



Department of
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Diversification

Energy
Policy WA

Market Advisory Committee Review

Information Paper
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Executive Summary

Review of the Market Advisory Committee

In 2024, the Coordinator of Energy (Coordinator) conducted a review of the Market Advisory Committee (MAC) (the Review) under clause 2.2D.1(h) of the Electricity System and Market (ESM) Rules.

The Review was undertaken in three stages:

Stage 1: Independent review and recommendations

Stage 2: Design proposals for revised MAC arrangements

Stage 3: ESM Amending Rules and MAC Constitution changes

The Review was supported by ACIL Allen, an independent consultant, who carried out Stage 1 of the Review.

Following the independent review, Energy Policy WA (EPWA) consulted on proposed amendments to the structure and operation of the MAC, prescribed in clause 2.3. of the ESM Rules to ensure that:

- the MAC membership provides a truly representative view of the whole market; and
- there are mechanisms in place for the membership to reflect the evolving market needs.

These proposed changes were consulted on over a four-week period in June 2025 through the MAC Review: Coordinator of Energy's Consultation Paper (the Consultation Paper).

Following the public consultation, from 9 June to 7 July 2025, on the proposed outcomes of the Review, this Information Paper sets out the final Review Outcomes.

Further information on the MAC Review, including the independent review papers and submissions, is available at [Wholesale Electricity Market - Market Advisory Committee Review \(www.wa.gov.au\)](http://www.wa.gov.au)

Table 1 – MAC Review Outcomes

Review Outcomes	Rationale
Proposal One <i>Purpose of the MAC</i> 1. Elevate the content of clause 2.3.1(d) of the ESM Rules to the header part of the clause 2.3.1 of the ESM Rules. 2. Specify that the advice the MAC provides must be consistent with the State Electricity Objective (SEO).	1. Elevate the content of clause 2.3.1(d) of the ESM Rules to the header part of the clause 2.3.1 of the ESM Rules Clause 2.3.1(d) of the ESM Rules provides the opportunity for the MAC to address evolving market needs, enabling it to remain relevant and effective in a rapidly changing energy landscape. EPWA proposes to elevate clause 2.3.1(d) of the ESM Rules to the header part of clause 2.3.1 of the ESM Rules to emphasise its importance and to provide further clarity about the MAC's strategic purpose. EPWA considers that including a separate overarching statement would not differ significantly from what is already captured under clause 2.3.1(d) of the ESM Rules and would not add substantial value. EPWA considers that a separate overarching statement of purpose is unnecessary as:

Review Outcomes	Rationale
	<ul style="list-style-type: none"> the MAC's purpose is already contained within clause 2.3.1 of the ESM Rules; and the constitution of the MAC, established under clause 2.3.2. of the ESM Rules, provides further guidance on the purpose of the MAC. <p>Following stakeholder feedback received on the Consultation Paper, additional amendments are made to clause 2.3.1 of the ESM Rules. These changes are aimed at clarifying that the advice the MAC is expected to provide is not only on the evolution, development and 'operation' (added) of the WEM and the ESM Rules, but also the operation of the 'South West Interconnected System' (SWIS).</p> <p>2. Specify that the advice the MAC provides must be consistent with the SEO</p> <p>As the SEO is now embedded in legislation, a new clause was proposed in the Consultation Paper, which specified that any advice provided by the MAC in accordance with clause 2.3.1 of the ESM Rules must be with the intent of bettering the SEO.</p> <p>Following stakeholder feedback the clause was renumbered and amended to specify that any advice provided by the MAC in accordance with clause 2.3.1 of the ESM Rules <i>must be consistent</i> with the SEO.</p> <p>The changes are in recognition that MAC members will be required to provide advice on evolving market needs in a rapidly changing energy landscape, which will require MAC members to focus on more than one limb of the SEO at any one point in time.</p>
<p>Proposal Two</p> <p>Composition of the MAC</p> <ol style="list-style-type: none"> The number of MAC members representing Market Participants will be increased to at least eight and no more than ten members and will be extended to 'prospective Market Participants'. The requirement that at least one member and not more than two members represent Contestable Customers (clause 2.3.5(b) of the ESM Rules) will be retained. Synergy is to specifically participate in the MAC in its role as the only supplier of electricity to non-contestable customers. 	<p>Amendments to the composition of the MAC (clause 2.3.5.) were proposed in the Consultation Paper to specify the types of Market Participants that should be represented on the MAC to ensure that its membership reflects the evolving market.</p> <p>EPWA considered the stakeholder feedback received on the Consultation Paper and has made the following changes to the composition of the MAC in clause 2.3.5 of the ESM Rules to:</p> <ul style="list-style-type: none"> increase the number of members on the MAC to at least eight and no more than ten; provide greater flexibility and to allow for new and emerging technologies and services to be represented with the addition of 'prospective Market Participants'; remove the reference to Synergy in clause 2.3.5(a), and make changes in clause 2.3.5(h) of the ESM Rules to require Synergy to participate in the MAC specifically in its role as the only supplier of electricity to non-contestable customers;

Review Outcomes	Rationale
<p>4. The requirement for small-use consumer representatives to be nominated by the Minister will be removed.</p> <p>5. The requirement for the Coordinator to ensure equal representation of Market Participants will be removed and replaced with a requirement that the MAC composition is representative of:</p> <ul style="list-style-type: none"> a range of diverse but balanced Market Participants or prospective Market Participants; a range of Facility Classes, and existing and emerging technology types in the WEM; and at least one Market Participant or prospective Market Participant that sells, or intends to sell, electricity to customers but has not registered, and does not intend to register, a Scheduled Facility, Semi-Scheduled or Non-Scheduled Facility in the WEM. 	<ul style="list-style-type: none"> retain the reference to Contestable Customers as a stand-alone class in clause 2.3.5.(b) of the ESM Rules, and this includes large loads as it does today; remove the requirement for the small-use consumer representatives to be nominated by the Minister in clause 2.3.5.(e) of the ESM Rules; and amend clause 2.3.5.(h) of the ESM Rules to clarify that Synergy's membership on the MAC is as the only supplier of electricity to non-contestable customers, rather than as a generator or gentailer. <p>Following the stakeholder feedback received, clause 2.3.5A of the ESM Rules is deleted and replaced. The amendments to clause 2.3.5A of the ESM Rules allow for the entry of new and emerging technologies and services, and enable a balanced representation of Market Participants or prospective Market Participants.</p> <p>The changes are reflective of the energy transition and the need to be flexible and adaptive to an evolving market, and ensure that all technologies and business models are able to be captured:</p> <ul style="list-style-type: none"> Clause 2.3.5A(a) of the ESM Rules is inserted to provide the Coordinator with greater flexibility to ensure that there is a diverse range of members on the MAC, able to represent new and emerging services that may have not been described by the categories proposed in the previous drafting or may have been inadvertently precluded; Clause 2.3.5A(b) of the ESM Rules is inserted to capture technologies that are emerging and may not be captured by the current definition of Facility Technology Type; and Clause 2.3.5A(c) of the ESM Rules is inserted to ensure that at least one member is associated with a Market Participant or prospective Market Participant that sells, or intends to sell, electricity to customers in the SWIS but has not registered, and does not intend to register, a Scheduled Facility, Semi-Scheduled or Non-Scheduled Facility in the WEM.

1. Introduction

Clause 2.2D.1(h) of the Electricity System and Market (ESM) Rules confers the function of the Coordinator of Energy (Coordinator) to consider, and in consultation with the Market Advisory Committee (MAC), progress the evolution and development of the Wholesale Electricity Market (WEM) and the ESM Rules.

As the WEM is transitioning to a net zero energy system, the complexity and scale of accommodating increasing renewable energy integration, evolving market structures and technological updates is increasing.

The role, functions and composition of the MAC need to evolve with the development of the ESM Rules and the energy market, and it was important that a review of the MAC was undertaken to ensure that it is well placed to address evolving market needs, and remain relevant and effective in a rapidly changing energy landscape.

1.1 Role of the Market Advisory Committee

The MAC is a committee of industry and consumer representatives convened under section 2.3. of the ESM Rules and was established at the commencement of the WEM in 2006. Its role evolved in 2021 to an advisory body to:

- provide advice to the Coordinator on the evolution and development of the WEM;
- provide advice on ESM Rules and WEM Procedure Changes; and
- provide assistance to the Coordinator with monitoring market design problems or inefficiencies.

The MAC comprises representatives from a range of stakeholders, including Market Participants, consumer representatives and market bodies.

1.2 Purpose of the Review

The need for a comprehensive review of the MAC arises primarily due to the dynamic nature of the energy market and the substantial reforms that have occurred and continue to occur. The purpose of the Review is to ensure that the MAC's structure, functions and processes remain fit-for-purpose in light of the evolving market and that it:

- provides balanced, timely and useful advice to the Coordinator;
- operates for the good of the SEO; and
- members are participating in the interests of the stakeholder groups they represent rather than representing the specific interest of any organisation or person.

The need for a review also arises due to the transition from the former WEM Rules to the ESM Rules¹ and their scope expanding to address matters contained in other [regulatory instruments](#). As a result, the content the MAC will be required to provide advice on will expand significantly and become more technically complex.

1.3 Stakeholder Engagement

Extensive stakeholder engagement was undertaken over the course of the Review.

¹ On 6 February 2025, stage one of the Electricity Industry Amendment (Distributed Energy Resources) Act 2024 (DER Act) came into effect. Among other things, the DER Act renamed the Wholesale Electricity Market Rules to the Electricity System and Market Rules, and expanded their scope to include a broader range of content related to the operation of the power system.

During Stage 1 of the Review, stakeholder engagement was undertaken by ACIL Allen through a survey, one-on-one interviews with current and former MAC members, interviews with selected stakeholders and a public consultation paper.²

During Stage 2, EPWA consulted with stakeholders through a public Consultation Paper on the recommendations made by ACIL Allen that were accepted in principle by the Coordinator.

ACIL Allen's Consultation Paper

ACIL Allen's completed the first stage of the Review and made six recommendations as shown in Table 2. The Coordinator accepted two of the recommendations.

Table 2: Independent review and recommendations

No.	Recommendation	Coordinator response
1	Setting a guiding purpose to ensure all MAC members are aligned to the same long-term goals and objectives when providing advice	Accepted in a modified form
2	Adding a strategic function to proactively engage the MAC in emerging issues	Not accepted
3	Making explicit the MAC's unstated roles in providing transparency for decision-making processes and enhancing market knowledge	Not accepted
4	Ensuring that MAC membership provides a truly representative view of the whole market, and that there are mechanisms in place for the membership to reflect the evolving needs of the market	Accepted
5	Defining processes between the MAC Working Groups and the MAC to ensure that roles do not overlap.	Not accepted
6	Allowing observers at MAC meetings to further enhance transparency and market knowledge.	Not accepted

The Coordinator's Consultation Paper

The Coordinator's Consultation Paper (the Consultation Paper), developed in response to the ACIL Allen's six recommendations, presented the two proposals accepted in principle by the Coordinator, and included proposed Amending Rules. The consultation period ran from the 9 June to 7 July 2025.

EPWA received written submissions from Alinta Energy, the APA Group, the Expert Consumer Panel, Shell Energy and Synergy.

All submissions are available on the Coordinator's website: [Market Advisory Committee Review](#).

² ACIL Allen received written submissions from the Australian Energy Market Operator (AEMO), Change Energy, the Expert Consumer Panel, Perth Energy, Synergy and Western Power and are available [here](#)

Feedback from the submissions is discussed in section 2 of this Information Paper, and all issues raised, along with EPWA's responses, are outlined in Appendix A of this Information Paper.

Exposure Draft of Electricity System and Market Rules

EPWA has considered all stakeholder submissions on the Consultation Paper and has revised its initial proposals to address the stakeholder feedback in the Review Outcomes presented in this Information Paper.

The amended draft rules to implement the Review Outcomes are available for further consultation in the [Exposure Draft of ESM Amending Rules](#).

Following stakeholder consultation the ESM Amending Rules, with any appropriate amendments to address stakeholders' input, will be submitted to the Minister for Energy for making and gazettal.

EPWA is seeking stakeholder feedback on the Exposure Draft by 5:00 PM (WST) on Monday 27 October 2025. Feedback can be sent to energymarkets@deed.wa.gov.au.

1.4 Purpose and Structure of this Information Paper

This Information Paper sets out the Review Outcomes and is for information only.

Appendix A outlines stakeholder's feedback in response to the Consultation Paper.

2. Review Outcomes

2.1 Proposal One

2.1.1 Purpose of the Market Advisory Committee

The MAC's purpose is contained within clause 2.3.1 of the ESM Rules, and the strategic purpose of the MAC is outlined in clause 2.3.1(d) of the ESM Rules.

Following stakeholder engagement and consultation ACIL Allen proposed to define a purpose for the MAC to ensure alignment with long-term goals and market objectives.

EPWA considered that a separate overarching statement of purpose would not add substantial value, as it would not differ significantly from what is already outlined in clause 2.3.1(d) of the ESM Rules. Clause 2.3.1(d) of the ESM Rules provides that the purpose of the MAC is to address evolving market needs and provide balanced, timely and useful advice to the Coordinator in a rapidly changing energy landscape.

In the Consultation Paper, EPWA proposed to elevate the content of clause 2.3.1(d) of the ESM Rules to the header part of clause 2.3.1 of the ESM Rules to better reflect the strategic purpose of the MAC.

Stakeholders' submissions were supportive of the proposal.

One stakeholder suggested, and EPWA agreed, to amend clause 2.3.1 of the ESM Rules to specify that the MAC's strategic purpose related not only to the development of the WEM and the ESM Rules but also the operation of the WEM.

Given the current rate of change of consumer products, technologies and energy services, and the regulatory frameworks typically lagging these changes, another stakeholder suggested to also include the term 'electricity system'. The intent of this was to cover emerging areas that inevitably will not end up being part of the WEM, or the ESM Rules. EPWA accepted this suggestion but instead proposed amendments to clause 2.3.1 of the ESM Rules to include the defined term 'South West Interconnected System'.

2.1.2 Assessment against the State Electricity Objective

The ESM Rules provide for a very high level of reliability, and this comes at a cost and an inevitable trade-off against reliability and affordability. As the WEM transitions to a decarbonised power system, this adds a further dimension to the necessary trade-offs.

The SEO is now embedded in legislation and serves as a guiding principle for the design, operation and evolution of the WEM and associated regulatory and policy decisions. MAC will be increasingly required to consider the best way to optimise against the SEO and consider all three limbs in the advice that it provides.

In the Consultation Paper, EPWA proposed to specify that the advice the MAC provides must be made with the intent of better addressing the SEO and proposed a new clause 2.3.1D of the ESM Rules to facilitate this.. The proposed changes were in recognition that the MAC will be required to provide advice on the evolving market needs in a rapidly changing energy landscape, which will require MAC members to focus on more than one limb of the SEO.

Stakeholders' views were mixed, and two submissions did not support the inclusion of the new clause.

EPWA has considered the stakeholder feedback and the clause will now provide that the MAC advice must be 'consistent' with the SEO.

Review Outcome 1

- Elevate the amended content of clause 2.3.1(d) of the ESM Rules to the header part of the clause 2.3.1 of the ESM Rules; and

- Specify that any advice provided by the MAC in accordance with clause 2.3.1 of the ESM Rules must be consistent with the SEO.

2.2 Proposal Two

2.2.1 Composition of the Market Advisory Committee

ACIL Allen recommended that the MAC composition be revised to ensure that the MAC membership reflect the current market, and to provide flexibility to allow for future Market Participants. EPWA agreed with the recommendation and proposed changes to the composition of the MAC including changes to the:

- mix of Market Participants;
- Contestable Customers representation; and
- role of Synergy.

EPWA has considered the stakeholder feedback received on the Consultation Paper and made the further changes to the composition of the MAC. Each of these are discussed further below.

Mix of Market Participants

ACIL Allen considered that there would be benefit in modifying the membership of the MAC to provide for more flexible representation across stakeholder classes.

EPWA agrees that it is important that the MAC membership is truly representative of the whole market, and that there are mechanisms in place for the membership to reflect the evolving needs of the market. In the Consultation Paper EPWA proposed to amend the MAC membership as shown in Table 3.

Table 3: Current and proposed MAC representation

Current membership of the MAC	Proposed Membership of the MAC
At least six and not more than eight members representing Market Participants (excluding Synergy). The Coordinator must use reasonable endeavours to ensure equal representation of Market Participants on the MAC who: <ul style="list-style-type: none"> own, control, or operate an Energy Producing System/s within the SWIS; and sell electricity to customers in the SWIS. 	At least eight and not more than ten members representing Market Participants (excluding Synergy). To be made up of representatives from the following stakeholder groups: <ul style="list-style-type: none"> Energy Producers, representing the full range of technologies in the market; Stand-alone energy retailers; Participants responsible for DSPs; and Large Contestable Customers
At least one and not more than two members representing Contestable Customers	-
At least one and not more than two, members representing Network operators, one of whom must represent Western Power	At least one and not more than two, members representing Network operators, one of whom must represent Western Power
At least two independent members nominated by the Minister to represent small-use consumers	At least two independent members representing small-use consumers
Two members representing AEMO	Two members representing AEMO
One member representing Synergy	One member supplying non-contestable customers
An independent Chair nominated by the Minister	An independent Chair nominated by the Minister

Stakeholders were generally supportive of the proposed amendments.

One stakeholder did not support the proposal to increase the overall MAC membership to a maximum of 18 and expressed concern that the increase in members could negatively affect the efficiency and effectiveness of the MAC's decision-making. It considered that a larger group might affect the MAC's ability to reach consensus and make timely decisions, introduce logistical challenges and delays, and make it more difficult to provide high-quality, specialised advice. This stakeholder suggested capping the number of Market Participant members at eight and to reduce the number of representatives for Network Operators to one, in recognition of Western Power being the sole Network Operator in the SWIS.

EPWA considers that increasing the MAC's overall membership reflects the complexity of the current and rapidly evolving energy landscape, enabling the MAC to provide advice on both current and emerging issues. EPWA expects this change will allow greater diversity in market representation and improve and enrich the advice the MAC provides to the Coordinator.

The proposed increase to the potential number of MAC members, remains unchanged. 'Prospective Market Participants' are now included to provide greater flexibility and to allow for the representation of new and emerging services.

In addition, the reference to Synergy in clause 2.3.5(a), has been as the changes to clause 2.3.5(h) of the ESM Rules now require Synergy to be represented on the MAC in its role as the only supplier of electricity to non-contestable customers.

One stakeholder noted that, if sectoral interactions are to be considered, there may be value in expanding the MAC membership to include gas pipeline and gas storage facility owners/operators, as well as financiers and developers who facilitate infrastructure development and investment and ultimately influence market outcomes.

Another stakeholder suggested that consideration should be given to ensuring adequate representation of parties that are key to achieving the environmental limb of the SEO, including energy service providers offering energy efficiency services. EPWA has made additional changes, as indicated below, to address these comments and to ensure that the MAC membership reflects the evolving services in the energy market.

Representatives of Contestable Customers

ACIL Allen noted the challenges with attracting Contestable Customers members and considered whether Contestable Customers should be rolled under the general 'Market Participant' category. ACIL Allen suggested that EPWA explore this further during Stage 2 of the Review.

In response, EPWA proposed to amalgamate the Contestable Customer class into the general Market Participant class, and to specify the desired mix of membership of that class, to include Large Contestable Customers. EPWA sought feedback on this proposal.

One stakeholder supported the intent of the proposed changes relating to Contestable Customers but noted that an industry body may be better positioned to represent Large Contestable Customers, who are unlikely to be Market Participants themselves. The stakeholder proposed that clause 2.3.5(b) be retained in an amended form to allow for a Large Contestable Customer representative.

EPWA has considered the stakeholder feedback and has retained the requirement for the MAC to include at least one, and not more than two, members representing Contestable Customers (including large loads). EPWA notes that the vacant Contestable Customer position on the MAC has been filled since the initial consultations.

Appointment of small-use consumer representatives

In the Consultation Paper, EPWA proposed to remove the requirement in clause 2.3.5(e) for small-use consumer representatives to be nominated by the Minister for Energy (Minister). This is a legacy arrangement from when parties external to government convened the MAC (the former Rule Change Panel, and prior to that the Independent Market Operator).

The MAC is now convened by the Coordinator, who reports to the Minister, and therefore there is limited value in requiring small-use consumers to be nominated by the Minister. No stakeholder feedback was received on the proposed change clause 2.3.5(e) of the ESM Rules.

As the requirement is removed, clause 2.3.8E of the ESM Rules will also be deleted as it is no longer required. The Coordinator has general powers to appoint and remove members under clause 2.3.8 of the ESM Rules.

Synergy's role on the Market Advisory Committee

ACIL Allen recommended that Synergy's role on the MAC should be retained, but that its inclusion be predicated on its role as the only supplier of electricity to non-contestable customers, rather than as a generator or general retailer (which are already able to be represented in the Market Participant category). This is an important role, and one that should be explicitly represented on the MAC.

EPWA agreed with this recommendation and proposed to retain Synergy's membership and to amend clause 2.3.5(h) of the ESM Rules to require Synergy to participate on the MAC in its role of supplier of electricity to non-contestable customers.

Stakeholders were generally supportive of the proposed change, with one stakeholder noting that Synergy is also a dominant generation Market Participant and should have the capacity to represent both roles effectively through a single position on the MAC.

EPWA agrees that, as the sole retailer to non-contestable customers, Synergy should explicitly represent this customer segment on the MAC. To highlight the importance of this role, EPWA proposes a further amendment to remove the reference to 'predicated on' in the clause as originally proposed in the Consultation Paper.

Amendments to ensure that MAC membership reflects the evolving market

Amendments to clause 2.3.5A of the ESM Rules were consulted on in the Consultation Paper to specify the types of Market Participants that should be represented on the MAC to ensure that MAC membership reflects the evolving market.

One stakeholder noted that clause 2.3.5A of the ESM Rules should better represent a diverse range of Market Participants. It suggested amending the clause to allow for the representation of energy service providers who do not fall under other defined MAC categories.

As noted above, another stakeholder suggested that consideration should be given to ensuring adequate representation of parties that are key to achieving the environmental limb of the SEO, including energy service providers offering energy efficiency services.

Another stakeholder highlighted the growing volume of Distributed Energy Resources (DER) in the SWIS and the potential role of DER orchestration in the market. They suggested specifying a dedicated DER representative on the MAC.

In addition, a new clause 2.3.5D of the ESM Rules was proposed to require the Coordinator to use reasonable endeavours to ensure that the MAC membership represents the range of energy producing technologies in the WEM.

One stakeholder raised concern with the use of the term 'energy producing technologies' in the proposed new clause. The stakeholder noted that this terminology may unintentionally exclude battery storage systems and recommended using the term 'facility technology types' instead.

EPWA has considered the stakeholder feedback in the context of the energy transition, and acknowledges the need for flexibility and adaptability to ensure that all technologies and business models can be appropriately captured.

As a result, EPWA has made amendments to enable balanced representation of Market Participants or prospective Market Participants, and to allow new and emerging services and technologies to be represented on the MAC.

Clause 2.3.5A has been deleted and replaced, removing the references to equal representation of Market Participants that:

- own, control or operate an Energy Producing System or Energy Producing Systems in the SWIS; and
- sell electricity to customers in the SWIS.

A new clause 2.3.5A(a) is inserted to require the Coordinator to ensure that there is a diverse but balanced range of Market Participants, or prospective Market Participants, on the MAC able to represent new and emerging services that may not fit in the categories proposed in the previous drafting or may have been inadvertently precluded.

Following stakeholder feedback, the proposed new clause 2.3.5D is removed and clause 2.3.5A(b) has been inserted to ensure that the requirement is technology agnostic and that the terminology does not unintentionally exclude an existing or emerging technology type or facility class.

The changes are reflective of energy transition and the need to be flexible and adaptive for an evolving market and ensure that all technologies and business models are captured.

As the provision that required the Coordinator to ensure equal representation of generators and retailers has been removed, clause 2.3.5A(c) has been introduced to provide for at least one Market Participant or prospective Market Participant that sells, or intends to sell, electricity to customers but has not registered, and does not intend to register, a Scheduled Facility, Semi-Scheduled or Non-Scheduled Facility in the WEM.

Review Outcome 2

- The number of MAC members representing Market Participants will be increased to at least eight and no more than ten members and will be extended to 'prospective Market Participants'.
- The requirement that at least one member and not more than two members represent Contestable Customers (clause 2.3.5(b) of the ESM Rules) will be retained.
- Synergy is to specifically participate in the MAC in its role as the only supplier of electricity to non-contestable customers.
- The requirement for small-use consumer representatives to be nominated by the Minister will be removed.
- The requirement for the Coordinator to ensure equal representation of Market Participants will be removed and replaced with a requirement that the MAC composition is representative of:
 - a range of diverse but balanced Market Participants or prospective Market Participants;
 - a range of Facility Classes, and existing and emerging technology types in the WEM; and
 - at least one Market Participant or prospective Market Participant that sells, or intends to sell, electricity to customers but has not registered, and does not intend to register, a Scheduled Facility, Semi-Scheduled or Non-Scheduled Facility in the WEM.

Appendix A. Responses to stakeholders' submissions

Submission	Comment	Proposed Drafting	EPWA Response
Proposal 1 - Purpose of the Market Advisory Committee			
Elevate the amended content of clause 2.3.1(d) to the header part of the clause 2.3.1.			
The following stakeholders indicated that they 'support' or generally support the proposal:			
<ul style="list-style-type: none"> Alinta Energy APA Group Expert Consumer Panel Shell Energy Synergy 			
Alinta Energy (Alinta)	<p>Alinta proposes the header should be further amended to also recognise the MAC's role in providing advice to the Coordinator on matters concerning the 'operation' of the WEM. Without this change Alinta is concerned that the proposal to elevate the content of clause 2.3.1(d) of the ESM Rules to the header part of the clause limits the purpose of the MAC to the provision of advice associated with the evolution and development of the WEM and ESM.</p> <p>Alinta considers this may:</p> <ul style="list-style-type: none"> prevent the MAC from addressing broader issues that may impact the operation of the WEM; restrict the MAC from being flexible and responsive to unforeseen challenges and opportunities, hindering its ability to provide timely and relevant advice; and prevent the MAC from offering valuable insights into the day-to-day functioning of the market, identifying operational challenges and providing advice on improvements. <p>Alinta considers this is inconsistent with the broader role of the MAC including clause 2.3.1(e) of the ESM Rules which requires the MAC to assist the Coordinator in its monitoring role under clauses 2.16.13A and 2.16.13B of the ESM Rules.</p>	<p>2.3.1. The Market Advisory Committee is a committee of industry representatives convened by the Coordinator <u>to advise the Coordinator regarding matters concerning, and the Coordinator's plans for the evolution, development and operation of the Wholesale Electricity Market and these ESM Rules and must also:</u></p> <p>...</p>	<p>The MAC's purpose is already specified in the ESM Rules in clause 2.3.1 of the ESM Rules. To emphasise the MAC's strategic purpose, the content that was previously in clause 2.3.1.(d) of the ESM Rules will be elevated to the header part of clause 2.3.1 of the ESM Rules.</p> <p>As suggested by Alinta, the clause is further amended to include reference to the 'operation' of the WEM.</p>

Submission	Comment	Proposed Drafting	EPWA Response
APA Group	The APA Group supports the proposed ESM Rule changes as put forward in Appendix B of the Consultation Paper to clarify the MAC objectives and update the membership.		Noted
Expert Consumer Panel (ECP)	<p>The ECP is supportive of the proposed change but consider that without the addition of ‘electricity system’ the clause does not adequately cover areas that are not, or will not be, part of the narrower coverage of the WEM or the ESM Rules, and may prevent MAC members from providing timely advice on issues such as:</p> <ul style="list-style-type: none"> the electricity network itself, and any aspects of the network and its services that may not explicitly end up in the WEM or ESM Rules after the Access Code, Technical Rules, Metering Code, and network quality and reliability standards (NQRS) are incorporated into the rules; and the broader coverage of the SEO, including “electricity services” (“for the long-term interests of consumers ...”) that don’t end up being part of the future WEM, or ESM Rules. 	<p>2.3.1. The Market Advisory Committee is a committee of industry representatives convened by the Coordinator <u>to advise the Coordinator regarding matters concerning, and the Coordinator’s plans for the evolution, development of the electricity system, Wholesale Electricity Market and these ESM Rules and must also:</u></p> <p>...</p>	<p>To address this feedback, the words ‘South West Interconnected System’ are inserted, as EPWA agrees that regulatory frameworks typically lag the current rate of change of consumer products, technologies and energy solutions. The intent of this inclusion is to cover emerging areas that inevitably will end up being part of the WEM or the ESM Rules.</p>
Shell Energy (Shell)	Shell supports the proposal to elevate the content of clause 2.3.1(d) of the ESM Rules to the header part of the clause and agree that this will better reflect the overarching purpose of the MAC.		Noted.
Synergy	Synergy supports the Coordinator’s proposal and proposed amendments to clause 2.3.1 of the ESM Rules.		Noted.
<p>*In the Coordinators’ Consultation Paper EPWA had proposed to specify that advice the MAC provides must be made with the intent of better addressing the SEO.</p> <p>Proposal 1 - Purpose of the Market Advisory Committee</p>			

Submission	Comment	Proposed Drafting	EPWA Response
Specify that any advice provided by the MAC in accordance with clause 2.3.1. must be consistent with the SEO.			
Alinta	<p>Alinta considers that the new clause 2.3.1D of the ESM Rules be removed on the basis it is not required and will add unnecessary complication and administrative burden to the MAC's decision making.</p> <p>Alinta consider that any further clarification that may be required as to how the MAC is to have regard to the SEO on the Constitution of the MAC.</p> <p>Alinta consider that the proposed clause will require the MAC to justify all the advice it provides in the context of the SEO, requiring the MAC to reach agreement on the intent of each decision specifically addressing how the advice will better address the SEO.</p>		<p>To address the stakeholder feedback, the clause has been amended to specify that any advice provided by the MAC of the ESM Rules must be consistent with the SEO.</p> <p>The changes are in recognition that MAC members will be required to provide advice on evolving market needs in a rapidly changing energy landscape, which will require MAC members to focus on more than one limb of the SEO at any one point in time.</p>
APA Group	The APA Group supports the proposed ESM Rule changes as put forward in Appendix B of the Consultation Paper to clarify the MAC objectives and update the membership.		Noted
ECP	The ECP provides their support for Proposal One.		Noted
Shell	<p>Shell do not support the proposed drafting of clause 2.3.1D of the ESM Rules, considering this overly prescriptive and places unnecessary obligations on the MAC which may create perverse outcomes such as limiting and restricting the advice able to be provided.</p> <p>Shell considers that due to the nature of the information presented to the MAC, it will likely need to assess and advise on trade-offs between each of the three limbs of the SEO, resulting in a requirement for the MAC having to balance elements of policy and change that could improve and decay the limbs of the SEO.</p>		Please refer to the response to Alinta's feedback above

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	Shell considers clause 2.3.1 of the ESM Rules appropriately captures the role of the MAC and is an adequate clause for MAC members to consider when providing advice on evolving market needs in a rapidly changing energy landscape.		
Synergy	Synergy supports the Coordinator's proposal and proposed amendments to clause 2.3.1 of the ESM Rules.		Noted
Proposal 2 - Composition of the MAC The number of MAC members representing Market Participants will be increased to at least eight and no more than ten members and will be extended to 'prospective Market Participants'.			
Alinta	<p>Alinta agrees that the composition of the MAC should provide for more flexible representation across stakeholder classes within the Market Participant Category. However are concerned that the proposal to increase the overall membership to a maximum of 18 will adversely impact the efficiency and effectiveness of the MAC's decision-making.</p> <p>Alinta suggest:</p> <ul style="list-style-type: none"> capping the number of Market Participant members to eight, considering the four proposed stakeholder groups in this membership category; and to reduce the number of members representing Network Operators to one, in recognition of Western Power as the sole Network Operator of the SWIS. 	<p>2.3.5. ...</p> <p>(a) at least eight and not more than ten members representing Market Participants, excluding Synergy;</p> <p>(b) [Blank]</p> <p>(c) at least one and not more than two members representing Western Power as the Network Operators, of whom one must represent Western Power;</p> <p>(d) [blank]</p> <p>(e) at least two independent members <u>nominated by the Minister</u> to represent small-use consumers;</p> <p>(f) [Blank]</p> <p>(g) two members representing AEMO;</p> <p>(h) one member representing Synergy, <u>predicated on its role as the only supplier of electricity to non-contestable customers</u>; and</p> <p>(i) an independent Chair, to be appointed by the Minister under clause 2.3.8A</p>	<p>The intent of the changes to the MAC composition is to ensure that its membership provides a truly representative view of across the WEM, and that there are mechanisms in place for the membership to reflect the evolving needs of the market.</p> <p>EPWA considers that the MAC meetings are well managed by the independent Chair. It is important that the MAC is open to additional members to balance representation across all major stakeholder groups in the WEM, while ensuring that individual members are selected based on expertise and not solely on stakeholder interest.</p>

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		...	
APA Group	<p>The APA Group supports the proposed ESM Rule changes as put forward in Appendix B of the Consultation Paper to clarify the MAC objectives and update the membership.</p> <p>The APA Group suggest that if the MAC is to consider sectorial interactions from a strategic standpoint, it may be appropriate to establish mechanisms for greater input from gas pipeline and gas storage facility owners and operators. Similarly, financiers and developers who facilitate infrastructure developments and market outcomes, could provide useful input that informs key policy and rule-making discussions and are not currently standing members of the MAC.</p> <p>APA note the use of the MAC working groups may provide an appropriate mechanism for input from gas pipelines and gas storage facility operators, financiers and developers where it is not efficient to update the standing MAC membership</p>		Noted
ECP	<p>The ECP are hesitant to support two Synergy members if one person cannot represent both roles effectively. The Expert Consumer Panel's members supports that Synergy's role be the only retailer to non-contestable customers as proposed by clause 2.3.5(h) of the ESM Rules. However, they consider that Synergy is a dominant generation market participant, and it would seem reasonable to allow a Synergy member to also represent this market participant role in the MAC, as in the past.</p>	<p>2.3.5(a) at least six <u>eight</u> and not more than eight <u>ten</u> members representing Market Participants, excluding <u>Synergy</u>;</p> <p>...</p>	<p>EPWA considers that it is important that Synergy's inclusion on the MAC is in its role as the only supplier of electricity to non-contestable customers, rather than as a generator or gentailer. Amendments are made to clause 2.3.5 of the ESM Rules to require Synergy to explicitly represent this segment on the MAC.</p>
Shell	No comment		
<p><i>* In the Coordinators' Consultation Paper EPWA had proposed to remove the Contestable Customer as a stand-alone class.</i></p>			

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Proposal 2 - Composition of the MAC The requirement that at least one member and not more than two members represent Contestable Customers (clause 2.3.5(b) of the ESM Rules) will be retained.			
Alinta	No comment		
APA Group	The APA Group supports the proposed ESM Rule changes as put forward in Appendix B of the Consultation Paper to clarify the MAC objectives and update the membership.		Noted
ECP	<p>The ECP considers that Contestable customers of all sizes need to be adequately represented on the MAC.</p> <p>The ECP considers that 'Large' does not appear to be defined and note that:</p> <ul style="list-style-type: none"> - Small contestable customers in aggregate are significant, and are typically connected to the distribution system rather than the transmission system that most large customers are connected to. <p>The ECP considers that this can result in a different perspective from 'non-large' contestable customers with regard to things such as connection processes and requirements, reliability of supply, retail tariffs, demand-side program incentives, and technical requirements ect.</p> <p>The ECP suggests the CoE should consider adequate representation from parties that are key to achieving the environmental limb of the SEO. This limb will often be in conflict with, or compete with, the commercial aspirations of other participants 'categories and so needs adequate representation and advocacy.</p> <p>The ECP notes that consideration should be given to how energy service provider offering energy</p>		<p>Following stakeholder feedback the requirement that at least one and not more than two members represent Contestable Customers on the MAC is retained (clause 2.3.5(b) of the ESM Rules).</p> <p>To address stakeholder feedback, a new clause 2.3.5A(a) is inserted to require the Coordinator to ensure that there is a diverse range of members represented on the MAC to allow new and emerging services to be represented that may not fit in the categories as proposed in the previous drafting or may have been inadvertently precluded (please refer to section 2.2. of this paper).</p>

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	efficiency non-WEM demand management or non-network solutions - like the Energy Trust of Oregon can be represented on the MAC. The ECP considers that such energy service providers can provide very useful services (to help achieve the SEO, including the environmental limb) without participating in the WEM itself or being part of other proposed categories.		
Shell	No comment		
Synergy	Synergy agrees with the Coordinator's proposals in principle, however considers further refinements may enable improved representation and proposes additional drafting considering that in practice, a Large Contestable Customer is unlikely to be a Market Participant themselves. As such, Synergy considers that a market industry body for Contestable Customers may be better placed to provide representation for Large Contestable Customers. Synergy proposes that clause 2.3.5(b) of the ESM Rules is retained in an amended form.	2.3.5(b) <u>of the eight members referred to in 2.3.5(a), at least one member and not more than two representing large Contestable Customers;</u> [Blank]	Noted, see response above
Proposal 2 - Composition of the MAC <ul style="list-style-type: none"> Synergy is to specifically participate in the MAC in its role as the only supplier of electricity to non-contestable customers. 			
Alinta	No comment		
APA Group	The APA Group supports the proposed ESM Rule changes as put forward in Appendix B of the Consultation Paper to clarify the MAC objectives and update the membership.		Noted
ECP	As noted above the ECP are hesitant to support two Synergy members if one person cannot represent both roles effectively.		EPWA considers that it is important that Synergy's inclusion on the MAC is to reflect its role as the only supplier of

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			electricity to non-contestable customers, rather than as a generator or gentailer. Amendments are made to clause 2.3.5 of the ESM Rules to requires Synergy to explicitly represent this segment on the MAC.
Shell	No comment		
Synergy	No comment		
Proposal 2 - Composition of the MAC			
The requirement for small-use consumer representatives to be nominated by the Minister will be removed.			
Alinta	No comment		Noted
APA Group	The APA Group supports the proposed ESM Rule changes as put forward in Appendix B of the Consultation Paper to clarify the MAC objectives and update the membership.		
ECP	Supports		
Shell	No comment		
Synergy	No comment		
<i>*In the Coordinators’ Consultation Paper EPWA had proposed to expand the Market Participant class to allow for 8-10 members comprised of the following groups:</i> <ul style="list-style-type: none"><i>Energy producers, representing the full range of technologies registered in the WEM;</i><i>Stand-alone retailers;</i><i>DSPs; and</i><i>Large Contestable Customers</i>			
Proposal 2 - Composition of the MAC			
The requirement for the Coordinator to ensure equal representation of Market Participants will be removed and replaced with a requirement that the MAC composition is representative of:			
<ul style="list-style-type: none">a range of diverse but balanced Market Participants or prospective Market Participants;			

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<ul style="list-style-type: none"> a range of Facility Classes, and existing and emerging technology types in the WEM; and at least one Market Participant or prospective Market Participant that sells, or intends to sell, electricity to customers but has not registered, and does not intend to register, a Scheduled Facility, Semi-Scheduled or Non-Scheduled Facility in the WEM. 			
Synergy	<p>Synergy supports the Coordinator's proposed amendments to clause 2.3.5A of the ESM Rules to specify the representation mix that should be sought for membership within the Market Participant class of the MAC.</p> <p>Noting the growing volume of Distributed Energy Resources (DER) within the SWIS and the potential role of DER orchestration within the market, Synergy considers that clause 2.3.5A of the ESM Rules should specify a DER representative.</p> <p>Synergy has concerns that the terminology "energy producing technologies" may unintentionally exclude battery storage systems.</p>	<p>2.3.5A. ... (c) are responsible for a Demand Side Programme; and (d) are large Contestable Customers.; and (e) are responsible for orchestrated Distributed Energy Resources. ... 2.3.5D. In appointing members under clause 2.3.5A(a), the Coordinator must use reasonable endeavours to ensure that the MAC membership is representative of the range of energy producing technologies-facility technology types in the WEM</p>	<p>In response to this and other stakeholder feedback, amendments have been made to clause 2.3.5A. This would allow for new and emerging services and technologies to be represented on the MAC, and enable a balanced representation of Market Participants or prospective Market Participants.</p> <p>The changes are reflective of the energy transition and the need to be flexible and adaptive for an evolving market and ensure that all technologies and business models are captured.</p>