



Government of Western Australia  
Department of Mines, Industry Regulation and Safety  
Energy Policy WA

# Response to Stakeholder Submissions

Reserve Capacity Mechanism Review – WEM  
Amending Rules Exposure Draft

22 December 2023

Working together for a **brighter** energy future.

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# Overview

The Wholesale Energy Market (WEM) is undergoing an unprecedented transition to a low emissions energy system, with the demand profile and electricity supply sources rapidly changing. Over the coming years more renewable generation will enter the market, energy storage technology will continue to be deployed and improve in capability, and older more carbon intensive generation will retire.

To address the challenges of the energy transition, the Coordinator of Energy (Coordinator) has commenced a number of WEM reviews since the start of 2022, the most significant of which was the review of the Reserve Capacity Mechanism (RCM).

The RCM review was conducted in three stages:

- Stage one focussed on the definition of reliability and the characteristics of the capacity needed in future years, including the Planning Criterion, the RCM products, the methods for assigning Certified Reserve Capacity and the Benchmark Reserve Capacity Price;
- Stage two assessed how the outcomes of stage one affect the operation of other parts of the RCM, including the Individual Reserve Capacity Requirements, Demand Side Programmes, and the outage scheduling and refunds mechanisms. Stage two also included two new proposals on elements of stage one (changes to the unserved energy target in the Planning Criterion and the setting the Benchmark Reserve Capacity Price (BRCP) reference technologies); and
- Stage three delivered the detailed design of the outcomes of the RCM review in the form of WEM Rules amendments.

Energy Policy WA engaged extensively with stakeholders during the RCM review throughout 2022 and 2023. This included:

- two Consultation Papers, issued for public consultation, followed by two Information Papers outlining the final design of the RCM review outcomes;
- an exposure draft of the proposed WEM Amending Rules was discussed with the industry working group and was issued for public consultation.
- sessions of the Transformation Design and Operation Working Group, 21 RCM review working group sessions and 16 MAC meetings.

## The WEM Amending Rules

Energy Policy WA developed an Exposure Draft of the WEM Amending Rules to implement the outcomes of the RCM review.

Energy Policy WA released the Exposure Draft of the WEM Amending Rules for public consultation on 14 September 2023. Stakeholders were invited to provide written feedback by 19 October 2023.

The WEM Amending Rules incorporated the Exposure Draft of the WEM Amending Rules along with some further amendments made in response to stakeholder submissions. Additional information on the exposure drafts and design of the RCM review can be found on the Energy Policy WA [website](#).

## Responses to Submissions

Energy Policy WA considered all stakeholder feedback before finalising the WEM Amending Rules and has provided a response to the feedback in the tables below.

The Wholesale Electricity Market Amendment (Reserve Capacity Reform) Rules 2023, were approved by the Minister for Energy on 6 December 2023 and published in the [Government Gazette](#) on 12 December 2023.

## Responses to stakeholder submissions on the Exposure Draft of the RCM Review WEM Amending Rules

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
<b>General Comments</b>				
Australian Energy Market Operator (AEMO)	AEMO is unable to implement all of the proposed amendments in time for the 2024 Reserve Capacity (RC) Cycle.		<p>AEMO considers that the more complex changes, including the Flexible Capacity Product, should be delayed to future cycles. AEMO proposes that initial efforts are focussed on the changes that can be successfully implemented for the 2024 RC Cycle. These include:</p> <ul style="list-style-type: none"> <li>• Expressions of Interest (EOI) process;</li> <li>• Demand Side Programmes (DSP);</li> <li>• Relevant Level Method (RLM);</li> <li>• Capability Classes and resultant Appendix 3;</li> <li>• Information to be provided alongside the Electricity Statement of Opportunities (ESOO) – AEMO proposes that indicative forecasting is to be provided through a transitional ESoo (to be published, indicatively, by mid-January 2025); and</li> <li>• Introduction of Peak Individual Reserve Capacity Requirement (IRCR) Intervals and subsequent Peak IRCR changes effective from October 2025.</li> </ul> <p>AEMO considers that the relevant amending rules should be gazetted with commencement dates before the end of 2023.</p>	<p>At the RCM Review Working Group (RCMRWG) meeting on 19 October 2023 AEMO presented an outline of their proposed sequencing of the Draft WEM Amending Rules. AEMO provided the rationale for the sequencing of the implementation of the WEM Amending Rules and explained how the implementation of different aspects of the reform package may impact on the normal RCM timeframes and therefore need to be staged. AEMO proposed that:</p> <ul style="list-style-type: none"> <li>• implementation would be in two stages: <ul style="list-style-type: none"> <li>○ stage one - changes relating to the Peak Capacity product; and</li> <li>○ stage two - changes relating to the new Flexible Capacity product;</li> </ul> </li> <li>• changes implemented for the 2024 cycle will include: <ul style="list-style-type: none"> <li>○ certification of DSPs;</li> <li>○ the new RLM; and</li> <li>○ changes to the Reserve Capacity Refunds;</li> </ul> </li> <li>• significant system changes were required to implement component pricing, and this cannot be achieved in time for the certification application window opening in April 2024;</li> <li>• changes to the IRCR will be in place for year 3 of the 2024 cycle (i.e., 2026); and</li> <li>• stage two changes require significant implementation effort and AEMO is unable to implement these in time for the 2024 RC Cycle.</li> </ul>

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			<p>AEMO considers that as part of the implementation of the changes identified in the RCM Review, the timing and requirements of the steps in the RC Cycle should be reviewed.</p> <p>AEMO notes that it will also require approval from the ERA for the expenditure required to implement the changes and is currently preparing to make a submission by March 2024.</p>	<p>A revised commencement timeline for the implementation of WEM Amending Rules as proposed by AEMO was provided to the RCMRWG on the 5 December 2023.</p> <p>As AEMO had advised EPWA that it is unable to implement all of the proposed amendments in time for the 2024 RC Cycle, the Ministerial Instrument implementing the WEM Amendment (Reserve Capacity Reform) Rules 2023 was split into four commencement schedules.</p> <p>The commencement dates for the RCM WEM Amending Rules were proposed as follows:</p> <ul style="list-style-type: none"> <li>• Stage 1: December 2023 (to be commenced immediately after gazettal): <ul style="list-style-type: none"> <li>○ Peak Reserve Capacity rebate (refunds returned to consumers)</li> <li>○ Changes to the Expressions of Interest stage of the RCM so it is no longer mandatory</li> <li>○ BRCP reference technology review provisions</li> <li>○ BRCPs for the Peak Capacity and the Flexible Capacity products</li> <li>○ Separate pricing of separately certified components</li> <li>○ Publication of the Availability Duration Gap forecasts in the ESOO</li> <li>○ Introduction of the Capability Classes</li> <li>○ Updates to Appendix 3 (Network Access Quantities)</li> </ul> </li> <li>• Stage 2: 1 October 2024 (to be commenced by further notice in the</li> </ul>

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
				<p>Gazette once AEMO has conducted more analysis of the required work):</p> <ul style="list-style-type: none"> <li>○ ESSO forecasting for Flexible Capacity</li> <li>○ Flexible Capacity certification</li> <li>○ Flexible Capacity pricing</li> <li>○ Flexible Capacity Reserve Capacity Obligation Quantities</li> <li>○ DSP changes (new approach to their certification)</li> <li>○ ESSO forecasting for DSPs availability obligations</li> <li>○ AEMO review of the expert reports for intermittent generators</li> </ul> <ul style="list-style-type: none"> <li>• Stage 3: 1 October 2026 (to be commenced by further notice in the Gazette once AEMO has conducted more analysis of the required work) <ul style="list-style-type: none"> <li>○ Electric Storage Resource Obligation Intervals (ESROI) become based on Availability Duration Gap</li> <li>○ New Peak Individual Reserve Capacity Requirements calculation</li> <li>○ DSPs Reserve Capacity testing</li> <li>○ DSPs Reserve Capacity refunds</li> <li>○ Component pricing settlement;</li> </ul> </li> <li>• Stage 4: 1 Oct 2027 (to be commenced by further notice in the Gazette once AEMO has conducted more analysis of the required work) <ul style="list-style-type: none"> <li>○ AEMO publishes forecasts of ramping requirements</li> <li>○ Flexible Capacity Individual Reserve Capacity Requirements</li> <li>○ Flexible Capacity settlement</li> <li>○ Flexible Capacity outages</li> </ul> </li> </ul>

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
				<ul style="list-style-type: none"> <li>○ Settlement for separately certified components in the same Facility</li> </ul>
<p>Empowered</p>	<p>Empowered considers there may not be sufficient investment signals to incentivise investment in Flexible Capacity. In certain circumstances, Facilities that can provide both Peak and Flexible Capacity may see the same pricing for Peak and Flexible Capacity and elect to provide Peak Capacity only.</p> <p>Empowered notes that, although there may be higher maintenance costs when providing Flexible Capacity, this is considered to be a variable cost component and therefore recovered separately from Capacity Credits, which aims to recover fixed costs only. Therefore, the BRCP is expected to be the same for Peak and Flexible Capacity</p> <p>Empowered notes, with regard to the Reserve Capacity Price (RCP) Curve, that it has been proposed that the multiplier to the BRCP uses the same formula for both Peak and Flexible Capacity.</p> <p>Therefore, differences will only be due to the difference in surplus capacity available for Peak vs. Flexible Capacity. Both will have the same cap of 1.3x. Based on current forecasts, it is possible there is a shortfall in Peak Capacity in the short to medium-term and the Peak RCP will be capped at 1.3x the BRCP. On the proposed price curve, the Flexible RCP would be equal to this and hence there will be</p>		<p>Empowered considers that the RCP curve, which is used to determine the multiplier for the BRCP, should be reviewed for Flexible Capacity. Stronger price signals are required for Flexible Capacity beyond what has currently been proposed, as there may not be any incremental revenue available and therefore may not be sufficient incentives for a Facility to participate in Flexible Capacity.</p>	<p>An issue was identified in the Benchmark Reserve Capacity Price (BRCP) Reference Technology review. If there is no difference between the reference technology for Peak Capacity and Flexible Capacity, then a Peak Capacity shortfall will mean a zero price differential for Flexible Capacity, even if there is also a shortfall of Flexible Capacity.</p> <p>The Coordinator is conducting the WEM Investment Certainty (WIC) review which will be considering the issues identified in both reviews. In this review it is currently proposed to have a steeper RCP curve for the Flexible Capacity product compared to the curve for the Peak Capacity product. Public consultation on proposals emerging from the WIC Review is planned for early 2024.</p>

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	no incremental revenue for a Facility providing Flexible Capacity.			
Synergy	Synergy considers that converting the Facility Monthly RCP into an interval level price has the unintended consequence of valuing capacity more in shorter months compared to longer months.		<p>Synergy suggests instead of a Facility Monthly RCP using differential Capacity Prices (based on the Transitional cap and floor prices, or Fixed Price Facilities) determined on an annual basis.</p> <p>The annual Facility RCPs are then used within the formulas (instead of the Facility Monthly RCP's) and divided by the number of intervals within the year to determine interval level Capacity Price for each of the Facilities.</p>	The proposed change has been implemented in the WEM Amending Rules.
Tesla	<p>Tesla specifically supports the emphasis on the heightened responsibility assigned to the AEMO to curtail Capacity Credits for Facilities demonstrating excessive Forced Outage rates. The explicit nature of these proposed amendments is anticipated to yield positive enhancements in market dynamics.</p> <p>Tesla considers that clarity on continued allocation of capacity to non-compliant Facilities assumes particular importance in light of the aging status of certain Facilities, coupled with the declared strategic imperative of decarbonization and the specified decommissioning dates.</p> <p>Tesla supports the proposed amendments outlined in Appendix 3 and section 4.14. and considers the provision allowing Transitional Facilities to seek approval for Candidate Fixed Price Components as a Separately Certified Component is commendable. Tesla considers that it</p>		<p>Tesla proposes the inclusion of a stipulation within the drafted language, mandating AEMO to publicly disclose the rationale behind historically assigning capacity to Facilities exceeding outage rates, where such information is not already publicly available.</p> <p>This additional layer of transparency is expected to empower stakeholders with insights into the decision-making process pertaining to Facilities persistently breaching prescribed thresholds yet continuing to receive certification.</p>	<p>The new clause 4.11.1A. increases the onus on AEMO to reduce Capacity Credits allocated to Facilities with excessive Forced Outage rates. AEMO must reduce the Certified Reserve Capacity for Facilities with Forced Outage rates above 10%, unless it is convinced that the Market Participant has fixed the underlying issue.</p> <p>This implements outcome 14 from information paper one.</p>



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	paves the way for a smoother transition for carbon-intensive generators toward emerging technologies characterized by zero carbon emissions.			
<b>Shortfalls in Peak Capacity</b>				
Synergy	Synergy suggests the WEM Rules should require AEMO to action the shortfalls identified under clause 4.5.10(c), if AEMO does not consider that the potential shortfalls will be remedied within the normal RC Cycle process.	Section 3.11A and clause 4.5.10(c)	<p>To address this concern, Synergy suggests that a potential option is to add a new subclause item into clause 3.11A.2 which links to any potential shortfalls identified in clause 4.5.10, or alternatively add a new clause within Section 3.11A. Synergy proposes the following drafting:</p> <p>3.11A.2:</p> <p>If AEMO or a Network Operator reasonably considers that one or more of the following events has occurred or applies:</p> <p>...</p> <p>(d) a modification to an existing Power System Security or Power System Reliability standard or the introduction of a new Power System Security or Power System Reliability standard within a network planning cycle may trigger the need to procure a NCESS; <del>or</del></p> <p>(dA) AEMO has identified a potential capacity shortfall under clause 4.5.10(c) and considers that a potential shortfall will remain after the Capacity Cycle process has been completed; or</p> <p>(e) AEMO considers, in the course of its normal power system operations, that a significant threat to Power System Security or Power System Reliability exists or is emerging, and the existing</p>	As AEMO has already requested twice that the procurement of Reliability (Peak Demand) Services is triggered in accordance with the existing clause 3.11A.2, EPWA does not consider that the proposed change is necessary.

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			mechanisms under these WEM Rules may not be sufficient to address the threat,  ...	
<b>Outage planning for DSPs</b>				
Alinta Energy (Alinta)	<p>Alinta is concerned that in the absence of information allowing DSPs to be accounted in AEMO's outage evaluations, an influx of DSP capacity would make it harder for other Facilities to conduct outages due to there being a lower proportion of non-intermittent capacity AEMO accounts in its MT and ST PASA.</p> <p>Given the forecast for reserve capacity shortfalls and increasing intermittent generation it is important that DSP capacity can be accounted in AEMO's outage evaluations.</p>	Clause 3.18	Alinta recommends that DSPs be required to schedule outages so that AEMO may account for DSPs in its outage planning.	EPWA agrees that AEMO should take all facilities with Capacity Credits into account when assessing outages and has implemented the proposed change. Clause 3.18E.8. has been amended to include DSP capacity in the Outage Evaluation Criteria.
<b>Information to be provided alongside the ESOO</b>				
AEMO	<p>AEMO is required to publish input data to be used in the RLM on the first Business Day following 17 June.</p> <p>There is only 5 Business Days between this date and 24 June, when the Certified Reserve Capacity (CRC) application window closes.</p> <p>AEMO considers this does not provide Market Participants much time to assess the information and update their CRC applications accordingly.</p>	Clause 4.1.9	AEMO requests that the timing of the information required to be provided alongside the ESOO is more broadly considered and adjusted, where necessary.	As the new RLM uses input data that Market Participants may find useful in preparing their applications for CRC, clause 4.19. is included to require AEMO to publish that data alongside the ESOO. However, to address this comment the publication date for the ESOO has been moved to 10 June to allow more time for participants to consider it before the close of the CRC window.

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<b>Typographical errors</b>				
Synergy	Synergy notes there are two subitems 4.1.6A(B), suggests the second is numbered (bA).	Clause 4.1.16A(b)	<p>Proposed drafting:</p> <p>4.1.16A:</p> <p>...</p> <p>(b) determine in accordance with clause 4.20.5A(aA) whether the Peak Reserve Capacity Requirement has been met or exceeded with the Capacity Credits assigned for Year 3 of the Reserve Capacity Cycle:</p> <p>...</p> <p>(bA) determine in accordance with clause 4.20.5A(aB) whether the Flexible Reserve Capacity Requirement has been met or exceeded with the Flexible Capacity Credits assigned for Year 3 of the Reserve Capacity Cycle:</p>	EPWA confirms there is a typographical error and has amended the clause.
Synergy	Synergy suggests AEMO should also be required to publish Trading Intervals related to the 3 High-Ramp Trading Days.	Clause 4.1.23BA	<p>Proposed drafting:</p> <p>4.1.23BA:</p> <p>For each Trading Month, AEMO must determine and publish the 3 High-Ramp Trading Days <b>and the four Trading Intervals for each of the Trading Days selected</b>, within five Business Days after the Interval Meter Deadline for the Trading Week containing the last Trading Day of the relevant Trading Month. For the avoidance of doubt, AEMO must not revise the 3 High-Ramp Trading Days after their publication.</p>	<p>EPWA acknowledges the proposal to publish Trading Intervals related to the 3 High-Ramp Trading Days.</p> <p>Clause 4.1.23BA. has been amended to require the publication the four Trading Intervals for each of the 3 High-Ramp Trading Days.</p>

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Synergy	Synergy suggests that the two clauses be merged for ease of reading.	Clauses 4.1.23C and 4.1.23D	<p>Proposed drafting:</p> <p>4.1.23C:</p> <p>AEMO must determine and provide to each Market Participant:  (a) that Market Participant's Indicative Peak Individual Reserve Capacity Requirement for each Trading Day in accordance with clause 4.28.6; and (b) that Market Participant's Indicative Flexible Individual Reserve Capacity Requirement for each Trading Day in accordance with clause 4.28.6A by 5:00 PM on the Business Day that is 10 Business Days prior to the start of the Trading Week containing <del>that</del> the relevant Trading Day.</p> <p>4.1.23D:</p> <p><del>[Blank] AEMO must determine and provide to each Market Participant that Market Participant's Indicative Flexible Individual Reserve Capacity Requirement for each Trading Day in accordance with clause 4.28.6A by 5:00 PM on the Business Day that is 10 Business Days prior to the start of the Trading Week containing that Trading Day.</del></p>	EPWA agrees with Synergy's proposal and has amended the clause accordingly.
Synergy	Synergy suggests that the two clauses be merged for ease of reading	Clauses 4.1.24 and 4.1.25	<p>Proposed drafting:</p> <p>4.1.24:</p> <p>AEMO must determine and provide to each Market Participant:  (a) that Market Participant's Peak Individual Reserve Capacity Requirement for each Trading Day in accordance with clause 4.28.7;</p>	EPWA agrees with Synergy's proposal and has amended the clause accordingly.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
			<p>and            (b) that Market Participant's Flexible Individual Reserve Capacity Requirement for each Trading Day in accordance with clause 4.28.7A by 5:00 PM on the Settlement Statement Date for the Trading Week containing <del>that the relevant</del> Trading Day.</p> <p>4.1.25:</p> <p><del>[Blank] AEMO must determine and provide to each Market Participant that Market Participant's Flexible Individual Reserve Capacity Requirement for each Trading Day in accordance with clause 4.28.7A by 5:00 PM on the Settlement Statement Date for the Trading Week containing that Trading Day.</del></p>	
Synergy	Synergy suggests replacing references to 16 September 2019 with "16 September of Year 2 of the Reserve Capacity Cycle".	Clause 4.1.26(b)	<p>Proposed drafting:</p> <p>4.1.26(b):</p> <p>...</p> <p>iii. on 1 October of Year 3 of the Reserve Capacity Cycle, for Facilities that were commissioned as at 16 September 2019 of Year 2 of the Reserve Capacity Cycle or for Facilities which have provided Capacity Credits in one or both of the two previous Reserve Capacity Cycles;</p> <p>iv. on 1 June of Year 3 of the Reserve Capacity Cycle, for Facilities commissioned between 16 September 2019 of Year 2 of the Reserve Capacity Cycle and 1 June of Year 3 of the Reserve Capacity Cycle;</p> <p>v. ...</p> <p>...</p>	EPWA considers that the proposed change will change the intent of this clause and, therefore, has not made this change.

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<b>Notification of Facility Ceasing Operation</b>				
Synergy	Synergy suggests amending so all registered Facilities need to provide notification of operational cessation. Considers that with a constrained network, cessation of small Facilities may pose reliability concerns in particular locations.	Clause 4.4A.1	Proposed drafting: 4.4A.1:  If a Facility, <del>other than a Demand Side Programme with less than 10 MW of Capacity Credits or a Non-Scheduled Facility</del> , is to cease operation permanently, the Market Participant to whom that Facility is registered must:  ...	To address this comment, EPWA has included a new clause 4.4A.1A. to require that, if a Market Participant holding Capacity Credits associated with a Demand Side Programme does not intend to apply for any Capacity Credits in a future Reserve Capacity Cycle, the Market Participant must notify AEMO of the date at which it expects its Reserve Capacity Obligations to cease.
<b>Preliminary Constraint Equations and Preliminary Limit Advice</b>				
AEMO	AEMO considers that Developing Preliminary RCM Constraint Equations and RCM Limit Advice is resource intensive and provides little benefit and proposes this obligation be removed from the rules.	Section 4.4B	If the requirement for preliminary equations and advice is removed, and new proponents will require guidance regarding their contribution to network congestion before submitting a CRC application, they may obtain the Final RCM Constraint Equations published for the previous RC Cycle and available real-time Constraint Equations.	As Market Participants are no longer required to submit an EOI, EPWA has removed the requirement for AEMO to develop Preliminary RCM Constraint Equations from section 4.4B as suggested by AEMO.
<b>Planning Criterion</b>				
Alinta	Alinta notes that the reference should be 4.11.1A, not 4.11.1(hA)	Clause 4.5.9(a)(i)		EPWA confirms there is an incorrect clause reference and has amended the clause.
Synergy	Synergy suggests referring to clause 4.11.1(hA) instead as clause "4.11.1A".	Clause 4.5.9(a)(i)	Proposed drafting: 4.5.9(a): i. the forecast peak demand (including transmission losses and allowing for	EPWA confirms there is an incorrect clause reference and has amended the clause.

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			Intermittent Loads) multiplied by the proportion of capacity expected to be unavailable at the time of peak demand due to Forced Outages excluding Forced Outages of Facilities to which clause <del>4.11.1(hA)</del> 4.11.1A applies; and ...	

### Long Term Projected Assessment of System Adequacy

AEMO	<p>AEMO considers the new method under clause 4.5.12 is expected to reduce the number of intervals DSPs are expected to be available for dispatch.</p> <p>AEMOs initial analysis suggests this could be as low as 2 hours. While DSPs are expected to be available for dispatch less than 200 hours they are now, a very low number would make them ineffectual if they can only be dispatched for a single peak event in the year.</p>	Clause 4.5.12	AEMO requests consideration of introducing a floor for the number of intervals a DSP is expected to be available for dispatch each year.	To address this comment, EPWA has amended the rules to redefine the Peak Demand Side Programme Dispatch Requirement to avoid this dropping to an unacceptable level.
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Synergy seeks clarity as to how the calculation of the Availability Duration Gap accounts for a change solely in the timing of the Peak Electric Storage Resource Obligation Intervals, which may not necessarily mean that the Availability Duration Gap has increased, more that the time of the Peak has changed.'

Clauses 4.5.12(c) and 4.1.12(d)

Following publication of the RCM Review WEM Amending Rules Exposure Draft clause 4.5.12(c) and 4.4.12(d) were amended to:

4.5.12(c) Availability Duration Gap, which is the maximum number of Trading Intervals adjacent to the Indicative Peak Electric Storage Resource Obligation Intervals in any Trading Day in the Availability Duration Gap Load Scenario in which demand is greater than the maximum demand in any of the

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				<p>Indicative Peak Electric Storage Resource Obligation Intervals for that Trading Day;</p> <p>4.5.12(d) the ESR Duration Requirement, which is the ESR Duration Requirement for the previous Reserve Capacity Cycle plus the Availability Duration Gap;</p>
Synergy	<p>Synergy does not support the proposed changes to DSP dispatch requirements and considers the proposed changes introduce system security risks. The significant reduction in the DSP dispatch requirement does not represent good value to customers that are paying the equivalent amount to other technology types that can be dispatched in excess of what is being proposed for DSPs.</p> <p>Synergy considers that setting such low dispatch requirements for DSPs provides extremely limited energy security if actual demand differs to forecasts, or in more likelihood that actual supply is below forecast due to network failures, generator outages or fuel supply disruptions.</p> <p>Synergy also notes that there appears to be inconsistencies in ensuring customers receive a reasonable level of reliability and security for the costs they incur when comparing proposed approaches between DSPs and for Capability Class 2 Facilities.</p>	Clause 4.5.12(f)	<p>Synergy, as a Market Participant who represents a significant proportion of SWIS customers, suggests dispatch requirements for DSPs are increased to a more reasonable level.</p> <p>Synergy suggests further investigation is undertaken to determine the most suitable treatment and financial incentives for DSPs that will ensure customers receive a reasonable level of service in return for DSP capacity payments.</p> <p>Synergy continues to support the replacement of the DSP product with a scheme that provides a reasonable “availability payment” and a high “scarcity dispatch payment” to DSPs. This approach more strongly aligns to the cost structure that DSPs incur and ensures that dispatch incentives in system stress events are above any potential business operational impacts that the load may incur.</p>	<p>EPWA notes Synergy’s suggestion, however the draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made.</p> <p>The maximum number of hours per year that a DSP can be dispatched will now depend on the quantity of Capacity Credits on issue to DSPs and is, therefore, self-correcting.</p> <p>The amendments have been made to avoid the Peak Demand Side Programme Dispatch Requirement dropping to an extremely low level. Discussions relating to separate payments have been held on a number of occasions and as previously noted will not be considered.</p>
Synergy	Suggest that the clause should specify that the assessment is only in relation to the Energy Producing System capacity that is certified to be capable	Clause 4.5.13(cA)	Proposed drafting: 4.5.13:	The proposed change will change the intent of this clause and, therefore, has not been accepted.



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	of meeting the requirements of Flexible Capacity		(cA) the amount by which the installed Energy Producing System capacity <b>plus the Demand Side Programme</b> capability certified for Flexible Capacity <del>to available</del> exceeds or falls short of the Flexible Reserve Capacity Target for each Capacity Year; ...	
<b>Fixed capacity price</b>				
Alinta	Alinta suggests that the five year fixed period to be extended to ten years to align with the amortisation assumed in the BRCP and the transitional pricing period.	Clause 4.7.3		EPWA acknowledges Alinta's suggestion, however the draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made.
<b>Assigning an Indicative Facility Class (IFC) when an EOI is submitted</b>				
AEMO	<p>AEMO considers that the requirement for AEMO to assign an IFC when an EOI has been submitted should be reinstated. AEMO's rationale is that there remains a benefit to assign IFC at this stage of the process.</p> <p>AEMO considers that the requirement for AEMO to assign an IFC within 10 Business Days of receiving an application for CRC is not practical as certain Facility classes require specific information that is submitted as part of the IFC assessment request that needs to be included in the CRC application. In addition, there are potential timing issues with the Relevant Level calculations.</p>	Clause 4.8A.1	AEMO considers that the process should instead require the Market Participant to be assigned an IFC with AEMO prior to the closure of the CRC window.	As EOIs are no longer compulsory, Market Participants who have not submitted an EOI, prior to submitting the application for early CRC, Conditional Peak CRC or CRC, must apply to AEMO for an indicative Facility Class and one or more indicative Facility Technology Types to be assigned to the Facility or Facility upgrade.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
<b>Certifying DSPs</b>				
AEMO	<p>The method for assigning CRC to DSPs with only a single Associated Load is to use its IRCR contribution, which does not contemplate new loads not yet in operation.</p> <p>Without a Consumption Deviation Application or another assessment, if the Associated Load was dispatched down in the Peak IRCR Intervals this would mask the effective dispatchable load for future years.</p> <p>A DSP can choose to nominate multiple Associated Loads in its CRC Application and only associate a single load in the capacity year, and vice versa.</p> <p>DSP Refunds linked to the metered load are a good mitigation for the gaming aspects of IRCR reduction, given the high refund rate expected.</p>	Clause 4.10.1	AEMO requests clarification on the decision to include the single Associated Load method of determining CRC.	The draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made and, therefore, EPWA has not made any further changes.
Synergy	<p>Synergy considers the DSP Facility Class as is currently structured under the WEM Rules and proposed to be redesigned in the RCMR Draft Rules should not be eligible for Flexible Capacity Credits.</p> <p>Synergy is supportive of loads (such as DSP and aggregated DER) being able to participate in the WEM, however when there is significant difference in the capability and obligations of provision of the market service, caution needs to be used to</p>	<p>Clauses</p> <p>4.10.1(f)iB</p> <p>4.10.1(f)iC</p> <p>4.10.1(f)ii</p> <p>4.10.1(f)iii</p> <p>4.12.7</p>	<p>Synergy considers that if loads are to participate in the Flexible Capacity product, particularly in the initial years of the product, the capacity of a Facility (including energy producing systems) should be required to be at least 10MW to ensure that it can provide a meaningful impact in the meeting the flexible requirements.</p> <p>In addition, dispatch requirements should be set to ensure a Facility can reasonably be relied upon to provide the service every day (with allowances for outages) outside</p>	Demand Side Programmes certified to provide Flexible Capacity will be subject to the same requirements as any other facility certified to provide this product, including with respect to the applicable notice period.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>ensure that loads can meet the level of security and reliability that is required for the service.</p> <p>The RCMR Draft Rules propose significant reductions in the DSP dispatch requirements for Peak Capacity, which Synergy considers, excludes DSP from being able to provide the service required for Flexible Capacity.</p> <p>Synergy expects that the occurrence of system events which require Flexible Capacity for ramping will significantly exceed the occurrence of system peak demand events. Thus, with the proposal for DSP to have minimal dispatch obligations and possible long notice periods prior to DSP dispatch, Synergy considers that DSP is unlikely to be able to provide the level of certainty and reliability to deliver Flexible Capacity when the system needs it.</p> <p>Synergy notes that the Flexible Capacity product is newly introduced under the RCMR Draft Rules, and Synergy suggests additional caution is used to ensure that the product and the Facilities certified for Flexible Capacity meet the expectations and requirements of customers that pay for the service.</p>		<p>of the Hot Season (i.e., the four hour ramp period every day for 9 months) and criteria should be added with respect to maximum notice periods for DSP dispatch.</p>	

#### Accreditation and testing of Flexible CRC

Alinta	Alinta considers that these parameters used for accreditation and testing have not been demonstrated as necessary to the flexible capacity product during the RCM review. Minimum stable	Clauses 4.10.1(fE) 4.10.1A 4.11 4.25.1B	Alinta considers it might be a case of a participant meeting certain combination of parameters, rather than all parameters and considers these parameters should be established before they are codified in	EPWA considers that the Flexible Capacity requirements must be determined and published annually by AEMO following public consultation. It would not be appropriate to include these requirements
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Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	loading level or resynchronisation times may not be relevant in certain circumstances and if the requirements are too prescriptive, customers may pay for “flexible capacity”, even where the current fleet can meet the ramp.		the WEM Rules for accreditation and testing. Otherwise, they should be developed in preparing the WEM Procedure.	in the WEM Rules as they are likely to change over time.
Synergy	Synergy seeks clarity as to what requirements and obligations will be applied to Flexible Capacity and the notification requirements that will be applied. The RCMR Draft Rules currently do not provide any certainty to Market Participants on the expected requirements for Flexible Capacity.	Clause 4.10.1(fE)		As above.
<b>Minimum Requirements for Flexible Capacity</b>				
Synergy	<p>Synergy considers the WEM Rules should provide some level of guidance as to what the capability requirements should be for Flexible Capacity, rather than being implemented via an AEMO publication.</p> <p>Synergy expects the requirements of Flexible Capacity to be consistent from year to year, and if any changes in requirements are needed, the change should be minimal. Synergy notes the current proposed approach creates an increased level of uncertainty for Market Participants as the requirements will be reissued every year.</p> <p>In addition, Synergy provides the following comments in relation to the following listed subitems of the clause.</p> <ul style="list-style-type: none"> <li>i - Synergy considers the minimum stable generation load</li> </ul>	Clause 4.10.1A		<p>Clause 4.10.1A. has been amended to require AEMO to determine (through consultation) the minimum requirements for Flexible Capacity which must minimise costs while maintaining Power System Security and Power System Reliability.</p> <p>EPWA has also amended the clause to require that AEMO’s consultation must include a statement of how the minimum eligibility requirements met the WEM Objectives.</p> <p>The minimum eligibility requirements must be published alongside the ESOO and AEMO needs to publish reasons/respond to submissions.</p> <p>EPWA also notes that the list of requirements in the WEM Rules is exhaustive and AEMO is not able to add further requirements.</p>

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>level should not be an important consideration for Flexible Capacity. Synergy is of the understanding and expectation that Facilities providing Flexible Capacity are not expected to be running during the midday trough, and therefore will be turning on (noting that the Facility should be fast start) at the start of the ramp. In addition, Market Participants manage their ramping and minimum generation levels within their market offers.</p> <ul style="list-style-type: none"> <li>ii. and iii - Synergy does not consider the values being a percentage of nameplate capacity provide a useful metric, and instead should solely be the ramp rate, in MW per minute. By expressing the value in terms of nameplate capacity a smaller metric may be a result of a low ramp rate on a small Facility or a high ramp rate on a large Facility.</li> </ul> <p>Synergy seeks clarity as to how overlapping obligations for the different market products (Essential System Service (ESS), Flexible Capacity, NCESS) are expected to be managed within the WEM Rules and ERA Offer Construction Guidelines. Synergy also requests guidance on the proposed approach to the prioritisation of different market requirements.</p>			

**Independent Expert Reports**

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
Synergy	<p>Synergy notes that Market Participants with intermittent generation systems are currently required under the WEM Rules to engage an AEMO approved expert to undertake the analysis and reporting required for capacity certification. In addition, the expert report on expected generation profiles provides critical information in the development of renewable projects, and as such, Market Participants already have significant obligations to ensure that analysis and reports on new projects are reliable and accurate. Synergy does not consider that additional oversight by AEMO on expert reports is warranted and adds unnecessary costs to Market Participants.</p> <p>Synergy notes that the use of LSG intervals in the current relevant level methodology (which is being addressed in the RCMR Draft Rules) is likely to be a key driver of differences in the forecast dispatch due to the LSG approach which by virtue selects high demand intervals with low intermittent generation.</p> <p>Synergy suggests that proposed clauses 4.11.7 to 4.11.9 are removed from the RCMR Draft Rules, or at a minimum the proposed drafting is amended such that AEMO is not obligated to investigate the accuracy of every Facility, and instead, “may” undertake an assessment, if AEMO considers that the Facility’s performance unreasonably differs to that forecasted within the expert reports.</p>	Clause 4.10.5 to 4.10.8 and 4.11.7 to 4.11.9	<p>Proposed drafting: Preferred Solution</p> <p>4.11.7: [Blank] 4.11.8: [Blank] 4.11.9: [Blank]</p> <p>Alternate Solution 4.11.7: When a Market Participant provides a report under clause 4.10.3, if AEMO considers that the performance of the Facility of the component of the Facility differs unreasonably to that estimates provided in the report, AEMO may <del>must</del> conduct a review to compare: (a) the estimates of expected sent out energy in historical Trading Intervals; and (b) the actual energy sent out by the Facility or the component of the Facility, and if relevant, AEMO may <del>must</del> compare performance under similar operating conditions, including temperature, insolation, and wind speed. 4.11.8: (deleted) <del>[Blank] AEMO must conduct at least two reviews under clause 4.11.7 for each report provided under clause 4.10.3, including: (a) one review one year after AEMO determines that the Facility is in Commercial Operation; and (b) one review four years after AEMO determines that the Facility is in Commercial Operation.</del> 4.11.9: (unchanged).</p> <p>If a review under clause 4.11.7 determines that, based on the performance of the relevant Facility since it has been in Commercial Operation, the estimates in</p>	<p>EPWA acknowledges Synergy’s suggestion and throughout the stakeholder consultations has reviewed aspects of the policy decision, which has now been made, to reflect stakeholder comments.</p> <p>Clauses 4.11.7. to 4.11.9. provide for AEMO to compare expert estimates of Facility’s generation with actual generation.</p>

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
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the report provided under clause 4.10.3 were unreasonably high, AEMO may remove accreditation of the relevant expert under clause 4.11.6(c).

Alinta	<p>Alinta suggests AEMO should continue to adjudicate the quality of the independent experts rather than rely on secondary independent experts on an ad hoc basis. AEMO should also be required to have reasonable grounds for seeking a secondary IER.</p> <p>Alinta considers that it appears to create the risk of arbitrary disagreements: a second independent expert can be hired to inspect the work of the first independent expert and a risk of inconsistency between reports and their revisions between participants. Alinta recommends that evaluations be limited to modelled output under similar conditions.</p>	Clause 4.10.5		<p>EPWA acknowledges Alinta’s suggestion and has amended clause 4.10.5 to require AEMO to reasonably conclude that the initial report overstates the expected output of the relevant Facility or component of the Facility before seeking a second Independent Expert Report.</p> <p>Clauses 4.10.5. through 4.10.8. provide AEMO explicit powers to manage the quality of independent estimates and recover the costs from either the specific Market Participant or the market generally depending on the outcome of the review.</p> <p>These powers implement outcome 12 from information paper one.</p>
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**Capability Classes**

Alinta	<p>While acknowledging the policy decision, Alinta remains opposed to the requirement for Capability Class 1 Facilities and non-intermittent Capability Class 2 Facilities that include technologies in addition to an ESR to be either required to meet a 14-hour fuel or discounted based the 14-hour requirement.</p> <p>Alinta considers that this provides a perverse incentive to avoid these longer duration, non-ESR/DSP technologies.</p>	<p>Clauses 4.11.1(a) 4.11.1(aA) 4.11.2B</p>	<p>Alinta recommends that these Facilities should be accredited based on AEMO’s view of the duration gap.</p>	<p>EPWA notes Alinta’s position, however this is a policy decision which has already been made taking into account reliability and outage planning considerations. EPWA notes that availability requirements for storage facilities will be based on the projected availability duration gap.</p>
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Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>Alinta notes the modelling which only predicted a 14 hour gap once almost all thermal capacity retires, - an eventuality which is not forecast in the SWISDA (thermal capacity continues to be built in 2040).</p>			
	<p>Synergy seeks clarity as to how RCMR Draft Rules ensure the DSP capacity nominated under clause 4.11.1 can be reasonably achieved by the DSP load for the 14 hour offer obligation and how refunds are affectively applied if the capacity is not provided.</p> <p>Synergy notes the level of MWs being consumed (and therefore available for “dispatch” via DSP) is likely to vary for most loads across the duration of the day, and different times of the year. With the change in energy mix and volatility in the WEM from the transition to lower emissions energy system, there is increasing likelihood of system stress events occurring outside of the highest demand intervals.</p> <p>Synergy is concerned that during these intervals a DSP may not have enough underlying consumption to be able to provide the MW reduction that aligns with their Capacity Credits. Synergy considers, that in this situation, where the DSP is not able to provide the full MW reduction that it is certified for, refunds should be applied to unavailable/undelivered capacity.</p> <p>If DSPs have a maximum service obligation of 20 hours, refunds for non-delivery should be at least proportionate to the percentage of</p>	<p>Clause 4.11.1(j), 4.11.1(jA) and 4.26.1A(a)ii5</p>		<p>EPWA notes Synergy’s concern, however the draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made.</p>



Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	called but not delivered capacity relative to the 20 hour obligation.			
<b>Assessing Forced Outage rates</b>				
AEMO	AEMO requests clarification on whether the RLM is only intended to consider Forced Outage Rates, and how AEMO should consider Facilities that have not been in Commercial Operation for 36 months.	Clause 4.11.1A		As suggested by AEMO, EPWA has amended the drafting and the clause now refers to a Facility or Separately Certified Component that has been in commercial operation for at least 12 months as opposed to the original drafting of 36 months.
Alinta	Alinta recommends that there be an exemption for Forced Outages caused by AEMO rejecting a generator's Planned Outage due to a deteriorating reserve margin and that generators are also exempt from refunds for these outages.	Clause 4.11.1A	Alinta suggests the following: <ul style="list-style-type: none"> <li>replacing "high outage rate" with "outage rate exceeding the Forced Outage Threshold";</li> <li>that the Facility is discounted for the difference between the Forced Outage Rate Threshold and its Forced Outage Rate, rather than by its Forced Outage rate (otherwise, there are inequities with generators just below the threshold);</li> <li>that proportional penalty scheme apply to demand side providers.</li> </ul>	EPWA notes Alinta's suggestion, however the draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made.
Synergy	Synergy considers the implementation of the proposed amendments may not be in the best interest of the WEM as whole in the current circumstances and creates additional risks that may disincentivise new investments at a time when it is most needed.  Synergy understands there are currently insufficient capacity margins to allow for Market Participants to	Clause 4.11.1A, 4.11.1B and 4.11.1C	Synergy suggests the implementation of these amendments should be delayed until Market Participants are able to reasonably undertake their required and prudent maintenance outages.  Synergy considers that clause 4.11.1A, should be amended so any reduction in Capacity Credits is only undertaken on the basis of the Forced Outage rate above the acceptable level (being 10%). This would	EPWA notes Synergy's concern, however the draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>undertake their prudent and reasonable maintenance outages as Planned Outages. This outcome essentially drives increases in Forced Outages, either due to Market Participant still undertaking the maintenance but as Forced Outage, or resulting in a higher expectation of Facility failures due to maintenance not being undertaken. Under these extenuating circumstances, additional considerations are required.</p>		<p>mean that a Facility with a 15% Forced Outage rate would be subjected to a 5% Capacity Credit Reduction, which reflects the Forced Outages above the threshold.</p> <p>Synergy considers that AEMO should be obligated to inform itself of the causation of the higher forced rates and any strategies undertaken to mitigate against the outages in the future under clauses 4.11.1B and 4.11.1C and suggests the proposed drafting:</p> <p>4.11.1A:  ...AEMO must assign a quantity of Peak Certified Reserve Capacity no greater than:  (a) the quantity of Peak Certified Reserve Capacity that AEMO would otherwise have assigned to the Facility under this clause 4.11.1; multiplied by  (b) 1 minus the amount by which the Hot Season Forced Outage rate of the Facility exceeds the Forced Outage Rate Threshold, where the Forced Outage rate for a Facility for a period is calculated  ....</p> <p>4.11.1B:  In making a decision under clause 4.11.1A 4.11.1(h) or 4.11.1(j), and without limiting the ways in which AEMO must <del>may</del> inform itself in either case, AEMO may:  (a) seek such additional information from the Market Participant that AEMO considers is relevant to the exercise of its discretion;  ....</p> <p>4.11.1C:  In making a decision under clause 4.11.1A 4.11.1(h), AEMO:  (a) must be satisfied that its decision under clause 4.11.1A 4.11.1(h) would not,</p>	

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
			<p>on balance, be contrary to the Wholesale Market Objectives;  and  (b) <del>must</del> <del>may</del> assess the effectiveness of strategies undertaken by the applicant in the previous three years to reduce outages, and consider the likelihood that strategies proposed by the applicant to maximise the availability of the Facility in the relevant Reserve Capacity Cycle will be effective.</p> <p><del>iii. assess the effectiveness of strategies undertaken by the applicant in the previous three years to reduce outages, and consider the likelihood that strategies proposed by the applicant to maximise the availability of the Facility in the relevant Reserve Capacity Cycle will be effective.;</del></p>	
<b>Availability Obligations</b>				
Alinta	Alinta opposes the Availability Assessment Duration being fixed at 14 hours)	Clause 4.11.2B, Glossary		EPWA notes Alinta's suggestion, however the draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made.
Synergy	<p>Synergy suggests further consideration is undertaken in the certification for Capability Class 2 Facilities and considers the proposed treatment may not align with WEM objectives (c) and (d); the approach is not technology agnostic and is unlikely to minimise long-term costs to customers.</p> <p>Synergy understands the RCMR Draft Rules in completeness, effectively mean only thermal generation with lower dispatch capability (due to fuel) will be subject to lower capacity</p>	Clause 4.11.2B	Synergy suggests further consideration is needed for the treatment and financial compensation for thermal generators with lower fuel availability and ensuring that customers are being provided with a reasonable value from all technology types for security and reliability that it provides.	EPWA notes Synergy's suggestion, however the draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>certification under the WEM Rules for Capability Class 2.</p> <p>Considering the proposed changes to DSP certification where DSP will have significantly lower dispatch obligations and continue to receive full certification and Capacity Revenue, the value proposition to customers does not appear to align with the level of service and reliability that each product provides.</p> <p>Synergy understands that thermal generation with lower fuel availability, will still have obligations to be available and dispatch when in merit for the whole year. In comparison DSPs, although it will be required to be “available” for 14 hours, it has extremely limited dispatch obligations which, Synergy considers does not provide reasonable value to customers above that of a thermal Capability Class 2 Facility, however the RCMR Draft Rules provides more financial rewards (at the cost of customers) to a DSP Facility.</p>			
Synergy	<p>Synergy notes that as more ESR capacity enters the market, the proposed approach may have the unintended outcome of creating a potential shortage of capacity prior to the PESROIs. This is due to obligations for ESRs all occurring at the same time at the First Peak Electric Storage Resource Obligation Intervals, which may also result in large swings in the dispatch merit order and the dispatch of Facilities</p>	<p>Clause 4.11.3A and Section 6.3</p>	<p>Synergy suggests clause 4.11.3A and section 6.3 are revised so that selection of intervals that are determined to be Peak Electric Storage Obligation Intervals (PESROI) is done on the basis of centring the interval that is expected to be the highest demand interval within the middle of the PESROIs for each ESR. This would mean that the ESRs are obligated to offer in a manner that provides a level of forecast error in the timing of the Peak (as half of the ESR offer duration will be prior</p>	<p>EPWA acknowledges Synergy’s suggestion and has amended the drafting to make the reference interval the middle interval.</p> <p>ESRs receive CRC on a fixed availability duration for the first five Capacity Years after commissioning. As a result, each ESR may have a different number of obligation intervals.</p> <p>The number of Peak Electric Storage Obligation Intervals for an ESR is either the ESR Obligation Duration that applied when</p>

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>prior to the PESORIs and in the PESORIs.</p> <p>If the differing duration obligations for ESR are instead “shaped” around the expected peak interval, the obligations for ESRs will be staggered.</p>		to expected peak interval and half of it afterwards).	<p>it was first commissioned, or that which applies for the current Capacity Year.</p> <p>When first commissioned, the Peak ESR Obligation Intervals for an ESR will match the Default Peak ESR Obligation Intervals.</p> <p>Clause 6.3 is amended so that AEMO publishes the middle interval, the “Mid Peak Electric Storage Resource Obligation Interval” and all ESR obligations will start at that time.</p>
Synergy	Synergy notes that the RCMR Draft Rules do not specify that the Capacity Class 1 Availability Assessment Intervals are required to be contiguous.	Clause 4.11.3A(aC)	<p>Synergy suggests the drafting is amended to ensure interval selection is done on a contiguous basis.</p> <p>If instead the policy intention is that the hours may not be contiguous, Synergy strongly considers the need for further consultation and discussions with Market Participants. To ensure a fullsome understanding as to how investigate how this obligation differs to current requirements and any operational limitations or impacts that may be relevant for Facilities.</p>	The proposed changes resulted from concerns raised by stakeholders throughout the RCM Review regarding the changing nature of the demand during the middle of the day. In response to Synergy’s comment EPWA has amended the drafting to revert to contiguous intervals.
Synergy	Synergy notes that the definition of the term Capability Class 3 in the glossary does not appear to align with 4.11.4(c)i, in addition Synergy seeks clarity as how any capacity that falls under 4.11.4(c)i is intended to be treated in terms of capacity obligations and the determination of Capacity Credits	Clause 4.11.4(c) Glossary		EPWA notes Synergy’s suggestion and has amended the drafting accordingly.
<b>Independent Expert Reports</b>				

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
Alinta	Alinta suggests that comparisons of actual output and forecast output be exclusively under very similar conditions – considering that it would be unreasonable to expect experts to predict weather over a period of years.	Clause 4.11.7		Clauses 4.11.7. to 4.11.9. provide for AEMO to compare expert estimates of Facility’s generation with actual generation. EPWA notes Alinta’s suggestion and has amended the drafting accordingly.
<b>Setting Certified Reserve Capacity for DSPs</b>				
Alinta	<p>Alinta strongly disagrees with repealing the 200-hour requirement. Alinta considers this undermines harmonisation with all other capacity types which are required to dispatch for as many hours as is required to maintain reliability.</p> <p>Alinta considers that customers paying for full Capacity Credits and not receiving reliability due to DSPs not dispatching due to the threshold is not consistent with the WEM and RCM review objectives in that it could undermine reliability and the long term interests of customers and that the threshold could also make it harder for other generators to secure outages once it is surpassed (assuming AEMO includes DSP capacity in its outage planning).</p>	Clause 4.12.7		EPWA notes Alinta’s concern, however the draft rules reflected policy decisions that were subject to extensive stakeholder consultations and have already been made. However, EPWA has amended the draft rules to provide that AEMO takes into account DSP available capacity in the outage planning process.
<b>Benchmark Reserve Capacity Prices</b>				
Synergy	Typographical error, the clause should state “Flexible” BRCP and “Peak” BRCP	Clause 4.16.1	<p>Proposed drafting:</p> <p>4.16.1: For all Reserve Capacity Cycles, the Economic Regulation Authority must publish a PeakFlexible Benchmark Reserve Capacity Price and a</p>	EPWA confirms there is a typographical error and has amended the clause.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
			Peak Benchmark Reserve Capacity Price as determined in accordance with this section 4.16 prior to the time specified in section 4.1.4.	
<b>Treatment of Transitional Facilities</b>				
Synergy	Synergy seeks clarity on the treatment of Transitional Facilities and the ability for these Facilities to seek certification for Flexible Capacity. The current drafting of the clause seems to imply that the RCP for Flexible Capacity provided by a Transitional Facility may differ to the price that applies to other Facilities providing Flexible Capacity, which differs to Synergy's understanding of the policy intention.	Clause 4.20.5AA(b)		EPWA confirms that the Transitional Flexible RCP could be lower than the Floating Flexible RCP, if the Transitional Peak RCP is higher than the Floating Peak RCP.
<b>Supplementary Capacity</b>				
Synergy	<p>Synergy suggests that the RCMR Draft Rules should, allow for possibility for AEMO to seek to procure Supplementary Flexible Capacity (SFC) for both periods (1 October to 30 November, and 1 April to 30 September) at the same time if AEMO deems that it will be needed.</p> <p>Synergy considers that, if SFC is required for both periods, there is the potential that Market Participants that can service both SFC periods, may be able to offer prices on a combined basis, lower than that which would be offered for each period individually, and may allow for SFC to be procured at a lower cost to customers.</p>	Clauses 4.24.1AA to 4.24.1AD		<p>AEMO can source supplementary Peak Capacity for periods in the Hot Season, and supplementary Flexible Capacity for periods outside the Hot Season.</p> <p>Amendments have been made to section 4.24. to outline the process AEMO must follow if, at any time after the day which is nine months before the start of a Capacity Year, AEMO considers that inadequate Flexible Capacity may be available to maintain Power System Security and Power System Reliability between 1 October and 30 November of that Capacity Year.</p>

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>Depending on the different requirements for any potential SFC, and also any Supplementary Peak Capacity, there may also be benefits in allowing AEMO to allow for procurement for all Supplementary Requirements within one tender process.</p> <p>Synergy suggests that the clauses are redrafted to allow for AEMO to consider multiple Supplementary Capacity requirements and time periods within one tender process if AEMO deems that it may be desirable.</p>			

**Testing of DSPs**

AEMO	Clause 4.25.4 is clear regarding testing requested by AEMO, but there is no associated indication of when the DSP should start paying refunds.	Clauses 4.25.3D - 4.25.3G	AEMO requests clarification on whether the initial DSP RC Test under clause 4.25.3D incurs refunds and when the DSP would be required to start paying refunds	<p>Clauses 4.25.3B and 4.25.3D. allow Market Participants to opt to have tests for Peak and Flexible Capacity scheduled at the same time.</p> <p>Previously, DSPs which failed two tests had their Capacity Credits reduced to the amount actually achieved. Now, DSPs failing tests will be required to make capacity refunds until passing a test. DSP owners still have the option to voluntarily surrender the Capacity Credits to avoid further refunds (but will forfeit a portion of their Reserve Capacity Security).</p> <p>This was decided in review outcome 5 of information paper two.</p> <p>When a DSP fails a Reserve Capacity Test, it will pay refunds on the portion of capacity not delivered. If it does not pass another test, it will keep paying refunds on that capacity for the rest of the Capacity Year. Alternatively, the Market Participant can voluntarily surrender Capacity Credits</p>
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Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
				<p>relating to the failed quantity and will forfeit DSP Reserve Capacity Security in relation to the unsupplied quantity.</p> <p>This implements the parts of review outcome 7 from information paper two relating to DSP refunds.</p> <p>If a DSP had a long period of paying refunds it could end up paying refunds worth 125% of its capacity payments. If the owner then chose to voluntarily reduce all the Capacity Credits, it would also forfeit DSP Reserve Capacity security to the value of 25% of its peak payments.</p> <p>This clause ensures that the combination of refunds and forfeited DSP Reserve Capacity Security does not exceed 125% of capacity payments</p>
<b>DSP Capacity Reduction</b>				
AEMO	<p>AEMO considers that the calculation under clause 4.25.4CC could be open for interpretation and AEMO requests that this be simplified to improve clarity and remove referencing errors and definition inconsistencies.</p> <p>AEMO considers a simpler logic would be easier to implement and could still meet the intent of the RCM Review outcome 7.</p>	Clause 4.25.4CC	AEMO proposes working with EPWA to refine the calculation.	EPWA has worked with AEMO to simplify the relevant rules so it is easier to implement them while still meeting the intent of RCM Review Outcome 7.
Synergy	Synergy makes suggested edits to align with the defined term.	Clause 4.25.4CD	<p>Proposed drafting:</p> <p>4.25.4CD:</p> <p>If AEMO reduces <del>Peak Capacity</del> Credits for a Demand Side Programme, the relevant Market Participant must pay to AEMO an amount equal to the sum of the</p>	EPWA confirms there is a typographical error and has amended the clause.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
			Peak Capacity Reduction Payment and the Peak Capacity Additional Reduction Payment <b>Amount</b> for that Demand Side Programme on that Trading Day.	

#### Verification Tests for DSPs

Alinta	Recognising the policy decision to remove the current limit of two capacity tests Alinta suggest that it is replaced by a higher limit on the number of Reserve Capacity Tests a DSP can fail, beyond which it must forfeit its Capacity Credits.	Clause 4.25A	<p>Alinta suggests, If not two tests, then no more than four, noting that four tests is still a concession for DSPs compared with other facilities; and that numerous failures prior to a pass would indicate that a DSP is unreliable and is unlikely to be able to maintain the capacity it achieved following 3 consecutive failures.</p> <p>Alinta suggests that reserve capacity testing be required for DSPs twice as often as other facilities.</p> <p>If a shorter threshold is applied (i.e. less than 200 hours), Alinta considers that refund rates should be calculated so that DSPs would refund 125% of its Capacity Credits within these hours.</p>	<p>EPWA considers that placing a cap on the number of Reserve Capacity Tests that a DSP can fail is appropriate and has made amendments to the drafting, deleting clause 4.25A.</p> <p>Further amendments were made to clause 4.25.41 which is deleted and replaced by the following:</p> <p>In the event that a Demand Side Programme has failed up to three Reserve Capacity Tests, a Market Participant may request, prior to the end of the Capacity Year, that AEMO performs a re-test of the Facility during the seven days following that request.</p>
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#### Funding Reserve Capacity Purchased by AEMO

Synergy	Synergy suggests the references to clause 4.28.1 should instead be to 4.28.1A within the last paragraph of the clause.	Clause 4.28.1	<p>Proposed drafting:</p> <p>4.28.1A:</p> <p>...</p> <p>(b) the Flexible Targeted Reserve Capacity Cost, calculated in accordance with clause 4.28.4A, which is the cost of other Flexible Capacity Credits acquired but not allocated to the set referred to in clause 4.28.1A(a), determined on the basis that the Flexible Capacity Credits acquired by AEMO are allocated to the set referred to in clause 4.28.1(a) in order of</p>	EPWA confirms there is a typographical error and has amended the clause.
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Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
			decreasing cost per Flexible Capacity Credit until the capacity requirements referred to in clause 4.28.1A(a) are met, with the remaining Flexible Capacity Credits acquired by AEMO being allocated to the set referred to in clause 4.28.1A(b).	
<b>Daily IRCR</b>				
AEMO	<p>The volume of data generated and stored in the WEM has significantly increased following the implementation of the new market.</p> <p>AEMO questions whether there is ongoing benefit to implementing daily IRCR, given the low churn rate in the market and the likely increased implementation costs resulting from the increase in data volume.</p>			EPWA has made changes to address this concern.
<b>Settlement Data Definitions</b>				
Synergy	Synergy suggest that the formula terms BRCP Cap Factor, EZ BRCP Factor, EZ and AZ that are defined under 4.29.1(a) are also defined under 4.29.1(b) as they are used again within this clause item for a different formula.	Clause 4.29.1		These terms have been defined in the Glossary.
<b>Settlement Calculations - Reserve Capacity</b>				
Synergy	<p>Synergy suggest that the clause layout and numbering of the subclause items for the clauses containing a formula within this section are reviewed and revised.</p> <p>For some of the clauses with formulas, the terms used within the formula are</p>			EPWA acknowledges Synergy's suggestion and has amended the formula format.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>being defined under their own subclause item, rather than within the same subclause as the formula.</p> <p>For example, at the end of the subclause 9.8.3(b), the “where” should be reinstated, and the clauses 9.8.3(bA), to 9.8.3(bJ) should instead be numbered 9.8.3(b)i to 9.8.3(bx).</p>			

### Appendix 3

AEMO	<p>The new definition for Capability Class 2 excludes all Semi-Scheduled Facilities, which could include renewable intermittent generation firmed by ESR. As an ESR within a Semi-Scheduled Facility will have all the obligations associated with an ESR Obligation Interval, it should be included in determining the Availability Duration Gap.</p> <p>AEMO considers that it is unclear in the rules if Capability Classes apply to a Facility or to a component of a Facility. As these classes are used in Appendix 3 to determine the Network Access Quantities (NAQ), any change to apply these at the component level would require AEMO to replace the NAQ implementation.</p>	Appendix 3	<p>AEMO requests clarification on:</p> <ul style="list-style-type: none"> <li>The Capability Class of a Semi-Scheduled Facility with an ESR and a Non-Intermittent Generating System; and</li> <li>Whether the Capability Classes apply to the Facility or the component of the Facility.</li> </ul>	EPWA has amended the definition so it is clear that the Capability Class applies to a facility or a component of a Facility.
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Tesla	Tesla supports the proposed amendments			Noted
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### IRCR median contribution

AEMO	AEMO has identified a problem with the revised methodology in Appendix 5 for calculating the median for loads	Appendix 5 and clause 4.1.23B	AEMO queries whether it is possible to use 4 peaks and therefore proposes that n-3 is used instead of n-1.	Changes have been made to address AEMO’s suggestion
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Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>that were not registered with AEMO during the previous hot season.</p> <p>Under the amended rules, AEMO is required to include 4 peaks from the Trading Month n-1 (under the current rules it is n-3) in the Median4 calculation. The Median4Peaks for a Trading Month n-1 will be determined shortly after the Interval Meter Deadline for the last day in Trading Month n-1 (see clause 4.1.23B).</p> <p>As this would occur towards the end of Trading Month n, the Indicative IRCR for all Trading Days in Trading Month n would already have been published, as would the initial IRCR and in some cases the adjusted IRCR.</p>			

**RLM related applications**

AEMO	<p>New Part A – A1(b) requires the Market Participant’s CRC application to include all required supporting information and to have been deemed by AEMO to be complete.</p> <p>The way this interacts with the new provisions around IFC and IERs should be re-examined. Applications may not be complete until AEMO has assessed the IFC (CRC window close + 10 Business Days) and the Market Participant has provided any additional required information (another 10 Business Days). This could be as late as 22 July.</p>	Appendix 9 - Part A - A1(b)	AEMO requests guidance on when the application should be deemed complete, and when AEMO can commence the Relevant Level calculations, considering the current CRC assessment period of 35 Business Days.	Changes have been made to the relevant timeframes to address AEMO’s concerns.
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Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
<b>Use of "committed" status in the RLM</b>				
AEMO	Currently, committed status is usually determined by AEMO after CRC has been assigned.	Appendix 9 Part A - A.2	AEMO requests that clarification is provided in the rules on how it is to determine that a Candidate is committed, and if this is intended to be published with the RLM data prior to the CRC window closing.	Changes have been made to the relevant timeframes to address AEMO's concerns.
<b>Non-Candidate Facilities</b>				
AEMO	AEMO considers the Non-Candidate fleet should include all non-RLM facilities in the set. However, the new rules in Step B.3 outlining the Non-Candidate fleet parameters exclude any "proposed" (non-RLM) Facilities or any NSF with an ESR in the first 5 years of commercial operation.	Appendix 9 Step B.3.	AEMO queries whether the Non-Candidate fleet should be amended to include all non-RLM facilities/components that have CRC in this capacity year.	EPWA has discussed with AEMO its queries and issues have been clarified.
<b>Timing of data publication for the RLM</b>				
AEMO	The data AEMO must publish requires information that is not available at that stage in the process (e.g. Historic Output requires IERs and committed status).	Appendix 9 Step B.4.1 - B.4.3	AEMO requests that the timing of this process is re-examined and queries whether there is benefit to Market Participants in publishing the data early, given the limited time before CRC applications must be submitted.	Changes have been made to the relevant timeframes to address AEMO's concerns.
<b>Flexible Capacity Definition</b>				
	Synergy suggests that the definition of Flexible Capacity should not include a "requirement" to respond to variations in Intermittent Generating System output.	Glossary	Proposed drafting:  Flexible Capacity: Reserve Capacity that meets the requirements determined under clause 4.10.1A for the relevant Reserve Capacity Cycle, such that it is able to	EPWA acknowledges Synergy's suggestion and has amended the definition of Flexible Capacity.

Submission	Comments/Issues Raised	Clause #	Requested Changes/Action	EPWA Responses
	<p>Synergy notes that although a Facility that provides Flexible Capacity is likely to be capable of providing ESS to assist managing the variability in intermittent generation, it should not be a stated “requirement” of the Facility to be able to do this. The assessment of a Flexible Capacity Facility to meet ESS requirements should be undertaken within the ESS accreditation process.</p>		<p>respond at very short notice to manage variations in load <del>and Intermittent Generating System output</del> during high ramp periods.</p>	

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