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Energy Policy WA  
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**PERTH WA 6000**

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Dear Energy Policy WA

## **REVIEW OF SUPPLEMENTARY RESERVE CAPACITY PROVISIONS – STAGE 2 CONSULTATION PAPER**

Synergy welcomes the opportunity to provide a submission to Energy Policy WA (**EPWA**) on the Review of Supplementary Reserve Capacity Provisions – Stage 2 Consultation Paper (**Paper**).

Synergy thanks EPWA for presenting the outcomes of Stage 1, and for updating stakeholders regarding the changes to the SRC procurement process following stakeholder feedback.

Please refer to the **attached** table for Synergy's detailed comments concerning the Appendix C draft amendments. Synergy otherwise provides the following comments for consideration regarding the Stage 2 Paper:

### Proposal 2

Synergy understands EPWA's concerns about the performance and reliability of contracted services, and generally supports the intention behind the proposed changes to clause 4.24.16. However, in certain cases such as Demand Side Programs, the cost of conducting testing twice a year (for Reserve Capacity testing and SRC-specific testing) may be unnecessary and prohibitive for service providers. Synergy also understands that various service providers had conducted self-testing prior to the SRC contracted period during the previous call for tenders. Synergy therefore suggests that if testing has already been conducted within 6 months of the contract period, no further test be required for the purposes of 4.24.16. If testing has not already been conducted within the 6 months period, then testing occur on dates as agreed between AEMO and the service provider. Please refer to the attached table for suggested rewording of clause 4.24.16 and proposed clause 4.24.17.

### Proposal 4

The proposed clause 4.24.7(l) requires that respondents to a call for tender provide evidence that the Eligible Service has access to the network at the time of applying. The requirement for network access is understood, however the clause as currently drafted may preclude

respondents in the process of finalising network access contracts from meeting the prescribed requirement. Synergy has concerns that this may result in potential service providers being deemed ineligible to secure an SRC contract. Synergy suggests that AEMO consider the progress of negotiations regarding network access and give weight to advanced good faith negotiations when assessing eligibility of tenders. It may also be beneficial that AEMO provide guidance in the tender form as to the kind of evidence that will satisfy the requirement for network access. Please refer to the table for suggested rewording at clause 4.24.7(l).

Synergy thanks EPWA for their work in the review of the SRC process and looks forward to engaging in future reviews regarding the same.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Vorster', with a long horizontal flourish extending to the right.

**RUDOLF VORSTER**  
**WHOLESALE STRATEGY & PLANNING MANAGER**

**Detailed Comments on the Proposed WEM Rule Drafting in Appendix C of the Paper**

Review of the Supplementary Reserve Capacity Provisions – Proposed WEM Rule Changes				
#	Rule ref.	Classification	Issue	Suggestion
1.	4.24.16	Major	As discussed above regarding Proposal 2, Synergy proposes drafting amendments for testing requirements, marked in green and underlined.	<p><b><u>4.24.16</u></b></p> <p><del>Blank</del> AEMO must verify the capability of each service procured under a Supplementary Capacity Contract as <u>soon as practicable on a date agreed between AEMO and the supplier of the Eligible Service</u> after entering into the relevant contract by activating the maximum quantity contracted under the Supplementary Capacity Contract.</p> <p><b><u>4.24.17</u></b></p> <p><u>If the service procured has undergone successful verification for the maximum quantity contracted within six months prior to the commencement date of the applicable service, the supplier of the Eligible Service shall be exempt from the requirement in 4.24.16.</u></p>
2.	4.24.7(l)	Major	Regarding Proposal 4 above, Synergy provides proposed drafting amendments for the requirement to provide evidence of network access.	<p><b><u>4.24.7(l)</u></b></p> <p><u>evidence that the Eligible Service has access to a network, or that the applicant has otherwise engaged in advanced stage negotiations with Western Power in good faith to finalise network access, where applicable.</u></p>