Our ref: EDM 69446868
Contact: Tinna Needham (08 9267 3018)

6 September 2024

Energy Policy WA (energymarkets@dmirs.wa.gov.au)

Dear Dora

Exposure Draft of WEM Amending Rules (FCESS Cost Review Amendments)

Western Power welcomes the opportunity to provide feedback on the *Exposure Draft of WEM Amending Rules (FCESS[1] Cost Review Amendments)* (**WEM Rules**). We note that most of the amendments proposed do not directly impact our role as the Network Operator or the Meter Data Agent. For those that do impact us, we have reviewed and provide the comments below.

Clarify that Metered Schedules for Scheduled Facilities, Semi-Scheduled Facilities and Non-Scheduled Facilities are Public Information

Pg4. New clause proposed

9.5.2A. A Metered Schedule of a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility is Public Information.

Western Power understands that this change has been made to allow AEMO to publish the details of Energy Uplift Payments, and specifically the energy uplift quantity, which presently is not published by AEMO on the basis it is Confidential Information due to the underlying Meter Schedule data being confidential information.

Western Power supports this change to improve transparency and allowing AEMO to publish the details around Energy Uplift Payments and more specifically the energy uplift quantities underpinning an energy uplift payment.

Provide an alternative method of compensation (through Energy Uplift Payments) for Facilities constrained on by AEMO to provide RoCoF[2] Control Service only. Provide for Energy Uplift Payments for Facilities that are constrained on by AEMO during a period covered by a Low Reserve Condition Declaration;

Pg 27 New clause proposed:7.7.8A. If AEMO includes a Constraint Equation in the Dispatch Algorithm under clause 7.7.8 to facilitate a direction to:

(a) synchronise a Registered Facility to provide a RoCoF Control Service; or
(b) ensure, during a period subject to a Low Reserve Condition Declaration, a minimum level of Injection from a Registered Facility,
then for the purposes of clauses 7.14.1 and 9.9.9 the Constraint Equation is deemed to reflect a Network Constraint

---

[1] FCESS – Frequency Co-optimised Essential System Service
[2] RoCoF – Rate of Change of Frequency

Western Power understands that Energy Policy WA has been working with AEMO to develop a mechanism to compensate Market Participants for being constrained on at the request of AEMO for RoCoF Control Service and during Low Reserve Condition Declaration in the absence of an existing suitable mechanism.

The mechanism developed to be implemented through the proposed rules in the exposure draft has been described and communicated as a "short-term solution" and the "simplest and fastest" option. It is proposing to compensate Market Participants using the Energy Uplift Payments mechanism. To enable the Energy Uplift Payments mechanism to be used it is proposed to deem Non-Network Constraints related to RoCoF and LRC as Network Constraints until the approach is refined in the future to allocate the Constraint Equations and costs to their own correct and distinct (and "Non-Network") categories.

Western power is concerned that lumping additional costs into the Network Constraints category, that are not network constraints, could mislead stakeholders into forming a view that the level and cost of Network Constraints are greater than what they actually are. For clarity Western Power requires that any publications containing the level of Energy Uplift Payments where possible separately breakdown those that are Network Constraints versus Non-Network Constraints (such as related to LRC, RoCoF Control Service, other) for reporting and publishing until allocated to their own distinct categories in the Dispatch Algorithm.

Western Power also proposes an additional clause is required to ensure this interim approach does not continue for perpetuity and that the approach be time bound– we would suggest by 30th June 2025 would provide AEMO sufficient time to develop and implement the distinct categories.

For example, "then for the purposes of clauses 7.14.1 and 9.9.9 the Constraint Equation is deemed to reflect a Network Constraint, until 30th June 2025."

If you have any questions, please do not hesitate to contact Tinna Needham.

Yours sincerely,

Zahra Jabiri

Head of Regulation and Investment Assurance