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Energy Policy WA
Department of Energy, Mines, Industry Regulation and Safety

Submitted via e-mail energymarkets@demirs.wa.gov.au

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Dear Policy team,

RE: Exposure Draft – Tranche 8 Electricity System and Market Amending Rules for consultation

Thank you for the opportunity to provide feedback on the '*ESM Amending Rules Tranche 8 Exposure Draft*'.

Enel X operates Australia's largest dispatchable Virtual Power Plant¹ (VPP). We work with commercial and industrial energy users to develop flexible demand resources and offer it into the Wholesale Electricity Market (WEM) capacity market (RCM), National Electricity Market (NEM) Wholesale Demand Response Mechanism (WDRM), ancillary services markets, Reliability and Emergency Reserve Trader (RERT) and Supplementary Capacity (SC) mechanisms, and to network businesses.

Enel X strive for a vibrant demand response industry supporting the renewable energy transition. This is critical to accelerate the energy transition and Australia is falling behind in this transition. We need to encourage investment in flexible demand and use every tool available to meet decarbonisation targets while encouraging energy efficiency and grid stability in the WEM. We consider flexible demand and electric storage resources to be critical elements for the energy transition, grid security and reliability.

Enel X appreciate the ongoing support for Demand Side Programs (DSP) within the WEM. We note the proposed amendments for the 2026 Capacity Cycle onwards splitting the DSP dispatch period into the periods between 6:00 AM and 10:00 AM and 2:00 PM and 10:00 PM on all Business Days. We understand that this proposal is aligned with modelling of the potential for Expected Unserved Energy (EUE).

To assess the impact of the split DSP dispatch period Enel X have compared the unadjusted baseline of a sample portfolio that excludes continuous 24-hour (flat) process loads with the 2024 WEM ESOO EUE modelling. In the period 21:30 to 22:00 we have observed the aggregate unadjusted baseline of the sample portfolio rapidly reduces indicating the EUE risk in this period is potentially overstated potentially leading to a mismatch in DSP resource availability and perceived market need. Enel X are happy to discuss this further with EPWA.

Kind Regards,

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¹ Per AEMO Registrations