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Dear Dora

### **Exposure Draft of the Miscellaneous Amendments No. 3 WEM Amending Rules**

Western Power welcomes the opportunity to provide feedback on the *Exposure Draft of the Miscellaneous Amendments No. 3 WEM Amending Rules (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.

#### **Part 1: Amending Rules to commence on Gazettal**

##### ***Change to WEM Procedure Change Process***

As Western Power is a Procedure Administrator for a number of WEM Procedures we are comfortable with the proposed requirement that views provided by the Market Advisory Committee are taken into account and documented in a WEM Procedure Change Proposal - as is currently proposed for the other Procedure Administrators.

##### ***Define a Facility by its Metering Point, rather than its connection point, to allow for registration of multiple Facilities behind a single connection point following approval from AEMO***

Western Power appreciates the collaboration to date in implementing the outcomes of the demand side response review including the recently proposed changes to allow registration of multiple facilities behind a single connection point to facilitate new technology operating optimally in the WEM – for example, to enable a battery energy storage system (**BESS**).

The proposed changes appear to consider consequential impacts such as the calculation of loss factors and metering information.

#### **2.27 Determination of Loss Factors**

##### **Loss Factors**

We understand the rationale for loss factors being determined at the Metering Point rather than the connection point and are currently assessing how this change can be implemented for loss factors following this change. We do not envisage any concerns at this point, but we reserve our right to notify EPWA of any issues identified at a later date. We note that the proposed changes to clause 2.27 of the WEM Rules will require Western Power to amend its WEM Procedure: Determining Loss Factors and that sufficient notice and time will need to be provided to ensure that the Procedure aligns with the proposed changes.

#### ***Glossary***

##### **Metering Point/Connection Point/NMI**

We support changes to ensure that there can be multiple metering points for a connection point.

We understand that 'Metering Point' is now proposed to be defined in the WEM Rules to allow definition of a Facility at the Metering Point, rather than the connection point. We note however that

this will create an inconsistency with the definition in the *Electricity Industry (Metering) Code 2012 (Metering Code)* and note that EPWA may consider amending the Metering Code in a future review.

We note that the Metering Code definition of 'NMI' allocates the NMI to the connection point. The proposed amendment of the WEM Rules definition of 'NMI' will assign the NMI to the Metering Point. This will create an inconsistency between the Metering Code and the WEM Rules.

We understand that the proposed definition of 'Connection Point' is consistent with the *Electricity Networks Access Code 2004 (WA)*. We note that the proposed definition of 'Connection Point' is not otherwise referred to in the WEM Rules, although the undefined term 'network connection point' remains in use. The proposed definition is different to the definition of 'Connection Point' used in Appendix 12 of the WEM Rules (which is similar to the Technical Rules definition). The proposed definition refers to the terms 'entry point', 'exit point' and bidirectional point, which do not have a definition under the WEM Rules.

It is our understanding that the Metering Code takes precedence over the WEM Rules. We request that care be taken in amending instruments such as the WEM Rules that makes compliance with other regulations impractical or impossible for Western Power.

We welcome continued engagement with EPWA regarding impacting/proposed definitions such as connection point and metering point to ensure they are consistent across the regulatory instruments (such the WEM Rules, Appendix 12 WEM rules, Electricity Network Access Code, Metering Code, Technical Rules and AQP) to ensure clarity of interpretation/application and ongoing compliance.

### ***Require AEMO to investigate and report on significant incidents in the SWIS***

#### **3.8B Significant Incident Reporting**

We are aware that the new clauses require AEMO to investigate and report on significant incidents in the SWIS that have a market impact.

We suggest that the time a Rule Participant is required to provide a report on the incident to AEMO is provided in a reasonable time period agreed with AEMO rather than specified by AEMO.

This clause also seems similar in intent to 3.8 incidents of equipment and suggest consideration of combining the two clauses may be more efficient. We suggest providing clarity on the threshold for an incident to be categorised as 'significant', and to ensure that Rule Participants are notified when AEMO makes such a categorisation.

### ***Reduce the deadline for providing AEMO any final details of a Forced Outage from fifteen days to seven days after the relevant Trading Day to allow for certain settlement calculations to be performed earlier***

#### **3.21 Forced Outages**

Western Power highlights that reducing the fifteen calendar days requirement to seven days to provide further information or changes to forced outages increases the likelihood of requiring participants to utilise the 'revised forced outage' process. This process is more cumbersome given the additional requirements that should be taken into consideration in making this change and whether the benefits of reducing the window is outweighed by the consequences.

Western Power will continue to engage with both EPWA and AEMO to ensure the forced outage notification process optimally achieves the WEM objectives and whether the WEM rules should consider differing requirements for Market Participants and the Network Operator.

**Clarify the publication requirements associated with NCESS contracts**

Though typically the commercial terms of a contract are confidential, Western Power is supportive of the additional clarity provided regarding the publishing of details related to an executed NCESS contract under clause 3.11B.15.

**Managing market information**

**10.4.4A Managing disclosure of Confidential Information**

We support the proposed amendment. We suggest that further consideration be given to the use of the information by the Coordinator or the ERA, and whether that information may be further shared with third parties as needed.

**Part 2: Amending Rules (commencement to be advised)**

**Remove barriers to entry and encourage participation of aggregated DSPs in the RCM**

We are aware that Part 2 of the exposure draft includes rule amendments to encourage participation of demand side programs in the RCM and AEMO to recover additional capacity procured under NCESS contracts to meet peak capacity for a relevant reserve capacity cycle using the reserve capacity settlement scheme.

We are aware that there is significant ongoing work looking at integrating DER into the WEM and the SWIS which are likely to require medium and long-term changes that will enable DER to participate more fully in available markets. Western Power appreciates being involved to date and as this work continues to progress.

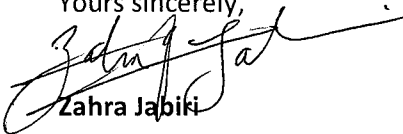
**Requirement to install interval meters**

*2.29.5BA.A Network Operator must, at the request of a Market Participant, install and operate an interval meter at any Non-Dispatchable Load that the Market Participant intends to associate under clause 2.29.5B.*

We are supportive of the clarity provided by the proposed new clause 2.29.5BA.A regarding the requirement to install interval meters for any non-dispatchable loads to have interval metering who are intending to associate with a demand side program.

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

Yours sincerely,



Zahra Jabiki

Head of Regulation and Investment Assurance

