GOVERNMENT OF WESTERN AUSTRALIA

Department of Energy and Economic Diversification

Energy Policy WA

Electricity System and Market Rules for Distributed Energy Resources – Roles and Technical Requirements

Consultation Paper

24 October 2025

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

Contents

Glossary

Term	Definition
Act	*Electricity Industry Act 2004*
AEMO	Australian Energy Market Operator
BEGCTR	Basic Embedded Generation Connection Technical Requirements
Coordinator	The Coordinator of Energy, as defined in section 4 of the *Energy Coordination Act 1994*
CSIP-AUS	Common Smart Inverter Profile Australia
DER	Distributed Energy Resources
DER Act	*Electricity Industry Amendment (Distributed Energy Resources) Act 2024*
DSO	Distribution System Operator
kV	kilovolt
kVA	kilovolt-ampere
kW	kilowatt
MWh	megawatt-hour
NCESS	Non-Co-Optimised Essential System Services
PSSR	Power System Security and Reliability
Rules	Electricity System and Market Rules
SEO	State Electricity Objective
SWIS	South West Interconnected System
TPA	Third Party Aggregator
WEM	Wholesale Electricity Market

Executive Summary

Distributed Energy Resources (DER) are the smaller-scale devices that can either use, generate or store electricity, like solar panels, batteries and electric vehicles.

They are transforming our electricity system, offering lower electricity bills for customers and reducing the reliance on emissions-intensive thermal generation from coal and gas. Despite these opportunities, the rapid uptake of DER is presenting challenges for the operation of the power system. If not addressed, these challenges will contribute to increasing costs for all electricity consumers - undermining many of the benefits that DER can provide.

The effective integration of DER, first outlined in the Government's *DER Roadmap*, will respond to these challenges while opening a range of opportunities for consumers to install bigger systems and provide electricity services for payment. This integration relies on regulatory settings that establish key roles and functions, minimum technical settings and standards, and frameworks for DER 'participation' through service provision.

On 6 February 2025, the *Electricity Industry Amendment (Distributed Energy Resources) Act 2024* (DER Act) came into effect. This legislation established the ability for the Electricity System and Market Rules (Rules) to regulate distribution connections and DER.

Energy Policy WA is now consulting on proposed amendments to the Rules that give effect to the legislation changes and published policy positions.

The proposed Rules in this consultation paper will establish the initial framework to integrate DER in the South West Interconnected System (SWIS).

The objective of these proposed Rules is to:

- define key roles in relation to the operation of DER;
- establish the initial minimum technical requirements for DER in the Rules; and
- develop a framework to support third party aggregation services in the SWIS.

The changes seek to achieve the State Electricity Objective through the promotion of consumer choice and greater levels of renewables while managing risks to the power system and network at low cost.

Distribution System Operator

The need for a Distribution System Operator (DSO) in the SWIS was first introduced in the DER Roadmap in 2020, based on the identified need for Western Power to evolve in order to manage the challenges in the distribution network presented by higher levels of DER. This position was further supported through Project Symphony and the *DER Orchestration: Roles and Responsibilities Information Paper* in 2022, but limitations in the legislative framework presented a barrier to formalising this position.

To give effect to these policy positions and the DER Act, the proposed Rules will now name Western Power as the DSO for its distribution systems.

The DSO will be given only one function in this tranche of Rules: setting of the technical requirements for small-scale DER (see section 3 below) through publication of a WEM Procedure.

Distribution system technical standards

Establishing technical standards for the small-scale devices being connected to the power system is a fundamental enabler of DER integration. The capability of DER devices is critical to their ability to provide services and operate in a safe and reliable manner. They have also been identified across Australian and international jurisdictions as essential to managing the impacts of DER. The introduction of technical requirements for DER devices is an opportunity to help mitigate the challenges presented by high levels of DER at low cost to consumers.

Beyond managing risks, reliable DER performance and minimum functionality creates a range of opportunities for customers to support the power system and receive value for doing so.

Following introduction of the DER Act, the Rules have been empowered to provide for a wide range of matters including the regulation of distribution systems. The proposed Rules give effect to these legislative changes in establishing an initial, minimum set of technical standards.

The proposal will see Western Power as DSO produce a WEM Procedure that outlines requirements for small-scale DER (with a capacity less than 30 kilovolt-amperes (kVA)) installed on low voltage connections (less than 1 kilovolt (kV)).

The technical requirements in scope include capacity limits for both devices and for the whole site, and compliance with the relevant Australian Standard for inverter-connected generation (AS/NZS 4777.2:2020 - Grid connection of energy systems via inverters).

The proposed Rules will also codify export limit requirements, and the WEM Procedure will be required to provide for a minimum fixed export limit of 1.5 kilowatts (kW) for any connection in scope.

Western Power will be able to set higher export limits for sites in the WEM Procedure, however, for these sites, the Market Participant will be required to ensure each device is capable of being remotely disconnected from and reconnected to the network. The capability to be remotely disconnected will also extend Emergency Solar Management obligations which have only applied to non-contestable Synergy Distributed Energy Buyback Scheme rooftop solar installations since 2022.[1] This requirement will now extend the obligations to all new DER devices, including those customers with retailers other than Synergy.

Aggregation of non-contestable customers

The aggregation of DER – the coordination of many devices to provide electricity services – is critical to the integration of DER at scale. It also represents the pathway to new value streams through which consumers can access payment for providing services from their devices.

In the SWIS, customers that consume no more than 50 megawatt-hours (MWh) of electricity each year cannot be supplied by a retailer other than Synergy. These customers are referred to as 'non-contestable customers'. (Customers that consume more than this amount are able to choose their retailer.)

The proposed Rules will now codify the long-standing policy position that Synergy be the 'parent' aggregator of non-contestable customer's DER. In other words, any aggregators that wish to provide services to the network operator or market through non-contestable DER will be required to form agreements with Synergy. While not explicit in the Rules, aggregators will also be able to contract with Synergy using non-contestable customers to provide services directly to Synergy.

Third Party Aggregator Framework

In establishing Synergy as parent aggregator, consideration was given to the benefits and opportunities presented by the involvement of other aggregation services with non-contestable customers.

These other aggregators are referred to as 'Third Party Aggregators" or TPAs.

It is highly desirable that a TPA market be able to grow in size and sophistication in the SWIS. TPAs may be able to identify new value streams, areas for innovation or develop new products that expand consumer choice and lower total system costs.

Synergy's role as parent aggregator must not preclude other aggregators from being able to provide non-contestable consumers with choice and provide necessary services. Synergy will

[1] Emergency Solar Management (ESM): https://www.wa.gov.au/organisation/energy-policy-wa/information-industry-emergency-solar-management

therefore be required to facilitate those 'Third Party Aggregators' that wish to contract with non-contestable customers' DER to provide services.

To this end, Synergy will be required in the proposed Rules to establish an initial TPA Framework. This will be in the form of a document that sets out how Synergy will engage with TPAs that seek to provide services to Synergy using non-contestable customers.

The proposed Rules introduce section 2.34C, which sets out obligations on Synergy to develop the framework and what information it must provide to TPAs.

The emerging TPA industry in Western Australia remains relatively small, and the opportunities available to TPAs through value streams and access to markets continues to develop. With this in mind, the approach to the Framework and obligations on Synergy has sought to strike a balance between timeliness, complexity, cost and outcomes for consumers.

The proposal will result in a significant uplift in public information that is made available to existing TPAs, as well as prospective businesses that may be seeking to expand in Western Australia. The transparency provided through 2.34C.5 is intended to provide clear information and comfort to industry.

Through ongoing consultation and engagement with industry, Government will remain alert to effectiveness of these Rules in supporting the long-term interests of consumers.

Consultation

These proposed Rules represent an important first step in establishing roles, responsibilities and technical standards. The policy positions underpinning the drafting intent reflects policy development over several years, and gives effect to recent legislative changes.

Consultation on the proposed drafting primarily seeks feedback on the effectiveness of the proposed drafting in achieving the above objectives, including achieving the SEO.

Stakeholders are invited to provide feedback on the proposals before **5:00pm (AWST) Thursday, 20 November 2025** by submitting comments to EPWA-Submissions@deed.wa.gov.au. Late submissions may not be considered.

Any submissions received will be made publicly available on the wa.gov.au webpage unless requested otherwise.

1. Background

Distributed Energy Resources (DER) are smaller-scale devices that can either use, generate or store electricity, like solar panels, batteries and electric vehicles. These devices form part of the low-voltage distribution network which supplies electricity to homes and businesses.

DER are transforming our electricity system, offering lower electricity bills for customers and reducing the reliance on emissions-intensive thermal generation from coal and gas. Despite these opportunities, the rapid uptake of DER is presenting challenges for the operation of the power system. If not addressed, these challenges will contribute to increasing costs for all electricity consumers – undermining many of the benefits that DER can provide.

The effective integration of DER, first outlined in the Government's *DER Roadmap*, will respond to these challenges while opening a range of opportunities for consumers to install bigger systems and provide electricity services for payment. This integration relies on regulatory settings that establish key roles and functions, minimum technical settings and standards, and frameworks for DER 'participation' through service provision.

On 6 February 2025, the *Electricity Industry Amendment (Distributed Energy Resources) Act 2024* came into effect. This legislation amended the *Electricity Industry Act 2004* (the Act), and established the ability for the Electricity System and Market Rules (Rules) to regulate distribution connections and DER. It also introduced a new, overarching objective for the electricity industry, known as the State Electricity Objective (SEO). The SEO requires decision makers under the Act to promote the long-term interests of electricity consumers while having regard to price, reliability and the environment.

The proposed Rules outlined in this consultation paper will establish the initial framework to integrate DER into the South West Interconnected System (SWIS) based on a body of published policy positions established over several years.[2] The changes seek to achieve the SEO through the promotion of consumer choice and greater levels of renewables while managing risks to the power system and network at low cost.

The objective of these proposed Rules is to:

- define key roles in relation to the operation of DER;
- establish the initial minimum technical requirements for DER in the Rules; and
- develop a framework to support third party aggregation services in the SWIS.

The proposed changes reflect a starting point for the Rules to address distribution connections and DER. They establish an architecture upon which roles and responsibilities can be further developed, and introduce a set of minimum requirements that can be updated in time if required.

The intent of the proposed drafting is to give effect to published policy positions, and consolidate existing practices and requirements under the Rules.

Consultation on the proposed drafting primarily seeks feedback on the effectiveness of the proposed drafting in achieving the above objectives, including achieving the SEO.

Stakeholders are invited to provide feedback on the proposals before **5:00pm (AWST) Thursday, 20 November 2025** by submitting comments to EPWA-Submissions@deed.wa.gov.au. Late submissions may not be considered.

Any submissions received will be made publicly available on the wa.gov.au webpage unless requested otherwise.

[2] This paper can be read in conjunction with the *DER Roadmap*, *DER Roadmap Third Progress Report*), DER Orchestration: Roles and Responsibilities Information Paper, and the *Statement on Interoperability of DER*.

2. Distribution system operator

The need for a Distribution System Operator (DSO) in the SWIS was first introduced in the DER Roadmap in 2020, based on the identified need for Western Power to evolve in order to manage the challenges in the distribution network presented by higher levels of DER.

The DSO role (as distinct from the traditional network operator role) reflects the need for greater visibility of the distribution network, more sophistication in managing distribution network assets, facilitating the connection of larger and more numerous small-scale customer devices, and better incorporation of DER into network operation (including through network support services).

Western Power was again identified as the proposed DSO for the SWIS through the *DER Orchestration: Roles and Responsibilities Information Paper* in 2022, but limitations in the legislative framework presented a barrier to formalising this position.

Following legislation amendments, Section 124E of the *Electricity Industry Act 2004* now empowers the Rules to provide for "the designation of a person or body as a distribution system operator in relation to a distribution system and the functions and rights of a distribution system operator". This distinction between a DSO and the existing role of 'network service provider' deliberately reflects the new role of network operators to manage the increasing complexity of distribution network operation and integrating DER at scale.

To give effect to these policy positions and the DER Act, the proposed Rules will now name Western Power as the DSO for its distribution systems.

Proposed Amendment 1: Designation of the Distribution System Operator

Clause	Drafting
2.2C.2	Western Power is the Distribution System Operator for each of its Distribution Networks.

The DSO will be given only one function in this tranche of Rules: setting of the technical requirements for small-scale DER (see section 3 below) through publication of a WEM Procedure.

Additional functions of the DSO role will be developed and codified through future tranches of rules and regulations, which will be subject to public consultation. Any future rules will consider the need for specific DSO functions as distinct from Western Power's existing network operator functions, as well as the costs and benefits underpinning any associated expenditure.

Market participants and other affected stakeholders will be consulted regularly as this work program is progressed.

3. Distribution system technical standards

Establishing technical standards for the small-scale devices being connected to the power system is a fundamental enabler of DER integration. The capability of DER devices is critical to their ability to provide services and operate in a safe and reliable manner. They have also been identified across Australian and international jurisdictions as essential to managing the impacts of DER.

Unpredictable DER behaviour across a range of system conditions has presented significant challenges to AEMO, which must incorporate its effects in forecasting, operational responses and services procurement. From a network perspective, DER can contribute to localised network issues like poor power quality, harmonic distortions, and other issues which may damage equipment or threaten personal safety. The cost to manage these power system and network issues is ultimately borne by end-use consumers through high prices for electricity and network

services. The introduction of technical requirements for DER devices is an opportunity to help mitigate these challenges at low cost to consumers.

Beyond managing risks, reliable DER performance and minimum functionality creates a range of opportunities for customers to support the power system and receive value for doing so. These include the opportunity for devices to be coordinated, through retail products, to provide services. Under the Western Australian Residential Battery Scheme, customers have installed batteries with enhanced capabilities that can be activated in exchange for payments.

The Government has been supportive of the implementation of new standards through updates to the Australian Standard for grid-connected inverter systems (AS/NZS 4777: Grid connection of energy systems via inverters), and the improved capability of DER through implementation of Emergency Solar Management in 2022, which sees all new and upgrade solar installations be capable of remote disconnection in emergency situations. In 2025, the Government also outlined its support for nationally consistent interoperability and standardised communications via Common Smart Inverter Profile Australia (CSIP-AUS).

Following introduction of the DER Act, the Rules have been empowered to provide for a wide range of matters including the regulation of distribution systems under section 124E and technical standards under section 124F. Most relevantly:

- the operation of connected facilities (s124E(a)), and standards and technical requirements for connected facilities on distribution systems (s124E(b));
- technical or other standards in relation to distribution systems, including supply or transfer of electricity into and out of the distribution system or facility (s124F(a)); and
- technical requirements for connection to the distribution system relating to remote monitoring, and remote disconnection and reconnection (s124F(b)).

The proposed Rules give effect to these legislative changes in establishing an initial, minimum set of technical standards.

3.1 DSO to create a WEM Procedure

The proposed Rules will require a DSO to create a WEM Procedure that documents technical requirements for small-scale DER (<30kVA). It is appropriate that the entity responsible for managing the distribution network (i.e. the DSO) also be responsible for producing the minimum technical requirements for devices connecting.

A WEM Procedure provides detailed, process-orientated instructions and typically contains more detailed technical information than the Rules.

In addition to the prescription of what the WEM Procedure can cover, the proposed Rules will require the DSO to consult with the Coordinator of Energy (Coordinator) and AEMO when developing (or amending) the WEM Procedure. Western Power will be required to meet the existing WEM Procedure change process (2.10 in the Rules), which includes public consultation for amendments proposed by Rule Participants.

Proposed Amendment 2: DSO must produce a WEM Procedure

Clause	Drafting
3.25.2	A Distribution System Operator must document in a WEM Procedure the following technical requirements to be met by the Market Participant for a Standard Small User Facility connected to its Distribution Network:
3.25.3	A Distribution System Operator must consult with the Coordinator and AEMO when developing or amending the WEM Procedure referred to in clause 3.25.2.

This approach seeks to formalise the process through which Western Power has already provided technical guidance through its Basic Embedded Generation Connection Technical Requirements (BEGCTR).

Impacts for electricity retailers

In the SWIS, relationships between consumers, market participants and Western Power follow what is known as a linear contracting model. Western Power agrees to an access contract with an electricity retailer, which then typically contracts with the end-user. This means that unless the retailer is also the end-user, the end-user does not have a direct relationship with Western Power. For example, a typical residential consumer will have a contract with Synergy, which then holds a contract with Western Power. This differs to contractual models in other Australian jurisdictions, where a residential consumer will contract with both a retailer and a distribution network service provider.

The Act and proposed Rules reflect this linear contracting model, where the DSO will create requirements that are to be met by the Market Participant (i.e. the electricity retailer).

Each electricity retailer will then be responsible for ensuring compliance with these requirements.

3.2 Scope of the WEM Procedure

The WEM Procedure will apply only to the connection of small-scale DER devices (i.e. with an inverter capacity less than 30kVA) on low-voltage distribution network connections. This is similar in scope to what is currently adopted under Western Power's BEGCTR.

The proposed Rules will define a new 'Standard Small User Facility' to which technical requirements in the WEM Procedure will apply. This will be a facility of the type defined in clause 2.291B(c) – in other words, one that is located behind a single 'measurement point'.

The proposed Rules will also define a new 'Inverter Energy System', as a system with one or more inverters with one or more energy sources (such as rooftop solar panels or a battery).

A Standard Small User Facility will be limited to one that:

- is installed on or after 1 February 2026, and includes an Inverter Energy System;
- has a network connection voltage of less than 1 kV; and
- includes Inverter Energy Systems that each have a maximum capacity of less than 30kVA.

The WEM Procedure will be forward-looking and only apply to new and upgraded systems – future amendments to the procedure will not have retrospective application.

Proposed Amendment 3: Definition of Standard Small User Facilities

Clause	Drafting
Definition: *Inverter Energy System*	A system comprising one or more inverters together with one or more energy sources (which may include Electric Storage Resources) and controlled up to the single main switch for that system. It may also include additional equipment used for monitoring and control. Multiple Inverter Energy Systems can exist within a single Energy Producing System in a Facility.
3.25.1	A Standard Small User Facility is a Facility of the type defined in clause 2.29.1B(c) that: (a) contains an Energy Producing System installed on or after 1 February 2026 (inclusive of alterations and modifications to an existing Energy

	Producing System) that comprises one or more Inverter Energy Systems; (b) is, or is intended to be, connected to a Distribution Network with a connection voltage less than 1000 volts; and (c) has, or is intended to have, for each Inverter Energy System in the Energy Producing System, a maximum capacity of 30 kVA.
Definition: *Standard Small User Facility*	Has the meaning given in clause 3.25.1.

3.3 Technical requirements permitted in the WEM Procedure

The initial technical requirements will be limited in scope to the minimum required at this time to support DER integration. To this end, it is expected that the initial WEM Procedure will, at this stage, only include limits that are consistent with those currently applied under the BEGCTR.

The technical requirements in scope include capacity limits for both devices and for the whole site, and compliance with the relevant Australian Standard for inverter-connected generation (AS/NZS 4777.2:2020 - Grid connection of energy systems via inverters). This is a standard developed by Standards Australia which governs the technical and other requirements for grid-connected inverter energy systems. This standard has two parts (one relating to wiring and installation, and the other, to inverter requirements), and only Part 2 will be a requirement.[3]

AS/NZS 4777 is being continually reviewed and updated based on lessons learned through testing and real-world applications. As a result, this WEM Procedure may be updated over time to refer to new versions.

The proposed Rules will also codify export limit requirements, and the WEM Procedure will be required to provide for a minimum fixed export limit of 1.5kW for any connection in scope.

Western Power will be able to set higher export limits for sites in the WEM Procedure, however, for these sites, the Market Participant will be required to ensure each device is capable of being remotely disconnected from and reconnected to the network. The capability to be remotely disconnected will also extend Emergency Solar Management obligations which have only applied to non-contestable Synergy DEBS customer rooftop solar installations since 2022.[4] This requirement will now extend the obligations to all new DER devices, including those customers with retailers other than Synergy.

There will be growing opportunities for DER to participate in the power system, which will depend on larger export limits and greater sophistication of DER management. By establishing minimum requirements for disconnection, these Rules reflect a position that systems that participate must be capable of responding to protect the network and power system. Note that the Rules will not include any changes to the existing systems and processes for addressing power system security or electrical safety.

End-users that wish to install DER devices which have a minimal impact on the network (i.e. limited to 1.5kW exports) will have minimal ongoing requirements.

[3] AS / NZS 4777.2:2020 (Part 2: Inverter Requirements): this part sets the technical and operational requirements of grid-connected, and details the expected performance and behaviour of inverters connected to the low-voltage distribution network. Part 1 relates to wiring requirements of installers and is not relevant to DER performance for the purposes of this WEM Procedure.

[4] Emergency Solar Management (ESM): https://www.wa.gov.au/organisation/energy-policy-wa/information-industry-emergency-solar-management

The technical requirements permitted to be prescribed in the WEM Procedure are:

Proposed Amendment 4: WEM Procedure – Proposed technical requirements

Reference	Provision	Intended content of the Procedure
3.25.2 (a)	Maximum capacity limits for each Inverter Energy System in the Facility	The setting of an upper limit for the capacity of each inverter device behind a connection point.
3.25.2 (b)	Maximum installed generation capacity for the Facility	The maximum total generation capacity of the entire site (i.e. behind a Measurement Point).
3.25.2 (c)	Requirements to comply with relevant AS/NZS 4777 standards relating to inverter requirements	The relevant standard is AS4777.2, which relates to inverter device requirements, and it is expected that devices will be required to be set to Region B.
3.25.2 (d)	Either: i. an Injection limit of 1.5 kW for the Facility; or ii. requirements to: 1. comply with a higher Injection limit determined by the Distribution System Operator; and 2. ensure that each Inverter Energy System in the Facility is capable of being remotely disconnected from and reconnected to the Distribution Network by the Market Participant.	Either a fixed 1.5kW export limit for the entire site, or a higher limit determined by the DSO. If permitted to export more than 1.5kW, to be capable of remote disconnection from/reconnection to the network by the Market Participant.

Alignment with PSSR Review

The changes have been developed with consideration for the current Energy Policy WA consultation on Power System Security and Reliability (PSSR), and the PSSR Standards Review. The proposed classes, and the requirements and standards, that have been published for consultation on PSSR are intended to be implemented in 2026. However, the scope of the proposed WEM Procedure will form a subset of the Small User classification and amendments to requirements for those users will be reflected as required.

4. Aggregation of non-contestable customers

The aggregation of DER – the coordination of many devices to provide electricity services – is critical to the integration of DER at scale. It also represents the pathway to new value streams through which consumers can access payment for providing services from their devices.

In the SWIS, customers that consume no more than 50MWh of electricity each year cannot be supplied by a retailer other than Synergy. These customers are referred to as 'non-contestable customers'. (Customers that consume more than this amount are able to choose their retailer.)

In the May 2022, *DER Roadmap: DER Orchestration Roles and Responsibilities Information Paper* (DER Roles and Responsibilities), Synergy was identified to be the only aggregator for non-contestable customers. This position reflected a substantial body of analysis under the DER Roadmap work program, which considered the lessons learned through other jurisdictions, which was then applied to our unique circumstances.

The decision was based on promoting the long-term interest of energy consumers through consistency, simplicity and basic protections. Effectively, the position is an extension of the existing "contestability" limits to DER participation. The position was also based on the cost and technical barriers to offering multiple services from more than one provider from a single connection point. Establishing these 'multiple trading relationships' in the WEM would require a material change to the existing linear contracting model, and adding a direct contracting relationship between the end-user and Western Power would add significant cost, regulatory complexity, and risk to end-users.

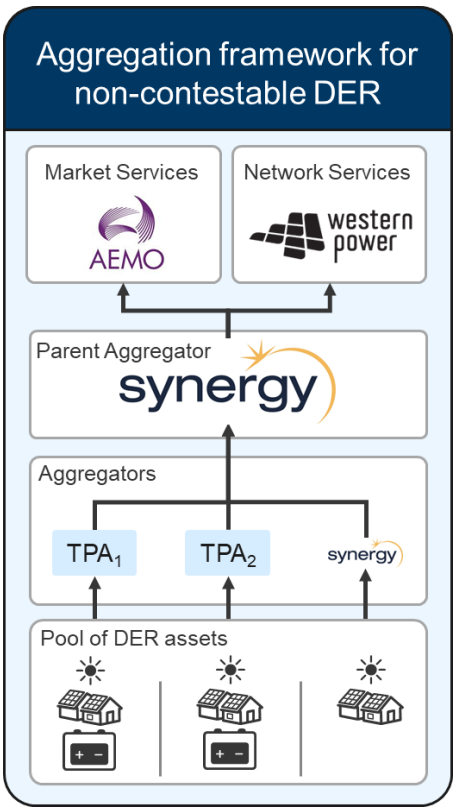
The position was further reinforced through Project Symphony outcomes and in the publication of the DER Roadmap Third Progress Report, which defined Synergy as the "Parent Aggregator".

The proposed Rules will now codify the long-standing policy position that Synergy be the aggregator of non-contestable customer's DER. In other words, any aggregators that wish to provide services to the network operator or market through non-contestable DER will be required to form agreements with Synergy.

The proposed drafting defines Synergy as the only Market Participant that can provide NCESS or market services involving a non-contestable customer. Synergy is the only Market Participant that may make an NCESS submission, and AEMO or Western Power must exclude submissions from other applicants that propose to involve a non-contestable customer. Similarly, AEMO must only accept an offer for the provision of Supplementary Capacity from Synergy if it involves a non-contestable customer.[5]

While not explicit in the Rules, aggregators may also contract with Synergy using non-contestable customers to provide services directly to Synergy.

The structure for the provision of services under this approach is illustrated in the figure to the right.



Proposed Amendment 5: Synergy the parent aggregator

Clause	Summary of drafting
3.11B.7(iB)	An NCESS submission form must include whether the NCESS involves a non-contestable customer.

[5] The proposed commencement of the Supplementary Capacity clauses is 1 April 2026, in order to mitigate the risk of any potential disruption to the procurement of Supplementary Capacity required for the 2025-26 hot season.

3.11B.8A	Synergy is the only Market Participant or service provider that may make an NCESS Submission that involves a non-contestable customer.
3.11B.10	When determining which NCESS submissions to select, AEMO or Western Power must exclude NCESS Submissions from applicants other than Synergy that propose to involve a non-contestable customer.
4.24.7	AEMO must require Supplementary Capacity tender forms to provide whether the service involves a non-contestable customer.
4.24.8	When determining which Supplementary Capacity submission to select, AEMO submissions from applicants other than Synergy that propose to involve a non-contestable customer.

5. Third Party Aggregator Framework

In establishing Synergy as parent aggregator, consideration was given to the benefits and opportunities presented by the involvement of other aggregation services with non-contestable customers.

These other aggregators are referred to as 'Third Party Aggregators" or TPAs.

It is highly desirable that a TPA market be able to grow in size and sophistication in the SWIS. TPAs may be able to identify new value streams, areas for innovation or develop new products that expand consumer choice and lower total system costs.

Synergy's role as parent aggregator must not preclude other aggregators from being able to provide non-contestable consumers with choice and provide necessary services. Synergy will therefore be required to facilitate those 'Third Party Aggregators' that wish to contract with non-contestable customers' DER to provide services.

To this end, Synergy will be required in the proposed Rules to establish an initial TPA Framework. This will be in the form of a document that sets out how Synergy will engage with TPAs that seek to provide services to Synergy using non-contestable customers.

The need to establish this Framework was identified through Project Symphony and the DER Roadmap Third Progress Report.

The proposed Rules introduce section 2.34C, which sets out obligations on Synergy to develop the framework and what information it must provide to TPAs.

Proposed Amendment 6: Third Party Aggregator definitions

Defined term	Summary of drafting
Third Party Aggregator	A person, other than the Market Participant for a Non-Dispatchable Load, who controls the operation of an Inverter Energy System in the Non-Dispatchable Load under an agreement with the Market Participant's customer.
Third Party Aggregator Framework	The document published by Synergy under clause 2.34C.1, as amended under clause 2.34C.2.

The emerging TPA industry in Western Australia remains relatively small, and the opportunities available to TPAs through value streams and access to markets continues to develop. With this in mind, the approach to the Framework and obligations on Synergy has sought to strike a balance between timeliness, complexity, cost and outcomes for consumers.

Importantly, Synergy itself also provides aggregation services in competition with TPAs. Under this structure, Synergy as parent aggregator may also seek to procure services using Synergy aggregation customers or other internal resources, as well as from TPAs. Synergy is expected to act in a manner that promotes the SEO and facilitates access for TPAs, and under the Rules, will be required to act consistently with the framework when making decisions.

In developing these rules, the introduction of a rigorous regulatory regime that included independent approval, monitoring, compliance and enforcement processes was determined to not best achieve the SEO at this time. The cost associated with such a regime would be passed through to consumers, and the timeframes involved would limit the available opportunities to TPAs and consumers.

Instead, the proposed light-handed approach in the Rules prioritises a need for information and transparency for industry as soon as possible. The proposal will result in a significant uplift in public information that is made available to existing TPAs, as well as prospective businesses that may be seeking to expand in Western Australia. The transparency provided through 2.34C.5 is intended to provide clear information and comfort to industry.

Through ongoing consultation and engagement with industry, Government will remain alert to effectiveness of these Rules in supporting the long-term interests of consumers, and open to providing further clarity or amendments in future Rules should they be required.

5.1 Consultation with industry

The proposal will impose obligations for Synergy to consult with TPAs and the Coordinator to develop or amend the Framework, and includes a requirement to include information on how Synergy will respond to consultation as well as communicate its decisions on proposals it receives.

Proposed Amendment 7: Requirements of Synergy to consult

Clause	Summary of drafting
2.34C.1	Following public consultation, Synergy must publish a TPA Framework document.
2.34C.2	Synergy may amend the TPA Framework following public consultation on amendments.
2.34C.3	Synergy must also publish submissions received, a summary of the submissions and Synergy's response to the issues raised in submissions.
2.34C.4	Synergy must consult with the Coordinator when developing or amending the TPA Framework.

5.2 Specifications in the TPA Framework

The proposed Rules will require the TPA Framework to include a wide range of information for engaging with TPAs.

Proposed Amendment 8: TPA Framework specifications

Clause	Specification	Explanation
2.34C.5(a)	The types of services Synergy intends to procure	Synergy is expected to, at minimum, provide opportunities for TPAs to make proposals for NCESS or Supplementary Capacity processes. However, TPAs may also be able to provide other, non-market-based services to Synergy, and should be given an opportunity to do so.
2.34C.5(b)	The minimum technical requirements a TPA must meet to provide services to Synergy	In order to provide services to Synergy, it is appropriate that TPAs meet minimum technical requirements for their proposals. This may reflect interoperability, communications protocols, cyber-security or other technology integration requirements. Synergy should specify technical requirements that are reasonable to ensure that Synergy as parent aggregator meets its obligations (e.g. to AEMO or Western Power as part of NCESS contracting) and that the service is provided.
2.34C.5(c)	An overview of the process for engaging and contracting with Synergy	Synergy will be required to outline how and when TPAs can engage with it, and how it will communicate its decisions and respond to any disputes.
2.34C.5(d)	The criteria Synergy will use to assess proposals	Synergy will, necessarily, be required to make decisions on what options are most effective and lowest cost. It will also need to ensure it meets its various obligations, under the Rules and other legislation, as well as contract with credible counter-parties. The Rules will require Synergy to outline the criteria it uses to assess proposals from both proponents and its own internal resources.
2.34C.5(e)	A standard form contract	This contract, which Synergy will be required to publish by 1 July 2026 to allow adequate time for development, is intended to outline the standard terms and conditions for engaging Synergy. By standardising this contracting process, it is anticipated that it will reduce barriers to entry for TPAs and improve the speed and transparency of contracting.
2.34C.5(f)	Process by which TPAs can propose services	TPAs may be able to identify and provide innovative new services. It is important that there be a pathway for TPAs to propose these services to Synergy, and how those services might be assessed.

5.3 Compliance with the TPA Framework

In order to provide a degree of enforcement to the light-handed approach in these Rules, Synergy will be required to act consistently with the framework.

This requirement will apply when Synergy is engaging and contracting with TPAs, and also when providing services to AEMO or Western Power. This approach seeks to give comfort to industry about Synergy's conduct under the TPA Framework, and offers an avenue for independent assessment under the existing Rules compliance regime.

6. Conclusion

These proposed Rules represent an important first step in establishing roles, responsibilities and technical standards. The policy positions underpinning the drafting intent reflects policy development over several years, and gives effect to recent legislative changes.

Stakeholder feedback on the detail of the exposure draft is welcomed, particularly on the effectiveness of the drafting in achieving the objectives of these amendments.

Stakeholders are invited to provide feedback on the proposals before **5:00pm (AWST) Thursday, 20 November 2025** by submitting comments to EPWA-Submissions@deed.wa.gov.au. Late submissions may not be considered.

Any submissions received will be made publicly available on the wa.gov.au webpage unless requested otherwise.