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Dear Energy Policy WA

COST ALLOCATION REVIEW – WEM AMENDING RULES EXPOSURE DRAFT

Synergy welcomes the opportunity to provide a submission on Energy Policy WA's (EPWA's) Cost Allocation Review WEM Amending Rules Exposure Draft (**CARWG Draft Rules**).

Please refer to Synergy's detailed comments on the CARWG Draft Rules in the table below. Synergy thanks EPWA for their work to date in the Cost Allocation Review and looks forward to continue working with EPWA in the implementation of the Review's outcomes.

Yours sincerely

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

RUDOLF VORSTER
MANAGER WHOLESALE STRATEGY AND PLANNING

DETAILED COMMENTS ON PROPOSED DRAFTING

Cost Allocation Review WEM Amending Rules Exposure Draft				
#	Topic	Rule reference	Synergy comment	Suggestion
1	Settlement Calculations – Essential System Services	9.10.32	There is a typo in the calculation for The Contingency Reserve Lower amount recoverable from Market Participant p for Dispatch Interval DI.	Suggested redrafting for clause 9.10.32 : The Contingency Reserve Lower amount recoverable from Market Participant p for Dispatch Interval DI is: $CL_Recoverable(p,DI)=CL_Payable(DI)\times ParticipantCLShare(p,DI)$
2	Runway share calculation method	Appendix 2A, section 1.4	The drafting in section 1.4 contains a long sentence with multiple Rule references. This is difficult to read and may be unclear for Rule Participants to interpret.	Suggest that Appendix 2A, section 1.4 is redrafted for clarity. EPWA may wish to consider separating section 1.4 into subsections to assist Rule Participants with interpretation.
3	Runway share calculation method	Appendix 2A, section 2.5	Suggest that “this” is added to the sentence and “2A” deleted for clarity.	Suggested redrafting to Appendix 2A, section 2.5 Subject to AEMO’s assessment and determination in accordance with section 2.7(a) of this Appendix, one or more electricity producing units in an Energy Producing System that is part of a Facility may be treated separately for the purposes of allocating Contingency Reserve Raise costs under this Appendix, provided that the units meet the following criteria: ...
4	Runway share calculation method	Appendix 2A, section 2.5	The criteria listed at section 2.6 doesn’t include the requirement that each dispatchable unit (or set of inverters) have its own onsite electrical distribution system (or set of inverters). Section 5.1 of the Information Paper	We query whether the requirement should be included in the Amending Rules at Appendix 2A, section 2.6 for consistency with the Information Paper.

			published 15 June 2023 ¹ included this requirement.	
5	Runway share calculation method	Appendix 2A, section 2.6	Suggest that “separate” is removed from section 2.6 for drafting clarity and consistency with 2.5 and the rest of Appendix 2A.	Suggested drafting amendments to Appendix 2A, section 2.6: <u>A Market Participant that wants the separate an electricity producing unit (or set of units) within an Energy Producing System to be treated separately for the purposes of Appendix 2A must:</u> ...
6	Calculation of Regulation Shares for Regulation Cost Recovery	Appendix 2D, section 1.1	The Interpretation clause at section 1.1 could be refined for drafting clarity and consistency with the wording in Interpretation section 1 of the existing Appendix 2A, 2B and 2C.	Suggested drafting amendments to Appendix 2D, section 1.1: <u>If anything is to be determined, calculated or done in this Appendix, then except if otherwise stated, AEMO will determine, calculate or do that thing, as the case may be, those things.</u> ...
7	Calculation of Regulation Shares for Regulation Cost Recovery	Appendix 2D, section 2.1(g) and i	Suggest that “may” be replaced with “must” in the sentence: “in which case AEMO <i>may</i> reduce or set the Deviation value to zero for that 4-second period...” The rationale for this is if a facility is being directed or is providing ESS, then it should not be charged. For drafting clarity, we suggest that it becomes its own section, instead of being within section 2.1(g). And accordingly, (g) be amended to	Suggested drafting amendments to Appendix 2D, section 2.1(g): Scheduled Facilities and Semi-Scheduled Facilities providing ESS may not be able to minimise the 4-second Deviation values when they provide Regulation services, frequency response or are subject to AEMO directions; in which case AEMO <u>must may</u> reduce or set the Deviation value to zero for that 4-second period, <u>in accordance with the WEM Procedure developed under section 2.1 of this Appendix;</u> ...

¹ [Energy Policy WA, Cost Allocation Review Information Paper 15 June 2023, p 19.](#)

			refer to AEMO's WEM Procedure developed under section 2.1 of Appendix 2D.	
8	Calculation of Regulation Shares for Regulation Cost Recovery	Appendix 2D, section 3.3	Suggested redrafting to section 3.3 for clarity.	Suggested redrafting for Appendix 2D, section 3.3: A Market Participant for a Semi-Scheduled Facility that does not provide ESS or a <u>registered</u> Non-Scheduled Facility is registered may notify AEMO that it requires AEMO to use the Unconstrained Injection and Withdrawal Forecast that the Market Participant provided in the Real-Time Market Submission for the Facility under clause 7.4.1 instead of the Injection Forecast developed by AEMO under section 3.1 of this Appendix.
9	Calculation of Regulation Shares for Regulation Cost Recovery	Appendix 2D, section 4	The heading in section 4 contains a typo, referring to Contingency Reserve Lower instead of Regulation Cost Recovery.	Suggested redrafting for Appendix 2D, section 4: Contingency Reserve Lower <u>Regulation</u> Cost Allocation Procedure
10	Calculation of Contingency Reserve Lower Share	Appendix 2E, section 1.1	The Interpretation clause at section 1.1 could be refined for drafting clarity and consistency with the wording in Interpretation section 1 of the existing Appendix 2A, 2B and 2C.	Suggested drafting amendments to Appendix 2E, section 1.1: <u>If anything is to be determined, calculated or done in this Appendix, then except if otherwise stated, AEMO will determine, calculate or do that thing, as the case may be, those things.</u>
11	Calculation of Contingency Reserve Lower Share	Appendix 2E, section 3.2(a)	It is unclear what "1" in this section is referring to. CL_EntityMW(1,DI) is the CL_Threshold;	Synergy suggests that Appendix 2E, section 3.2(a) is redrafted to provide clarity and to assist Rule Participants with interpretation of this section.
12	Calculation of Contingency Reserve Lower Share	Appendix 2E, section 3.2(b) and Appendix 2E, section 6.5(c) i	The formulas in section 3.2(b) and section 6.5(c) i uses "x" as an index. "x" may potentially be misread as multiply.	Synergy suggests that another index is used to avoid misinterpretation of these sections.