price or reliability must identify the trade-offs, supported by evidence, such as estimated changes in system costs, projected emissions reductions, or reliability margin forecasts. This structured approach encourages deeper analysis, forces transparency in the rationale, and ensures all three limbs are systematically considered and recorded.

This approach would also promote proactive identification of market design flaws. With a requirement to assess and document its regard for each limb, the MAC can more readily identify:

- where rules may be undermining reliability in pursuit of lower prices, or
- where environmental improvements are failing to deliver real emissions benefits.

These structured insights would allow the MAC to raise concerns early, backed by clear evidence, and recommend targeted improvements. In short, equipping the MAC Constitution with specific guidance on considering and substantiating the SEO's limbs within its advice to the Coordinator, will sharpen the committee's focus and strengthen its advisory role.

Thank you for your consideration of Alinta Energy's submission. Should you require further information or wish to discuss any aspect of our submission please do not hesitate to contact me at Jean.Mileto@alintaenergy.com.au.

Yours sincerely

Jean Mileto
Regulation and Compliance Specialist