



16 September 2022

Energy Policy WA  
Level 1  
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Perth WA 6000

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Dear Energy Policy WA,

## RE: Exposure Draft 2 – Tranche 6 of the Amending Rules

Shell Energy Australia Pty Ltd (Shell Energy) welcomes the opportunity to respond to Energy Policy WA's (EPWA's) Exposure Draft 2 which includes Tranche 6 of the Amending Rules (the Exposure Draft), released on 17 August 2022. The Exposure Draft forms part of the broader Wholesale Electricity Market (WEM) Reform package.

### About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint.

Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves more than 185,000 households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia<sup>1</sup>, Shell Energy offers integrated solutions and market-leading<sup>2</sup> customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120 megawatt Gangarri solar energy development in Queensland.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

### General Comments

Shell Energy would like to provide the following comments in relation to specific Clauses in the Exposure Draft. Most notably, requirements for consultation on any Guideline that relates to Generator Performance Standards, and the handling of Market Information.

### Generator Performance Standards

#### Clause 3A.4.4

Consider amending this clause to require Western Power to undertake consultation with Market Participants on the development and amendment of the Generator Performance Standards (GPS) Guideline.

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<sup>1</sup>By load, based on Shell Energy analysis of publicly available data.

<sup>2</sup> Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.

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## Clause 3A.13.2

We request that this clause be amended to require Western Power to consult with Market Participants (not just AEMO) on the preparation and amendment of the GPS Guideline. In addition, the wording of subclause (b) is as follows:

*“circumstances and situations in which the replacement of equipment where the characteristics, performance or capacity of the Transmission Connected Generating System remain unchanged may not be declared a Relevant Generator Modification”*

The use of the word ‘may’ in the above subclause provides Western Power with more discretion than necessary which creates uncertainty for Market Participants. As per the policy endorsed by the Energy Transformation Taskforce in relation to Potential Relevant Generator Modifications, there are many modifications that are not captured. As such, examples of modifications that ‘may’ be considered, should be excluded from the Guideline and therefore an amendment to this wording is appropriate.

## Market Information

### Clause 10.2.7

Where information is voluntary and not required by law, Shell Energy requests that there is a process where Rule Participants must agree, prior to the provision of information, with the Information Manager that any information provided is deemed to be confidential. The provision of information is a commercial risk and mitigating this risk through an agreed process will provide certainty to Rule Participants.

### Clause 10.2.12

Where the same information is provided to more than one party through provisions either under the WEM Rules or WEM Procedures, it is unclear which party would be the Information Manager. We request that this is clarified here as opposed to the current wording of “An Information Manager”.

### Clause 10.4.11

This clause is too broad and in particular, subclauses (a) and (e) are concerning, given that it is likely a substantial amount of the information provided would fall into these two categories; being information requested by the Coordinator of Energy, Economic Regulation Authority (ERA) or, being needed for AEMO and/or Western Power to undertake their WEM functions. Shell Energy requests clarification as to why there is no dispute process for the confidentiality status of information requested by the Coordinator of Energy or the ERA as per subclause (a).

### Clause 10.4.19

Additionally, this clause is too broad and the information provided could be commercially sensitive given that this includes information classified as confidential as per clause 10.2.3. The use of the word “disclose” in this clause is ambiguous and we request clarification of the definition in this instance.

## Conclusion

Shell Energy appreciates the opportunity to provide feedback on the Exposure Draft 2 and look forward to consideration of the comments provided in relation to consultation and market information and confidentiality.

We welcome the opportunity to discuss our submission further. Please contact Tessa Liddelow at [tessa.liddelow@shellenergy.com.au](mailto:tessa.liddelow@shellenergy.com.au) for any queries regarding this submission.

Yours sincerely

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