

24 April 2024

Dear EPWA

**RE: Demand Side Response Review amending rules– Exposure draft**

Thank you for the opportunity to provide feedback on the exposure draft of the rules to implement the outcomes of the Demand Side Response Review.

Enel X operates Australia’s largest dispatchable virtual power plant.<sup>1</sup> We work with commercial and industrial energy users to develop demand-side flexibility and offer it into energy, frequency and capacity markets, and to network businesses. In the WEM, we offer capacity through the supplementary reserve capacity mechanism, and were recently contracted to supply 120 MW of flexible demand capacity under the WEM’s NCESS framework for 2024–26.

This submission sets out Enel X’s views on the amending rules, with a focus on those rules that implement the dynamic baseline for DSPs in the RCM – specifically DSR Review outcomes 4, 11 and 12. Our comments are:

- Enel X supports the following clauses of the amending rules, and has no suggested amendments: clauses 2.16.9(a), 2.16.A.3A, 4.26.2CA, 7.6.5B and 7.6.15.
- In Appendix 10:
  - We note the following typos:
    - Step 1.1 should read “Select the ten most recent Trading Days”
    - Step 2.1 should read “Select the four most recent Trading Days”
    - Step 2.2 refers to step 2.8, should be step 2.4.
  - We support clauses 2.1 to 2.4.
  - The definition of *unadjusted baseline energy* gives AEMO the ability to set a different quantity if it determines that metered consumption is not available or is considered by AEMO to be inappropriate. We propose that this part of the definition be amended to allow the DSP to also identify circumstances where metered consumption is not available or considered inappropriate for that load. Specifically, we propose that the clause be amended as follows: “If the Associated Load metered consumption is not available or is considered by AEMO or the DSP to be inappropriate, an alternative quantity may be determined by AEMO based on...”

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<sup>1</sup> Based on MW [registered](#) in the market.

- We support the proposed definitions of *adjustment window*, *average metered energy* and *average unadjusted baseline energy*.
- We seek clarification on the definition of *DSP dispatch event*, specifically whether the start of the event is intended to refer to the trading interval when the DSP receives a dispatch instruction, or the trading interval when the DSP has been asked to actually dispatch. The proposed definition of *baseline adjustment* states that “If more than one DSP Dispatch Event occurs in the same Event Day, the first calculated Baseline Adjustment is applied to those further DSP Dispatch Events, unless there is a 4 hour period between DSP Dispatch Events (i.e. a four hour period of consumption without a DSP Dispatch Event).” If a DSP Dispatch Event is defined to commence in the interval of actual dispatch, there would only be 1 hour between the end of a DSP Dispatch Event and the start of the adjustment window for a subsequent event. This means there is a risk that the DSP’s metered consumption would not have returned to normal levels, and may not be able to accurately reflect expected consumption at the start of the next event. We believe that EPWA’s policy intent is more accurately served by defining a DSP Dispatch Event by reference to the receipt of an AEMO dispatch instruction. This approach would also align better with what we believe is the intent of the DSPConstrainedFlag definition in the calculation of capacity shortfalls in clause 4.26.1A(a)(ii)(5) of the RCM Review amending rules, i.e. that a DSP should not be calculated as having a capacity shortfall any time after it has received a dispatch instruction from AEMO. We would welcome the opportunity to discuss this matter further.
- Beyond the specific scope of these amending rules, we seek clarification on when clause 4.26.1A(a)(ii)(5) of the RCM Review amending rules will be gazetted. As noted to EPWA in separate communication, the interaction between the current WEM rule calculation of reserve capacity shortfalls for DSPs (i.e. using Relevant Demand) will present issues for DSPs, but we do support the approach set out in the RCM Review amending rules (which uses DSPMinLoad rather than Relevant Demand).

If you have any questions or would like to discuss this submission further, please do not hesitate to contact me.

Regards

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