



Media Statement

4 August 2025

Tronox breaches wholesale market rules

Following an investigation, the Economic Regulation Authority has determined that Tronox breached the rules governing Western Australia's Wholesale Electricity Market from 14 March 2025 to 2 April 2025.

Tronox's behaviour led to it incorrectly receiving around \$12 million in energy uplift payments, which are paid to generators and charged back to major power users based on their consumption.

Over the past few months, the ERA has worked with Tronox and the Australian Energy Market Operator (AEMO) to facilitate a process where the near \$12 million Tronox received in incorrect payments has been redistributed to the major energy consumers that paid them.

The ERA has issued Tronox with a civil penalty of \$300,000, which takes into account both the seriousness of Tronox's behaviour, but also the efforts Tronox has made to cooperate with the ERA, and to rectify the issue by repaying the funds. Tronox will also undertake a series of actions to improve its understanding of, and compliance with, the market rules.

Tronox has 28 days to either pay the civil penalty or to appeal the ERA's decision. After this period, if Tronox pays the penalty, the ERA will update its public register of breaches of the market rules.

Tronox is a global mining and processing company that operates two facilities in Western Australia. Its Kwinana Pigment Plant includes a cogeneration facility that produces both electricity and steam for Tronox's own operations, and exports excess power to the grid.

The ERA's investigation relates to a period in which Tronox's facility was isolated from the electricity network and operating independently of the Wholesale Electricity Market. The application of a constraint in the AEMO's market systems to deal with the temporary network isolation constrained the facility into operation, which meant it was required to run regardless of the price at which it offered electricity.

During that period, Tronox increased its bids to sell electricity at prices above its efficient cost of producing that electricity, causing prices across the market to rise, and delivering it the nearly \$12 million in incorrect energy uplift payments.

Comments attributed to ERA Chair Steve Edwell

"The ERA exists to protect the interests of Western Australian consumers, and to ensure that energy is delivered safely and reliably – but also at the lowest efficient cost."

"Through our investigation, we have found that Tronox has a poor understanding of its obligations under the rules governing the wholesale market, particularly how it should be bidding under all circumstances."

“While electricity generation is not a core component of Tronox’s business, if it wishes to sell energy into the wholesale market it must abide by the market rules just like any other generator.”

“While our compliance action consists of a fine, TRONOX itself has committed to a series of actions to improve its internal understanding of the market and its compliance with the market rules.”

“I do acknowledge Tronox for its transparency and honesty throughout the investigation process, and in particular recognise its cooperation with us to recover and redistribute the incorrect payments adjusted for the time value of money.”

“I would also like to thank the Australian Energy Market Operator for its considerable support in achieving this outcome.”

Background

The ERA monitors the wholesale electricity and gas markets in Western Australia to ensure that the companies generating and selling energy are doing so in accordance with the rules governing those markets.

When the ERA suspects non-compliance by a market participant, it can conduct an investigation. When the ERA finds that a breach has occurred, it can issue a civil monetary penalty to the participant.

About the ERA

The ERA is Western Australia’s independent economic regulator. We aim to benefit all Western Australians by promoting strong economic outcomes through effective regulation and decision making. We strive to make sure current and future consumers pay no more than necessary for safe and reliable utilities.

For further information contact:

Natalie Warnock
Manager Communications
Ph: +61 428 859 826
media@erawa.com.au

D295262