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9 September 2024

Ms Dora Guzeleva  
Director Wholesale Markets  
Energy Policy WA  
[energymarkets@dmirs.wa.gov.au](mailto:energymarkets@dmirs.wa.gov.au)

Dear Ms Guzeleva,

### **Frequency Co-optimised Essential System Services (FCESS) Amending Rules**

The Australian Energy Market Operator (AEMO) appreciates the opportunity provide a submission on the Wholesale Electricity Market Amendment (FCESS Cost Review) Rules 2024.

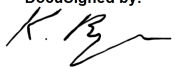
AEMO has supported the FCESS Cost Review by providing data and analysis to assist with the identification of cost drivers, as well as implementation advice on identified solutions. AEMO agrees that the outcomes of the FCESS Cost Review will reduce cost pressures, while promoting efficient dispatch that should lead to a reduction in real-time shortfalls.

The Amending Rules appear to adequately give effect to the policy decisions, and if gazetted on schedule, AEMO is comfortable the relevant system changes can be implemented prior to 20 November 2024 when the temporary amendment to reduce the FCESS Clearing Price Ceiling expires.

While no substantive issues were identified with AEMO's review of the Amending Rules, we note the proposed drafting of clause 7.5.15 specifies the use of constraint equations to avoid degenerate solutions, while the method presented to Energy Policy WA at officer level utilises an alternative adjustment to the dispatch algorithm. AEMO is unable to implement the proposed rule using constraint equations and requests that the clause is amended to reflect the alternative adjustment. All other comments of a minor nature have been provided at officer level.

We look forward to continuing to work with EPWA on the implementation of proposals and ongoing monitoring. Should you have any queries about this submission, please contact Mena Gilchrist, Manager Regulatory Affairs at [mena.gilchrist@aemo.com.au](mailto:mena.gilchrist@aemo.com.au).

Yours sincerely,

DocuSigned by:  
  
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Kate Ryan

**Executive General Manager – WA and Strategy**

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