



Department of Energy, Mines,  
Industry Regulation and Safety  
Energy Policy WA

# Miscellaneous Amendments No. 3

Consultation Summary Report  
4 October 2024

Working together for a **brighter** energy future.

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**Energy Policy WA**

Level 1, 66 St Georges Terrace  
Perth WA 6000

Locked Bag 100, East Perth WA 6892  
Telephone: 08 6551 4600

[www.energy.wa.gov.au](http://www.energy.wa.gov.au)  
ABN 84 730 831 715

*Enquiries about this report should be directed to:*

Dora Guzeleva

Email: [energymarkets@demirs.wa.gov.au](mailto:energymarkets@demirs.wa.gov.au)

# Overview

This Consultation Summary outlines industry feedback received on the Exposure Draft of the *Wholesale Electricity Market Amendment (Miscellaneous Amendments No 3) Rules 2024* and the Energy Policy WA responses to that feedback. The Miscellaneous Amendments No. 3 Amending Rules were gazetted on 4 October 2024.

The Miscellaneous Amendments No. 3 Amending Rules were introduced to:

- require AEMO to inform EPWA and the ERA of any issues that are likely to adversely affect the effectiveness of the market or achievement of the Wholesale Market Objectives;
- require AEMO to investigate and report on significant incidents in the SWIS;
- allow AEMO to proactively share information with EPWA and the ERA without requiring a formal request;
- clarify the publication requirements associated with NCESS Contracts;
- allow AEMO to require more reserve capacity security to be lodged in the event that security has been drawn upon due to Facility not commencing on time;
- provide clarity around the Availability Duration Gap determination for all years in the LT PASA horizon;
- amend the definitions of Enablement Maximum and Enablement Minimum to improve clarity, and ensure that Enablement Limits accurately reflect the capability of a Facility;
- modify the settlement rules to allocate the costs of NCESS Contracts for peak capacity as a Reserve Capacity cost, i.e. on the basis of IRCR;
- to implement outcomes of the Demand Side Response (DSR) Review;
- update clause 7.4.35 to allow a Market Participant to make a Real-Time Market Submission after Gate Closure if directed to do so by AEMO;
- refine the cost allocation methodology for Contingency Reserve Raise;
- define a Facility by its Measurement Point, rather than its Connection Point, to allow for registration of multiple Facilities behind a single Connection Point following approval from AEMO;
- clarify the settlement provisions related to calculating FCESS Uplift Payments;
- implement minor error corrections and enhancements across all the WEM Rules.

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# Consultation

The exposure draft for Miscellaneous Amendments No. 3 was published on 10 June 2024 and the consultation period closed on 8 July 2024.

Written public submissions were received from:

- Australian Energy Market Operator (AEMO)
- Alinta Energy
- Change Energy
- Enel X
- Firm Power
- Shell Energy
- Smart Energy Council
- Starling Energy Group
- Tesla Motors Australia (Tesla)
- Western Power
- Mr Chris Alexander & Mr Noel Schubert (Expert Consumer Panel)

One confidential submission was received.

Energy Policy WA also held a stakeholder forum through the Transformation Design and Operation Working Group (TDOWG) during the consultation process and one to one engagement with stakeholders.

The table below outlines the issues raised in the submissions received during the consultation period and during the TDOWG meeting held on 18 June 2024, and Energy Policy WA's response.

Submitter	Issue	Section/Clause	EPWA's Response	
<b>Schedule 1</b>				
<b>General feedback</b>				
1	Noel Schubert and Chris Alexander (ECP)	Supported Misc.3 in principle and noted that this Exposure Draft includes measures which will strengthen the management of system security and reliability in the wholesale market, as well as increasing transparency around the awarding of key energy contracts.	General	Noted.
2	AEMO	AEMO supports the policy outcomes being implemented under Misc. 3 and acknowledges the work undertaken in developing and consulting on the Exposure Draft.	General	Noted.
3	AEMO	AEMO broadly supports the amendments in Schedule 1.	Schedule 1	Noted.
<b>Measurement Point (formerly called Metering Point) and Connection Point framework</b>				
4	Alinta Energy	Supports the proposal to refer to the metering point for a facility registration subject to the requirements.	Section 2.31	Noted.
5	Noel Schubert and Chris Alexander (ECP)	Supports the amendments.	Section 2.31	Noted.
6	Enel X	Supports the proposal to refer to the metering point for facility registration believing it will allow for embedded networks to operate behind a single connection point (parent NMI).	Section 2.31	EPWA notes that the Separate Facility concept is only relevant for Registered Facilities and is not intended to support the operation of

Submitter	Issue	Section/Clause	EPWA's Response
			embedded networks like those operating in the NEM.
7	Change Energy Supports the proposal to refer to the metering point for facility registration and recommends monitoring of the market impact of the change.	Section 2.31	Noted
8	Firm Power Supports the proposal to refer to the metering point for facility registration as it allows greater flexibility in connecting storage assets.  Seeks greater clarity on how separately metered, co-located solar and storage systems, behind a connection point is treated for the MLF calculation.	Section 2.31	Under revised clause 2.27.1, Western Power is required to calculate Loss Factors for each Measurement Point, and therefore for each Separate Facility.
9	Western Power Supports the proposal to refer to the metering point for facility registration but notes there is an inconsistency with the definition of 'Metering Point' and 'National Meter Identifier' in the WEM Rules and the Electricity Industry (Metering) Code 2012 (Metering Code).  WP notes misalignment with definition of Connection Point with Appendix 12 and Glossary and that 'entry point', 'exit point' and 'bidirectional point' are not used in WEM Rules.  In TDOWG, WP noted the importance of accessibility to Metering Points.	Section 2.31	Section 2.31 has been amended to refer to 'Measurement Point' instead of 'Metering Point' to avoid misalignment with the Metering Code.
10	AEMO Supports the proposal to refer to the metering point for facility registration. However, provided drafting for some suggested changes.	Sections 2.27, 2.29, 2.30, 2.31, 2.34	Noted. Several of AEMO's suggestions have been considered in the drafting of the Amending Rules. EPWA consulted extensively with AEMO during drafting of the proposed

Submitter	Issue	Section/Clause	EPWA's Response
			changes and we consider that further changes are unnecessary at this point.
11	<p data-bbox="286 344 501 408">Starling Energy Group</p> <p data-bbox="533 344 1155 440">Against the proposal to refer to the metering point for facility registration due to the impact on the NMI definition.</p> <p data-bbox="533 464 842 496">It believes the proposal:</p> <ol data-bbox="533 499 1155 699" style="list-style-type: none"> <li data-bbox="533 499 1155 595">1. creates complexity issues with anything that relies on using the NMI as the connection point identifier;</li> <li data-bbox="533 598 1155 662">2. creates inconsistency with national AEMO standards; and</li> <li data-bbox="533 665 1155 699">3. is not needed to achieve the desired outcome.</li> </ol> <p data-bbox="533 707 1155 802">Suggests a metering point can be designated by a sub-NMI or suffix to ensure the original NMI is unaltered.</p>		<p data-bbox="1417 344 2036 584">EPWA does not consider that the amendment to the definition of a NMI will cause the described impacts. The change allows for NMIs to exist both behind a Connection Point (in the case of a Separate Facility) and at located at the Connection Point (in the case of Facilities which are not Separate Facilities).</p>
12	<p data-bbox="286 860 450 924">Ms Aitken in TDOWG</p> <p data-bbox="533 860 1155 959">Separate Market Participants owning different Separate Facilities behind the same Connection Point should be possible.</p>		<p data-bbox="1417 852 2036 1054">At this point this is not practical. The same Market Participant needs to be responsible for all of the equipment behind a Connection Point. Otherwise, this would introduce uncertainty as to who is responsible for the network infrastructure behind the connection point.</p>
<b>Monitoring Effectiveness of the Market</b>			
13	<p data-bbox="286 1174 495 1206">Change Energy</p> <p data-bbox="533 1174 1155 1273">Supports the proposal as it provides a level of formality that industry expects would otherwise occur informally.</p>	<p data-bbox="1182 1174 1323 1238">2.16.3A to 2.16.3E</p>	<p data-bbox="1417 1174 1503 1206">Noted.</p>

	Submitter	Issue	Section/Clause	EPWA's Response
14	Noel Schubert and Chris Alexander (ECP)	Supported the requirement for AEMO to inform EPWA and the ERA of any issues.		Noted.
15	Shell Energy	<p>Against the proposal as it places a very broad obligation on AEMO and creates a flow of confidential information between AEMO, EPWA and the ERA that is not governed by any process.</p> <p>While there may be a need for greater collaboration due to the new WEM outcomes, it is concerning that this is a long-term amendment.</p> <p>Additionally, it places a resource and cost burden on AEMO and other parties while the new market is still settling. Suggests waiting until there is information on an identified market failure that needs addressing.</p>	2.16.3A to 2.16.3E	<p>The ERA and the Coordinator already have access to the Confidential Information listed in the MSDC. However, it would be extremely inefficient and against the Wholesale Market Objectives for all three parties to conduct all of the analysis for the effective monitoring of the WEM. As AEMO can and should identify market inefficiencies and issues as part of its day-to-day operational activities, EPWA considers it appropriate for its observations to be shared with the ERA and the Coordinator. We note that AEMO's functions under clause 2.1A.2 include the provision of any market related information required by the ERA and the Coordinator to perform their functions.</p>
16	AEMO	<p>Supports the proposal but recommends changes to reduce administrative burden and resource issues by:</p> <ol style="list-style-type: none"> <li>1. introducing a threshold where it applies to significant or materially adverse issues;</li> <li>2. stronger wording to ensure consultation with AEMO on the implications of information requests;</li> <li>3. specify a time and date in the request under 2.16.3B;</li> <li>4. allow for the possibility of an extension with the agreement of the requesting party; and</li> <li>5. remove potential conflicts with chapter 10.</li> </ol>	2.16.3A to 2.16.3E	Noted. AEMO's suggestions have been considered in the drafting of the Amending Rules.



Submitter	Issue	Section/Clause	EPWA's Response
<b>Significant Incident Reporting</b>			
17 Noel Schubert and Chris Alexander (ECP)	Supported requiring AEMO to investigate and report on significant incidents in the SWIS.	3.8B	Noted.
18	Change Energy The proposed changes appear to be the formalisation of what it already does. We find incident reports as part of the Quarterly Energy Dynamics Report, and verbal briefings at forums particularly valuable, and therefore support the formal inclusion of this process.	3.8B	Noted.
19	AEMO AEMO strongly supports expanding the requirements on AEMO to report on significant incidents in the SWIS and acknowledges the benefits this would provide to stakeholders and the market. AEMO recommends removing new section 3.8B and integrating the proposed changes within existing section 3.8 and requiring AEMO to develop a new WEM Procedure to provide clarity around the types of significant events which will be investigated.	3.8B.1 to 3.8B.7	The amendments presented in section 3.8B have been incorporated in section 3.8. We do not believe that a WEM Procedure is required as the relevant rules already provide guidance on what is a "significant event".
20	Western Power WP suggests that the time a Rule Participant is required to provide a report on the incident to AEMO is provided in a reasonable time period	3.8B.2	EPWA does not consider that the proposed change is required as the WEM Rules say the time specified by AEMO must be "reasonable".

Submitter	Issue	Section/Clause	EPWA's Response
	<p><u>agreed with AEMO</u> rather than <u>specified by AEMO</u>.</p>		
21	<p>Western Power</p> <p>WP notes that section 3.8B seems similar to 3.8 and suggests consideration of combining the two sections for efficiency.</p> <p>WP suggests 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.</p>	3.8B	<p>The amendments presented in section 3.8B have been incorporated in section 3.8.</p> <p>We do not believe that this is required as the relevant rules already provide guidance on what is a “significant event”.</p>
22	<p>Alinta Energy</p> <p>Alinta Energy opposes the proposal requiring AEMO to investigate “significant incidents” considering that:</p> <p>a. It undermines appropriate separation of functions in the WEM, giving AEMO a broad and less defined monitoring function in the WEM, duplicating that of the ERA. Two bodies conducting the same work duplicates costs and information requests, undermining the WEM Objectives, (a) to promote economic efficiency and (d) to minimise long-term costs.</p> <p>b. It conflicts with 2.16. Under 2.16, AEMO would report an event to ERA that may have impacted effectiveness so that the ERA could then investigate and request further information. However, 3.8B would require AEMO to conduct its own parallel investigation after notifying ERA.</p> <p>c. It lacks a clear problem statement justifying why the change is required.</p> <p>d. It duplicates the requirement in 3.8 which already requires AEMO to investigate incidents that endanger Power System Security or Power</p>	3.8B	<p>The ERA has no function to investigate “significant incidents”. In the final Amending Rules, proposed section 3.8B has been removed and instead section 3.8 is amended to further clarify AEMO’s existing functions to investigate significant incidents.</p>

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	<p>System Reliability.</p> <p>e. It represents a substantial change to AEMO's core functions that is not envisaged in chapter 2 which sets the fundamental roles of AEMO, the Energy Coordinator, the Economic Regulation Authority and Network Operators. Requiring AEMO to conduct its own investigations into incidents impacting effectiveness exceeds its current requirement under 2.1A.2 to "support" such investigations.</p> <p>f. We question whether AEMO is best placed to investigate matters of market effectiveness, compared with the ERA who has more experience and more established processes and responsibilities pertaining to its effectiveness monitoring.</p>		
23	<p>Shell Energy</p> <p>Shell Energy considers proposed section 3.8B requires appropriate consultation and does not consider it reasonable to insert a civil penalty provision (i.e. proposed clause 3.8B.3, requiring Rule Participants to provide information requested under proposed clause 3.8B.2 within a "reasonable time period specified by AEMO") without notifying stakeholders in advance and undertaking adequate consultation. Shell Energy requests clarification on what a "reasonable time period" would be.</p> <p>Shell does not believe there has been adequate consultation undertaken for several of the proposed amendments and strongly urge EPWA to commence proper consultation for these specific items.</p>	3.8B	<p>EPWA consulted on the proposed nominations of clauses as civil penalty provisions in the Miscellaneous Amendments No. 3 Exposure Draft and welcomed feedback on this nomination.</p> <p>EPWA undertook a four-week consultation on these amendments which is the standard consultation time for EPWA.</p> <p>As noted in issue #22, EPWA has not progressed proposed section 3.8B but has expanded AEMO's existing functions under section 3.8. We note that existing clause 3.8.2(c), which is similar to proposed clause 3.8B.3, is a civil penalty provision.</p>

Submitter	Issue	Section/Clause	EPWA's Response
<b>NCESS Procurement and Publication Requirements</b>			
24	Western Power	Supports publishing the details regarding an executed contract but notes commercial terms of a contract are typically confidential	3.11B.15 Noted.
25	Change Energy	Supports having greater information about pricing and payments for NCESS as it can improve confidence in the need for NCESS and increase competition.	3.11B.15 Noted.
26	Noel Schubert and Chris Alexander (ECP)	Supportive of the amendment and recommends that AEMO or the Network Operator be required to also publish the quantity being provided by each NCESS contract, noting that clause 4.24.11B already requires this to be published for Supplementary Capacity contracts. This is necessary to determine the overall value and cost of the contract. Transparency around the prices and quantities under these contracts - particularly given their increasing materiality - is important to ensure effective competition in markets and value for money for consumers.	3.11B.15 Clause 3.11B.15 has been amended to require publication of the quantity of the NCESS service.
27	AEMO	Supportive	3.11B.15 Noted.
28	Enel X	Against the proposal as while total aggregated cost of the program is relevant to market participants, individual contracts are	3.11B.15 EPWA considers that these are not confidential contracts between Market Participants, but contracts with AEMO, which should be fully

Submitter	Issue	Section/Clause	EPWA's Response	
	commercially sensitive. Unless there is tangible benefit to other market participants it should remain confidential. Additionally, RERT is published at an aggregate level and believes there is no benefit from publishing at a disaggregate level.		accountable and transparent. The relevant WEM Rules already have requirements for AEMO to publish cost-related details of NCESS contracts (e.g. price). This amendment clarifies the existing obligations so customers, who ultimately pay for the services, can effectively calculate the total cost. This is essential for transparency – a key function of the WEM.	
<b>Finalisation of Forced Outage Details</b>				
29	Western Power	Against that the proposed amendments as it increases the likelihood of requiring participants to use the 'revised forced outage' process which is a more cumbersome process.	3.21.2	The proposed change will not be progressed due to the concerns raised by Rule Participants about their ability to comply with a seven-day deadline.
30	Shell Energy	Against the proposal as it makes the process onerous and impractical.	3.21.2	See above.
31	Change Energy	Supports the proposal as it improves timeliness and transparency of market information.	3.21.2	See above.
<b>Managing Disclosure of Confidential Information</b>				
32	Alinta	Alinta Energy opposes the proposed amendments that would allow AEMO to share confidential information without a formal request. We consider that there should be a sanctioned reason under the WEM Rules for AEMO to share confidential information and note that this change lacks a problem statement. We question the circumstances where AEMO should provide confidential information but cannot. We	10.4.4A	Clause 10.4.4A will allow an Information Manager to disclose Confidential Information to the ERA, the Coordinator, AEMO or a Network Operator if the Information Manager considers it is required for the recipient's functions, without first receiving a formal request for that information. This prevents the perverse situation where an Information Manager holds information it considers the other party should

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	<p>recommend that these circumstances be specified in the WEM Rules to avoid AEMO being able to share any confidential information for no clear reason. We also note that this change is inconsistent with the Minister's decision on RC_2018_05 and the intent of 2.13.6 which included disclosure requirements for the ERA where it requests information not provided in the MSDC. Under the proposal, AEMO would transmit confidential information without disclosing to Rule Participant, nor defining the purpose for which it is being provided.</p>		<p>be aware of (e.g. relating to a problem with WEM Rules) but is unable to disclose that information.</p> <p>Under clause 10.4.26, the Information Manager is still required to identify any Confidential Information and the existing rules around the management of Confidential Information still apply.</p> <p>EPWA notes that an Information Manager is not currently required to notify an Information Stakeholder about the disclosure of such information if the disclosure is made in response to a request from the recipient.</p>
33	<p>Shell Energy</p> <p>Shell Energy requests justification for broadening powers for AEMO to discretionally disclose confidential information where there is no formal request under clause 10.4.6. Whilst there may be a temporary requirement for greater collaboration between AEMO, the ERA and EPWA due to the new WEM outcomes, a long-term amendment to existing governance arrangements which protects the sharing of MPs confidential information is concerning. Shell Energy requests further information and justification prior to this amendment being included in the draft package and seeks to understand why there are amendments to governance rules being included without consultation.</p>	10.4.4A	See above.

	Submitter	Issue	Section/Clause	EPWA's Response
34	Change Energy	Change Energy considers that the proposed amending rules provide a practical transition to a potential new Market Fee determination process and supports the extension of time for AEMO to consider its budget and improve the framework to determine market costs as it should provide greater accuracy to Market Participants of the costs that are pass on to consumers.	2.22A	Noted.
35	Noel Schubert and Chris Alexander (ECP)	Supported the amendments in principle.	2.22A	Noted.
36	AEMO	AEMO notes its support for these amendments.	2.22A	Noted.
37	Shell Energy	Shell Energy seeks clarification on the proposed amendment to remove the fee collection categories. Shell Energy considers that this will decrease transparency for MPs in an environment and market where increased transparency has been a key objective in policy reform projects in recent years.	2.24.3	<p>The proposed changes to clause 2.24.3 were made to reflect the current market fee structure, whereby Market Participant Market Fees are a single fee item. In 2021, the Tranche 5 WEM Amending Rules were made which removed references to the specific services provided by AEMO (these are listed in clause 2.24.3), and replaced them with Market Participant Market Fees which capture AEMO's costs for performing its functions under the WEM Regulations and Rules. Clause 2.24.3 was not amended in Tranche 5 and proposed clause 2.24.3 now aligns with section 2.24.</p> <p>We also note that this change is not anticipated to decrease transparency for Market Participants, because AEMO publishes a</p>

Submitter	Issue	Section/Clause	EPWA's Response	
breakdown of the revenue and expenditure categories in its Budget and Fees paper.				
<b>LT PASA</b>				
38	Tesla	In summary, Tesla supports the proposed changes. This would provide a more accurate representation and forecast of the system needs for storage duration, avoid outlier days skewing results, mitigate huge risk and uncertainty for existing and future storage projects, and ultimately minimise costs to consumers.	4.5.12	Noted.
39	Noel Schubert and Chris Alexander (ECP)	Supports amendments to provide clarity around the Availability Duration Gap determination for all years in the LT PASA horizon	4.5.12	Noted.
40	AEMO	AEMO supports these changes.	4.5.12	Noted.
<b>Submissions after Gate Closure</b>				
41	Alinta	Against the proposal for the following: 1. There is no problem statement for why this change is required. 2. It is not clear under what circumstances and to what extent AEMO can instruct a Market Participant to amend their offers as this is not stated in the WEM Rules. Directions to change offers and not operations could undermine appropriate settlement and market outcomes. 3. It also creates uncertainty about whether participants are covered from other offer construction obligations when they are	7.4.35	No change has been made to the proposed amendment. The amendment to clause 7.4.35 does not change AEMO's powers to issue directions, including directions to update Real-Time Market Submissions (e.g. under clauses 7.7.3 and 7.7.4) - rather it allows a Market Participant to comply with a direction that it would otherwise be unable to comply with due to Gate Closure limitations. EPWA is currently working with AEMO to review the arrangements for directions and interventions in the WEM Rules. This work will include a review of the



Submitter	Issue	Section/Clause	EPWA's Response
	<p>amending offers based on AEMO's direction and if changes are due to market dynamics. Seeks clarity on why this change is required</p>		<p>existing provisions around how and when AEMO can direct a Market Participant to update its Real-Time Market Submissions.</p>
42 Shell Energy	<p>Against the proposed amendments as it provides AEMO with market intervention powers previously not held. Believes this clause will disregard the purpose where the market is set for commercials, and these are purposely done before Gate Closure. Suggests it is better to reduce Gate Closure than allow further intervention within Gate Closure. AEMO should not be directing or requesting updates to market submissions from MPs unless it is under their existing powers for the security and reliability of the SWIS. Requests clarification as to how this clause is meant to be read.</p>	7.4.35	See above.
<b>Schedule 2</b>			
43 Change Energy	<p>Supports the proposed amendments as it aligns with the causer-pays principle and, therefore, the market incentive is to reduce cost. Additionally, the changes to NCESS from consumption share to Individual Reserve Capacity Requirement is a necessary change to incentivise customers to reduce peak energy periods. It recommends a similar method is introduced to low load NCESS costs as soon as possible</p>	4.28.4 and 4.28.4A	Noted.

	<b>Submitter</b>	<b>Issue</b>	<b>Section/Clause</b>	<b>EPWA's Response</b>
44	Noel Schubert and Chris Alexander (ECP)	Supports the proposal for NCESS costs and for Supplementary (Peak) Capacity costs.	4.28.4 and 4.28.4A	Noted.
45	AEMO	Supportive but sought clarification on some items	4.26 and appendix	Noted.
46	Noel Schubert and Chris Alexander (ECP)	Supports the proposed amendments to clarifying the settlement provisions regarding calculating FCESS Uplift Payments in principle	Glossary	Noted.
47	Change Energy	Supports the proposed amendment to the definition of Estimated Frequency Co-optimised Essential System Services (FCESS) Uplift Payment as it ensures consistency with the calculation of FCESS in clause 9.10.3 of the WEM Rules.	Glossary	Noted.

### Schedule 3

#### Contingency Reserve Raise and Additional RoCoF Cost Allocation

48	Change Energy	Supports the proposed amendments as it better reflects the actual risk posed by the failure of a facility by its impact on system frequency. The separation of the runway component and non-runway component as it should more accurately apply the causer-pays principle to facilities increasing the need for ESS, thereby resulting in a more efficient market.	Appendix 2A	Noted.
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	Submitter	Issue	Section/Clause	EPWA's Response
49	Alinta	Supports the proposed amendments as it supports the causer pays principles by ensuring that Market Participants do not pay for the portion of the Contingency Reserve Raise and RoCoF Control Service Requirements that are not attributed to their operations (e.g., when distributed PV is setting the requirement).	Appendix 2A	Noted.
50	Noel Schubert and Chris Alexander (ECP)	Supports the proposed amendments to refine the cost allocation methodology for Contingency Reserve Raise in principle	Appendix 2A	Noted.
51	AEMO	<p>Supports the overall intent of the proposed amendments. However, identified the following concerns:</p> <ol style="list-style-type: none"> <li>1. AEMO does not consider the Contingency Reserve Raise cost recovery mechanism to be appropriate for managing sympathetic trips, as it creates a potential pathway for Market Participants to accept the additional costs and delay the investigation and resolution of the core issue; and</li> <li>2. AEMO would also need to build the capability of its systems and processes to be able to determine primary and secondary risks, which has resource implications and associated costs. It recommends that the Secondary CR Facility concept is removed with possible alternatives investigated.</li> </ol>	7.13.1EA and appendix 2A	Following further consultation with AEMO, the Secondary Facility Risk concept has been removed. Instead, new clause 7.5.21 requires AEMO to implement Constraint Equations in the Dispatch Algorithm as necessary to prevent the risk of a sympathetic trip of a CR Facility from increasing the size of the Largest Credible Supply Contingency, unless the SWIS is in an Emergency Operating State or under declared Lack of Reserve Conditions.
52	Synergy in the TDOWG	Does not consider that it is reasonable that Synergy covers management of non-Synergy DER.	Appendix 2A	No change has been made to the proposed approach for allocating Contingency Reserve Raise costs associated with Distributed Energy

Submitter	Issue	Section/Clause	EPWA's Response
			<p>Resources (DER) of Non-Dispatchable Loads (NDLs), because EPWA has not found any alternative that would more appropriately allocate these costs to Market Participants.</p> <p>EPWA investigated two potential sources of DER information that could be used to support the cost allocation process: the DER Register and the Metered Schedules of Injecting NDLs.</p> <p>EPWA discussed the potential use of the DER Register with AEMO. AEMO confirmed that, despite recent improvements, the DER Register does not yet provide an appropriate data source for settlement, due to ongoing data quality and completeness issues.</p> <p>EPWA also considered whether the Metered Schedules of Injecting Non-Dispatchable Loads could be used in the cost allocation process. However, analysis of Metered Schedules since New WEM Commencement Day confirmed EPWA's concerns that the distortion created by the Notional Wholesale Meter (i.e. the extent to which the Injection of non-contestable connection points is masked by the Withdrawals of other connection points) would shift a large proportion of the costs caused by Synergy's non-contestable customers to other Market Participants.</p> <p>The Metered Schedule analysis also indicated that the overwhelming majority of DER in the SWIS is still associated with Synergy, with Synergy's NDLs recording the majority of NDL Injection quantities during the middle of the</p>

Submitter	Issue	Section/Clause	EPWA's Response
			<p>day, despite the offsetting effect of the Notional Wholesale Meter.</p> <p>We note that the selected approach will be reviewed if a suitable information source becomes available.</p>
53	AEMO in the TDOWG	Should the Contingency Reserve Raise Requirement cover tertiary and higher order risks too?	<p>7.13.1EA and appendix 2A</p> <p>Following further consultation with AEMO, the Secondary Facility Risk concept has been removed from the Amending Rules. Instead, new clause 7.5.21 requires AEMO to implement Constraint Equations in the Dispatch Algorithm, as necessary, to prevent the risk of a sympathetic trip of a CR Facility from increasing the size of the Largest Credible Supply Contingency, unless the SWIS is in an Emergency Operating State or under declared Lack of Reserve Conditions. The term "secondary facility" has been replaced by "consequent facility" to account for the possibility of tertiary and higher order risks.</p>
<b>Feedback on Consultation Process</b>			
54	Smart Energy Council	<p>The Smart Energy Council is disappointed in the consultation process which did not provide a clear pathway for contribution from the consumer energy resources sector on an important piece of policy for the sector.</p> <p>Consultation needs to be better, and it is unacceptable to have a key market rule change for batteries buried in a 100 page + Draft paper,</p>	<p>EPWA welcomes anyone to join the RulesWatch mailing list to receive communication regarding open consultations: <a href="https://www.wa.gov.au/organisation/energy-policy-wa/energy-rules-and-procedures">https://www.wa.gov.au/organisation/energy-policy-wa/energy-rules-and-procedures</a></p>

Submitter	Issue	Section/Clause	EPWA's Response
	without notification that this rule change affects Consumer energy resources.		
55 Smart Energy Council	The working groups that informed this rule change, DER or consumer energy resources was clearly omitted from the terms of reference, and the group was clearly directed that the rule change processes did not concern DER. The rule change clearly impacts consumer energy resources through the setting of baselines in the Reserve Capacity Market. Given the hidden nature of the consumer energy resources in this rule change, the Smart Energy Council and other interested parties were not aware of how this rule change would affect consumer energy resources until late in the consultation timeframe.		We note that no specific technologies were mentioned in the Terms of Reference for the Demand Side Response Review in line with the Wholesale Market Objectives. However, the Scope of Work for the review published and referenced in the Terms of Reference makes specific note of behind the meter solar and storage as a new source of emerging load flexibility. We note that no such "directions" have been provided to the Working Group or otherwise. We consulted on the baseline and these changes following completion of the DSR Review and the work of the DSR Review Working Group, and again as part of the Miscellaneous No. 3 Amendments. There will be no further consultation on these changes.
<b>Deferred to Reserve Capacity Mechanism Review<sup>i</sup> (formerly Schedule 2)</b>			
56 Noel Schubert and Chris Alexander (ECP)	Support in principle, to remove barriers to entry and encourage participation of aggregated DSPs in the RCM.		Noted.
57 AEMO	AEMO notes that the changes proposed in Part 2 of this rule change package are an interim step towards effective integration of DER and VPPs in the WEM. AEMO proposes that the next tranche of DER work being scoped by EPWA should consider addressing visibility of DSP telemetry arrangements, assessment of		Noted.

Submitter	Issue	Section/Clause	EPWA's Response
	<p>appropriateness of the baseline measurement methods and opportunities for AEMO to reduce costs and barriers to entry through well-designed registration solutions.</p>		
<b>Relevant Demand and DSP Injection</b>			
58	Enel X	We support the proposed amendment to Clause 2.29.5AC to increase the injection cap to 10MW per TNI as it supports the stated goal of giving aggregators greater flexibility on how they meet their reserve capacity obligations.	2.29.5AC Noted.
59	AEMO	AEMO supports the changes but notes the requirement to publish a DSP Injection Cap at a TNI does not necessarily address the potential power system risks that could be posed by a DSP at that location. The expected change in energy at a TNI location, not only injection, should be considered when setting the relevant TNI caps. AEMO therefore proposes the following drafting changes for consideration: - the DSP Injection Cap concept should be changed to an overall "TNI Cap" which accounts for DSP activation (injection and withdrawal); - AEMO should be given the flexibility to specify a cap for a group of TNI's if needed (this will become more important as DSP capacity increases over time); and - the rules should clarify how AEMO is to allocate capacity if multiple DSPs were to register at a TNI and in aggregate exceed the relevant TNI Cap.	2.29.5AC, 4.15.16A, 4.3.1 Noted.

Submitter	Issue	Section/Clause	EPWA's Response
	<p>AEMO supports the requirement to specify the process for developing the TNI List in a WEM Procedure and the TNI list should also consider what combinations of DSPs or TNIs that could pose a security risk.</p>		
60	<p>AEMO</p> <p>The current drafting does not specify the process for adjusting the Reserve Capacity Security for DSPs that are required to separately register behind each TNI. AEMO suggests that amendments are made to allow AEMO to hold Reserve Capacity Security at the Market Participant level for the impacted DSPs instead of the Facility level.</p> <p>AEMO also requests that a similar clause to 4.20.16 be drafted to require the Market Participant to advise AEMO of the Capacity Credits to be allocated between the DSPs registered under clause 2.29.5AD.</p> <p>AEMO noted that this amendment will require changes to systems and processes relating to registration, dispatch, constraints, ST PASA and RTM systems.</p>	2.29.5AD	Noted.
61	<p>Enel X</p> <p>We support the proposed amendment to clause 2.29.5AE to prevent a DSP from registering at a TNI which AEMO has deemed to be 'congested' as it has been proposed in conjunction with the new clause 4.15.16A (which we support) AEMO is required to publish congested TNIs prior to application for CRC.</p>	2.29.5AE	Noted.



	Submitter	Issue	Section/Clause	EPWA's Response
62	Western Power	WP is supportive of the clarity provided by the proposed new clause.	2.29.5BA	Noted.
63	Synergy in TDOWG	What happens in the event a DSP aggregator pays refunds, noting that aggregators who overstate their capacity would reduce the Reserve Capacity Price.	Section 2.29	Noted.
64	TDOWG	Several concerns were raised regarding the proposed Injection Cap and how this would be enforced.	Section 2.29	Noted.
65	AEMO in TDOWG	What happens if aggregated DSPs get large enough that it is no longer appropriate for them to be dispatched under DSP arrangements.	Section 2.29	Noted.
66	AEMO in TDOWG	Relevant Demand for Dispatch Events are calculated ex-post once meter data is available. However, DSP Market Schedules are forward looking which means meter data will not be available for the set of Selected Days pertaining to a future Trading Interval (for which AEMO is calculating the Relevant Demand).	Section 2.29	Noted.
<b>Other comments</b>				
67	Enel X	We support clause 4.26.1AA which introduces the Peak DSP Delivery Shortfall quantity and the changes to the methodology of the Reserve Capacity Deficit calculation in clauses 4.26.1A(a)(ii)(5) and 4.26.4(a)(ii)(4)	4.26.1AA	Noted.

	Submitter	Issue	Section/Clause	EPWA's Response
68	AEMO	AEMO highlighted several issues relating to changes to settlement calculations which it has provided to EPWA separately from this submission.	Section 4.26 and appendix 10	Noted.
69	Change Energy	The proposed amending rules provide greater flexibility for energy production and storage by allowing DSPs to select one of two methods which appear practical. Change Energy considers information not clear on how this will work in practice and the impact of these arrangements on the network and market outcomes. We appreciate EPWA has sought to introduce complementary arrangements such as DSP refunds where a facility is unable to meet its obligations, however, close monitoring is required to ensure the increased flexibility in DSP participation delivers the expected outcomes.	4.26	Noted.
70	Smart Energy Council	<p>The Smart Energy Council is particularly concerned by the backwards step made in this rule change towards integrating consumer energy resources into the energy grid. This is despite the fact that consumer energy resources have made up over 90% of total solar in the SWIS, and the majority of new renewable energy added onto the grid over the past 3 years.</p> <p>The Smart Energy Council is calling on EPWA to revise the approach to DSP Baseline Methodology to ensure that Batteries and small scale behind the meter devices are appropriately</p>	4.26	Noted.

Submitter	Issue	Section/Clause	EPWA's Response
	<p>recognised for their contribution to Demand side programs.</p> <p>A restrictive baseline methodology as set out in this rule change would be a loss for the continued uptake of solar, and a loss for WA's transition to renewables, already falling dangerously behind.</p>		
71	<p>Starling Energy Group (SEG)</p> <p>One of the key challenges for DER participation in the RCM is the proposed DSP baselining methodology, which was originally designed for commercial and industrial loads. The baselining method relies on historical data to estimate the counterfactual consumption of a DSP during an event and uses this as the basis for calculating the capacity contribution and payment. However, this approach is not fit for purpose for residential and small business DERs. Suggests DER telemetry should be leveraged.</p> <p>SEG believes that a revised baselining methodology for DERs is essential to ensure a level playing field for DER providers in the RCM. Without this, there is a risk of underestimating the value of DERs, leading to inefficient outcomes and reduced incentives for DER participation.</p>	4.26	Noted.
72	<p>Starling Energy Group (SEG)</p> <p>SEG does not believe the DSP Framework, even with the proposed transitional changes would be suitable for aggregated residential DER because it's still fundamentally designed to cater for predictable, large loads that reside behind very few connection points that do not change frequently or ever. As the proposed</p>	4.26	Noted.

Submitter	Issue	Section/Clause	EPWA's Response
	<p>rules currently stand, there are still restrictions on enrolment and enrolment and constraints relating to TNIs. These are fit for purpose for larger DSPs but not necessarily for vastly geographically spread DERs.</p> <p>Absent a new Facility Class for DERs, it is clear to SEG that EPWA has indeed contemplated changes to the DSP to allow for DERs, which, again, is very much welcomed. However, it is possible these transitional arrangements may be more detrimental to DER participation during the transitional period than short-term SRC and NCESS participation.</p>		
73	AEMO	For the purposes of estimating Relevant Demand under clause 7.8A.3, AEMO notes that the use of meter data from the Event Day does not work as an input, given the data is required 14 days before the Event Day occurs. AEMO noted the need to clarify in Appendix 10 whether Relevant Demand is calculated every day, the source of historical data (e.g. from a fixed number of days in the past) and participant expectations of a Relevant Demand determined at dispatch that is different to the calculation at settlement.	7.8A.3, Step 5.1(b) App 10 Noted.
74	AEMO	Noting that Minimum Consumption data is no longer required for use in settlement, AEMO proposes a review of the process and benefits for continuing to provide this information under the WEM Rules. If the requirement for dynamic Minimum Consumption data is retained, AEMO proposes that it should be implemented using	XX.XX and YY.YY Noted.

Submitter	Issue	Section/Clause	EPWA's Response
	<p>the RTM Submission process. These clauses should consequently be re-located into Chapter 7, with the data provided under clause 7.4A.13 as part of the inputs for a DSP Withdrawal Profile.</p>		
75	<p>Starling Energy Group (SEG)</p> <p>Changing a set of NMIs that comprise the makeup of certain MWs may change from month to month, either due to churn or the addition of new systems. It is SEG's understanding that NMIs need to be fixed from the onset which is challenging due to the inherent nature of a VPP business model.</p>		Noted.

<sup>i</sup> EPWA is currently undertaking finalising the sequencing of the *Wholesale Electricity Market Amendment (Reserve Capacity Reform) Rules 2023*.

## **Energy Policy WA**

Level 1, 66 St Georges Terrace, Perth WA 6000

Locked Bag 100, East Perth WA 6892

Telephone: 08 6551 4600

[www.energy.wa.gov.au](http://www.energy.wa.gov.au)

