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Dear Energy Policy WA,

DEMAND SIDE RESPONSE REVIEW – EXPOSURE DRAFT OF WEM AMENDING RULES

Synergy welcomes the opportunity to provide a submission to Energy Policy WA (**EPWA**) on the *Demand Side Response Review – Exposure Draft of WEM Amending Rules* (**DSR Draft Rules**).

Synergy's detailed comments on the DSR Draft Rules are outlined in attached Table and Annexure for EPWA's consideration.

At a high level, Synergy supports the proposed DSR Draft Rules and implementation. However, Synergy considers that the proposed nomination of clause 2.30A.8 as a civil penalty provision requires additional regulatory processes within the new section 2.30A.

Separately

Yours sincerely

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

RHIANNON BEDOLA
MANAGER ELECTRICITY MARKETS

TABLE 1: DETAILED COMMENTS ON DSR DRAFT RULES

Demand Side Response: Exposure Draft Proposed WEM Amending Rules				
#	Rule ref.	Classification	Issue	Suggestion
1	2.30A.2	Typographical	Suggest a “;” is added to the end of subclause item (c). Suggest that the numbering for subclause items is reviewed.	<u>2.30A.2.</u> ... (c) the Separately Certified Component to be separately registered is a different Facility Technology Type to the remainder of the Facility; (e) (d) that the Separately Certified Component has, or will have, a Secondary Interval Meter installed by the Metering Data Agent; and (e) the application does not relate to a Facility that includes a component already registered as another Facility, or that is the subject of an application to become a separate Facility.
2	2.30A.6, 2.30A.7, 2.30A.8	Major	<p>The DSR Draft Rules proposes to list clause 2.30A.8 as a civil penalty provision. Therefore, Synergy considers that clause 2.30A.6 should be nominated as Reviewable Decision.</p> <p>The DSR Draft Rules allows for AEMO to revoke the ability for a Separately Certified Component to be registered as a separate Facility:</p> <ul style="list-style-type: none"> without the requirement to substantiate or demonstrate the reasoning for AEMO’s decision; without the ability for the Market Participant to challenge AEMO’s decision; and without the ability for the Market Participant to be able to rectify any concerns prior to the decision to revoke. <p>There is a discretionary requirement to consult with the network operator but there is no obligation to consult with the Market Participant.</p> <p>Secondly, Synergy considers that the WEM Rules, reasonably, should outline a process under which AEMO is required to notify the Market Participant on the basis of a proposed decision to revoke an approval, allow a reasonable period for the Market Participant to respond to (and potentially rectify the concerns in) AEMO’s notice, and for AEMO to give regard to any feedback provided <u>prior</u> to AEMO deciding to revoke an approval.</p> <p>Thirdly, Synergy considers, that with the DSR Draft Rules proposing clause 2.30A.8 is nominated as a civil penalty provision, the additional oversight, along with the Market Participant’s ability to access the dispute mechanism is reasonable and required within the WEM Rules.</p> <p>The suggested drafting addresses the need for a process by which a Market Participant can respond to AEMO, and rectify any concerns, prior to AEMO revoking the approval. Additional drafting edits are required to make clause 2.30A.6 a Reviewable Decision, and to implement a dispute process into the WEM Rules.</p>	<p><u>2.30A.6.</u> If AEMO considers that one or more of the criteria in clause 2.30A.2 is no longer being met with regard to a Facility, AEMO may, subject to clause 2.30A.6A and clause 2.30A.6B, revoke the approval under clause 2.30A.4.</p> <p><u>2.30A.6A. (new)</u> Prior to AEMO revoking the approval under clause 2.30A.6, AEMO must notify the relevant Rule Participant outlining:</p> <ul style="list-style-type: none"> (a) its intention to revoke the approval and the reasons for its decision; (b) the date by which the relevant Rule Participant must respond to the notification; (c) the date by which the relevant Rule Participant must provide AEMO with additional information for AEMO’s consideration; and (d) if applicable, the date by which the Rule Participant must rectify AEMO’s concerns outlined in the notification. <p><u>2.30A.6B. (new)</u> <u>AEMO must consider any additional information provided by, or rectification undertaken by the Rule Participant in response to the notification provided under clause 2.30A.6A in its decision to revoke an approval for a Separately Certified Component to be registered as a separate Facility.</u></p>

Demand Side Response: Exposure Draft Proposed WEM Amending Rules

#	Rule ref.	Classification	Issue	Suggestion
3	2.30A.7	Clarity	<p>Synergy seeks clarity on the implementation details of the policy intention in regards to the treatment of the obligations that apply to a Separately Certified Component that is registered as a separate Facility when that Facility seeks to be deregistered. Do the obligations get added to that for the remaining Facility, or are they removed when the Separately Certified Component is deregistered as a Facility?</p> <p>For example, assume that two Separately Certified Components by the same load (say a DSP and a battery) are Registered Facilities.</p> <ul style="list-style-type: none"> • If the battery component is deregistered in accordance with this clause 2.30A.7(b), does the Capacity Credits, RCOQ (and associated obligations) that applied to the battery get amalgamated into those for the DSP? • Further, if the battery was providing additional services (such as FCESS), will the DSP now have an obligation to provide these services in line with the requirements that applied to the battery? • Or are the obligations (and Capacity Credits etc) that applied to the battery explicitly tied to the battery, and so therefore no longer exist with the battery's deregistration? <p>Synergy suggests that the DSR Draft Rules should be amended, or alternatively a WEM Procedure is required, to provide further clarity on the policy approach to the deregistration of Facility that is a Separately Certified Component.</p>	
	2.33A.10	Typographical	Suggest the superfluous "a" is removed	<p><u>2.33A.10.</u> A Secondary Interval Meter may only be installed on a Separately Certified Component of a Facility if the component is a of a different Facility Technology Type to the remainder of the Facility.</p>

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#	Rule ref.	Classification	Issue	Suggestion
	9.5.2A	Typographical	<p>Suggest the drafting is amended to refer to “the primary facility” and “the secondary facility” to remove the need for newly defined terms of Facility A and Facility B.</p> <p>Additionally, suggest the initial wording is reviewed to increase clarity as the clause is initially confusing to read.</p>	<p><u>9.5.2A.</u> The Metered Schedules for a Facility (Facility A the “primary facility”), which incorporates another Facility for which AEMO has approved a request for separate registration under clause 2.30A.2 (Facility B the “secondary facility”), and Facility B will be calculated using the following methodology:</p> <p>(a) The Metered Schedule for Facility B the “secondary facility” for a Trading Interval will be the net metered energy measured by its meter, for which a positive amount indicates injection and a negative amount indicates withdrawal, Loss Factor adjusted to the Reference Node using the Loss Factor specified in 9.5.2A(b);</p> <p>(b) The Metered Schedule for Facility A the “primary facility” for a Trading Interval will be the net quantity of energy generated and sent out into the relevant Network or consumed by the Facility A “primary facility” during that Trading Interval, Loss Factor adjusted to the Reference Node, and determined from:</p> <p>i. Meter Data Submissions for Facility A the “primary facility” received by AEMO in accordance with section 8.4; or</p> <p>ii. SCADA data maintained by AEMO in accordance with clause 7.13.1E(aA) where interval meter data is not available, adjusted by:</p> <p>iii. adding the absolute value of the Metered Schedule for Facility B the “secondary facility” for that interval if the Facility B “secondary facility” Metered Schedule indicates a negative amount; and</p> <p>iv. subtracting the absolute value of the Metered Schedule for Facility B the “secondary facility” for that interval if the Facility B “secondary facility” Metered Schedule indicates a positive amount.</p>
Appendix 10		Typographical	<p>Suggest the drafting is amended to ensure that calculations are presented in equation format.</p> <p>Additional typographical edits are also provided in the proposed drafting.</p>	Please refer to Annexure A

ANNEXURE A: DETAILED COMMENTS ON APPENDIX 10 OF THE DSR DRAFT RULES

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If Trading Day d is a non-Business Day:

- 2.1 Select the most recent Trading Day in the Baseline Window that is a non-Business Day and not an Event Day.
- 2.2 If four Trading Days have been selected, go to step ~~2.8~~2.4.
- 2.3 If fewer than four Trading Days have been selected, then select the most recent, from the selection in step 2.1, Trading Day(s) in the Baseline Window that is (or are) a non-Business Day and an Event Day until 4 days are selected.
- 2.4 Those are the Selected Days for Trading Day d.

...

The “**Average Metered Energy_(l, t)**” is the average actual consumption of the Associated Load, l, during the Adjustment Window, determined as:

~~Average Metered Energy = (Metered Schedule (t-1)+ Metered Schedule (t-2))/2~~

$$\text{Average Metered Energy}_{(l, t)} = \left(\frac{\text{Metered Schedule}_{(l, t-1)} + \text{Metered Schedule}_{(l, t-2)}}{2} \right)$$

where:

Metered Schedule_(l, t) is the Metered Schedule for the Associated Load, l, in Trading Interval, t as determined in accordance with Section 9.5;

t is the Trading Interval in which AEMO issues a dispatch instruction to a Demand Side Programme. Thus, Trading Interval t-1 and Trading Interval t-2 denote the Trading Intervals within the adjustment window.

...

The “**Average Unadjusted Baseline Energy_(l, t)**” is the average Unadjusted Baseline Energy of Associated Load, l, during the Adjustment Window, determined as:

~~Average Unadjusted Baseline Energy = (Unadjusted Baseline Energy (t-1)+ Unadjusted Baseline Energy (t-2))/2~~

Average Unadjusted Baseline Energy_(l, t) =

$$\left(\frac{\text{Unadjusted Baseline Energy}_{(l, t-1)} + \text{Unadjusted Baseline Energy}_{(l, t-2)}}{2} \right)$$

where:

Unadjusted Baseline Energy_(l, t) is the Unadjusted Baseline Energy of Associated Load l in Trading Interval t;

t is the trading interval in which AEMO issues a dispatch instruction to a Demand Side Programme. Thus, Trading Interval t-1 and Trading Interval t-2 denote the trading intervals within the adjustment window.

...

The “**Baseline Adjustment**_(l, t)” is an adjustment factor applied to the baseline of the Associated Load l, using the percentage difference between the Associated Load’s actual consumption and its unadjusted baseline over the adjustment window period. The Baseline Adjustment may be positive or negative and is capped at 20% for upward (positive) adjustment and uncapped for downward (negative) adjustment. This will be determined as:

~~$$\text{Baseline Adjustment} = \min(20\%, (\text{Average Metered Energy} - \text{Average Unadjusted Baseline Energy}) / \text{Average Metered Energy})$$~~

$$\text{Baseline Adjustment}_{(l, t)} =$$

$$\min \left(20\% \frac{\text{Average Metered Energy}_{(l, t)} + \text{Average Unadjusted Baseline Energy}_{(l, t)}}{\text{Average Metered Energy}_{(l, t)}} \right)$$

...

The “**Baseline Energy**_(l, t)” for the Associated Load l, in Trading Interval t is:

~~$$\text{Baseline Energy}(t) = \text{Unadjusted Baseline Energy}(t) \times (1 + \text{Baseline Adjustment})$$~~

$$\text{Baseline Energy}_{(l, t)} = \text{Unadjusted Baseline Energy}_{(l, t)} \times (1 + \text{Baseline Adjustment}_{(l, t)})$$

The Relevant Demand for Demand Side Programme f in Trading Interval t is:

~~$$\text{RD}(f, t) = \sum_{l \in f} \text{Baseline Energy}(t)$$~~

$$\text{RD}_{(f, t)} = \sum_{l \in f} \text{Baseline Energy}_{(l, t)}$$

where:

l ∈ f refers to the Associated Loads l, of Demand Side Programme f.