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Energy Policy WA
Level 1, 66 St Georges Terrace
PERTH WA 6000

via email: energymarkets@dmirs.wa.gov.au

Dear Energy Policy WA,

2024 REVIEW OF SUPPLEMENTARY CAPACITY PROVISIONS – CONSULTATION PAPER

Synergy welcomes the opportunity to provide feedback on the proposals and potential rule changes outlined in the Energy Policy WA (**EPWA**) Consultation Paper.

Synergy's comments regarding the proposed changes to the Supplementary Reserve Capacity (**SRC**) process, and feedback responding to the stakeholder questions are provided below.

Once again, Synergy thanks EPWA for their work in this year's review of the SRC process and looks forward to engaging in future reviews as the opportunity arises.

Yours sincerely

A handwritten signature in blue ink, appearing to read "R Bedola", written in a cursive style.

RHIANNON BEDOLA
MANAGER ELECTRICITY MARKETS



Paper reference	Rule reference	Synergy's Feedback	Classification
3.4 Introduction of an alternative supplementary capacity product	N/A	<p><i>Before making a recommendation on this matter, Energy Policy WA but is seeking further feedback about whether potential service providers would be:</i></p> <p><i>2. Willing to enter into short term negotiations to provide short term supplementary capacity response during the Hot Season without a pre-existing contract?</i></p> <p><i>a) This may involve, by way of example, direct negotiations in the lead up to a heatwave to provide capacity/reduce demand for a limited, specified time (possibly 2-3 hours a day over 1-2 days) at a specified price.</i></p> <p>Synergy would be open to engaging in direct negotiation. However, we ask for clarity on the following:</p> <ul style="list-style-type: none"> i) What does “pre-existing contract” mean? e.g. Is this referring to an asset without an executed contract from a previous Hot Season SRC procurement? Or does this refer to the asset’s contractual status in the current Hot Season? ii) What is the proposed timing of the negotiations to establish a contract under this limited specified time procurement? 	Query
Appendix B. Proposed WEM Rule changes	4.24.6AA	<p>The proposed new clause at 4.24.6AA is intended to support Proposal 1, requiring AEMO to use reasonable endeavours to identify potential SRC providers and proactively provide potential providers with information about the call for supplementary capacity tender.</p> <p>Synergy provides a suggested amendment (underlined in green) to this clause for clarity and consistency with Proposal 1:</p> <p>AEMO must use reasonable endeavours to identify potential Eligible Services providers, and contact them <u>and provide information</u> regarding any call for tender under clause 4.24.6.</p>	Amendment for clarity
Appendix B. Proposed WEM Rule changes	4.24.19 and 4.24.20	<p>Removing the requirement for the Coordinator to review the SRC provisions after each SRC procurement is consistent with Proposal 4. Synergy does not object to Proposal 4. However, we query why, if the Coordinator does review the SRC provisions, such review is not required to have regard to the Wholesale Market Objectives.</p> <p>We suggest that in the event that the Coordinator decides to review the SRC provisions, there should be regard to the Wholesale Market Objectives, as these remain relevant in developing the wholesale market.</p>	Query