



Terms of Reference

Demand Side Response Review Working Group

16 March 2023

1. Background

The Coordinator of Energy (**Coordinator**) has commenced a review of the rules for participation of Demand Side Response in the Wholesale Electricity Market (**WEM**) under clause 2.2D.1 of the WEM Rules. Clause 2.2D.1(h) confers the function on the Coordinator to consider and, in consultation with the Market Advisory Committee (**MAC**), progress the evolution and development of the WEM and the WEM Rules.

Energy Policy WA developed a Scope of Work for the Demand Side Response Review in consultation with the MAC. The Scope of Work is available on the Coordinator's Website at: [<Energy Policy WA will provide a link referring to the Working Group Page>](#)

The Scope of Work for the Demand Side Response Review includes:

- objectives and guiding principles for the review;
- issues to be considered;
- stakeholder engagement; and
- the project schedule.

The MAC has established the Demand Side Response Review Working Group under clause 2.3.17(a) of the WEM Rules to assist the Coordinator with the Demand Side Response Review.

2. Scope of the Working Group

The Demand Side Response Working Group has been established to provide expert advice and analysis on all aspects of the participation of Demand Side Response in the WEM identified in the Scope of Work, including to:

- identify the different ways Loads/Demand Side Response can participate across the different WEM components;
- identify and remove any disincentives or barriers to Loads / Demand Side Response participating across all of the different WEM components; and
- identify any potential for over- or under-compensation of Loads/Demand Side Response (including as part of "hybrid" facilities") as a result of their participation in the various market mechanisms and provision of Network Services.

3. Membership

Energy Policy WA will provide the Chair of the Demand Side Response Review Working Group.

Any Market Participant or other interested stakeholder may nominate a person for membership on the Demand Side Response Review Working Group for approval by the Chair.

All members of the Demand Side Response Review Working Group are required to contribute their time and resources to complete specific analysis and other tasks as requested by the Chair.

There are no restrictions on the number of Demand Side Response Review Working Group members. However, the Chair of the Demand Side Response Review Working Group may only approve one member from each organisation.

The Chair of the Demand Side Response Review Working Group will have discretion to allow additional subject matter experts or consultants to attend specific meetings or workshops, either generally or on a case-by-case basis.

Energy Policy WA will provide administrative support to the Demand Side Response Review Working Group.

4. Documentation

Energy Policy WA will establish a Demand Side Response Review Working Group webpage on its website. Any discussion papers, meeting papers and meeting minutes will be posted to this page.

Market Participants and other stakeholders may register with Energy Policy WA to receive email communications regarding the Demand Side Response Review Working Group, including notices of publication of papers on the Demand Side Response Review Working Group webpage.

5. Responsibilities of Meeting Attendees

A person attending a Demand Side Response Working Group meeting is expected to:

- have suitable knowledge and experience to engage in and contribute to discussions relevant to the specific meeting;
- prepare for the meeting, including by reading any meeting papers distributed before the meeting;
- participate as a general industry representative rather than representing their company's interests; and
- complete actions requested by the Chair, which may include undertaking of analysis or preparation of papers for discussion by the Working Group.

6. Administration

Energy Policy WA will provide secretariat support for the Demand Side Response Review Working Group.

Energy Policy WA will ensure contact details for the Demand Side Response Review Working Group are maintained on the Demand Side Response Review Working Group webpage.

The Chair of the Demand Side Response Review Working Group will convene meetings of the working group in accordance with the timelines in the Scope of Work for Demand Side Response Review as outlined under Section 8 of these terms of reference.

Energy Policy WA will prepare and distribute all meeting correspondence to the Demand Side Response Review Working Group via email. Energy Policy WA will endeavour to

provide the following documentation by email to the Demand Side Response Working Group members:

- notices of meetings, agendas, and relevant meeting papers at least 5 Business Days prior to the meeting; and
- key outcomes and actions emerging from each meeting no more than 5 Business Days following the meeting.

All meeting documentation will be published on Energy Policy WA’s website as soon as practicable after it has been sent to the Demand Side Response Review Working Group members.

Meetings will generally be held online via TEAMS but may sometimes be held in person. Meeting minutes are to record meeting attendance, main outcomes of discussion, agreed recommendations to the MAC and action items. Meetings will be recorded to assist with development of minutes.

7. Reporting Arrangements

The Demand Side Response Review Working Group Chair must provide a report to the MAC on the Demand Side Response Review Working Group’s activities at each MAC meeting. The reports must include, at a minimum:

- details of all Demand Side Response Review Working Group meetings since the last report to the MAC, including the date and the key outputs of each meeting;
- the date of the next meeting and the issues to be considered (if known); and
- any recommendations from the Working Group to the MAC.

8. Projected Timeline

Tasks/Milestones	Timing
Consult with the MAC on the Scope of Works for the Demand Side Response Participation Review and timing for commencement of the review	October 2022
Commence the review	March 2023
Engage a consultant(s) to assist with the review	April 2023
Establish a MAC Working Group	
Initial MAC Working Group meeting	April/May 2023
Step 1 - Assessment of the participation of Loads/Demand Side Response across all WEM components	
Literature review of the participation of Loads/Demand Side Response in other jurisdictions	June 2023
Assessment of the relevance of the jurisdictional review to the WEM in consultation with the MAC/MAC Working Group	
Assessment of the outcome of the system stress analysis from stage 1 of the RCM Review.	July 2023

Tasks/Milestones	Timing
Identification of typical flexible loads (e.g. large cold stores) that exist in the WEM and don't participate.	July 2023
Assessment of possibilities for over- or under compensation for different scenarios of Loads/Demand Side Response participating in various market mechanisms and Network Service provision.	
Step 2 - Gap analysis identifying any barriers and disincentives for Loads to participate across all components of the WEM and provide the services.	
Gap analysis in consultation with the MAC/MAC Working Group	September 2023
Step 3 - Formulations of recommendations for further action	
Formulation of recommendations for further actions in consultation with the MAC/MAC Working Group	October 2023
Develop and publish a Consultation paper regarding the recommendations	November 2023
Submissions on consultation paper close	December 2023
Develop and publish an Information Paper on the changes to the participation of Loads in the WEM, and proposed Amending Rules for stakeholder consultation	February 2024
Stakeholder Consultation on the proposed Amending Rules	March 2024
Submit any necessary Rule Change Proposals for consideration and approval by the Coordinator and the Minister	April 2024
Commencement of rule changes	TBD

9. Contact Details

Rule Participants and other stakeholders may contact the Demand Side Response Review Working Group Secretariat at energymarkets@dmirs.wa.gov.au. Documentation and information related to the Demand Side Response Working Group will be published on Energy Policy WA's website.