



DER Rules Forum

New rules for small-scale Distributed Energy Resources (DER)

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Acknowledgement of Country

The Government of Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

Changing energy context



Almost half of Perth houses have rooftop solar, responsible for almost 20% of energy over 2024



The SWIS now has well over 2 GW rooftop solar connected



With battery rebate schemes live, vast majority of applications to connect DER now include a battery



This week, new SWIS record of >88% renewables, with 64% from rooftop solar

DER orchestration is no longer a future concept. It's mission critical.

DER Roadmap and ESM Rules

Context

- The DER Roadmap launched in 2019 and has seen three progress reports, with new and updated actions
- Actions outline how to safely integrate DER into the electricity system to mitigate system risk and to realise consumer and system benefits
- A key focus of the Roadmap is to both manage risks and unlock new value streams by enabling small-scale devices to provide network and market services
- The July 2024 progress report features a suite of actions for delivery by the end of 2025, dedicated to rule and/or regulation exploration and change
- The tranche of rules currently open for consultation deliver against these actions and support:
 - ❑ Device standards, compliance and interoperability
 - ❑ Implementation of the Distribution System Operator/ Parent Aggregator/ Third-Party Aggregator orchestration model

Objectives of these rules

Addressing risks, and unlocking opportunities to promote DER participation in the SWIS

Legislative changes that came into effect in March 2025 now provide the heads of power to makes rules and regulations to govern the distribution network and the devices located within it.

The proposed rules seek to build on the actions outlined in the WA Government's DER Roadmap to establish the initial frameworks to integrate DER.

- The objective of these proposed rules are to:
 1. Define key roles in relation to the operation of DER;
 2. Establish the initial minimum technical requirements for DER; and
 3. Develop a framework to support third-party aggregation in the SWIS.



Exposure Draft - Scope

Proposed rules are focused on small-scale DER within households and businesses

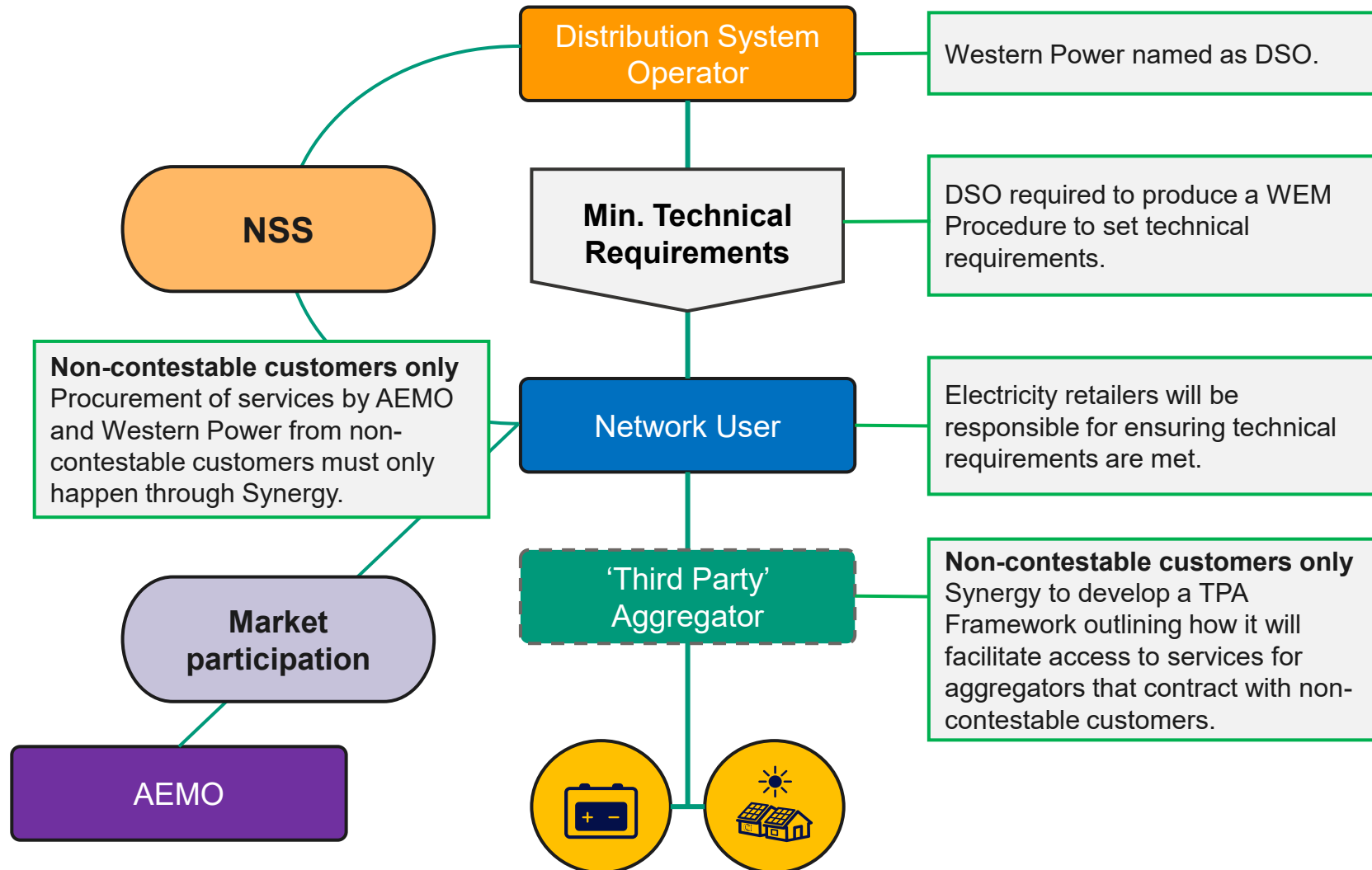
Synergy's Third-Party Aggregator Framework will only apply to DER within the “non-contestable” customer segment.

- “non-contestable” customers are those that consume ≤ 50 MWh of electricity per annum.

The new WEM Procedure will cover “Standard Small User Facility” = a Facility that contains DER with a maximum capacity ≤ 30 kVA, behind a connection point < 1000 V.

- This new Facility category will capture the entire “non-contestable” customer segment, as well as a small number of “contestable” customers.

Roles, Responsibilities and Relationships





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The Distribution System Operator (DSO)

Background

The need for a Distribution System Operator (DSO) for the SWIS was identified as part of the DER Roadmap (2020), based on the need for Western Power to evolve to manage a distribution network with high DER penetration.

- DSO manages risks to support the continued installation of DER.
- DSO establishes conditions which enable active DER participation.
- Key features:
 - ❑ improved visibility of electricity flows;
 - ❑ greater sophistication in managing distribution network assets (including connection points);
 - ❑ incorporation of DER into business-as-usual network operation (through the procurement of network support services); and
 - ❑ facilitation of larger, and more numerous DER installations within its network.

Distribution System Operator (DSO)

Western Power will be designated as the DSO for the SWIS.

- Only one DSO function will be introduced at this time: producing a WEM Procedure.
- After these Rules are implemented, Energy Policy WA will work to establish DSO functions in the ESM Rules in 2026.

2.2C. Network Operators (...)

Explanatory Note

New clause 2.2C.2 designates Western Power as the Distribution System Operator (DSO) for its distribution system. Section 124E of the *Electricity Industry Act 2004* empowers the ESM 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 role represents an expansion of Western Power’s existing role as a Network Operator through more active management and monitoring of its distribution system.

At this stage, the DSO will have one function under the ESM Rules, to produce a WEM Procedure which relates to technical compliance only.

[2.2C.2. Western Power is the Distribution System Operator for each of its Distribution Networks.](#)



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Minimum technical requirements

Background

Device compliance is a fundamental enabler of DER integration

Minimum compliance requirements address risks, and provide the foundation for active DER participation.

- Risks presented by non-compliance:
 - ❑ **Power System:** unpredictable DER presents challenges for AEMO in its forecasting, services procurement, and operational responses.
 - ❑ **Network:** poor compliance rates can contribute to localised network issues which can damage equipment and threaten personal safety.
- Opportunities presented by high compliance:
 - ❑ DER behaves predictably and safely, and can be controlled in case of an emergency.
 - ❑ Compliant DER can be confidently called upon to provide services to the network or power system.

Objective

WEM Procedure to set technical requirements

Changes to primary legislation in March 2025 provided heads of power to deliver on DER Roadmap actions through consolidation of various instruments within the ESM Rules.

- The DSO will be responsible for developing the WEM procedure by 1 February 2026.
- The proposed rules will enshrine key elements of Western Power's **Basic Embedded Generation Connection Technical Requirements (BEGCTR)** into a WEM Procedure.
- All Market Participants (i.e. electricity retailers) with customers that are captured by the definition of a "Standard Small User Facility" are responsible for ensuring that they are compliant with the WEM Procedure.

Standard Small User Facility

“A Standard Small User Facility” is a type of Facility with the following characteristics:

1. Contains an energy producing system or systems with a max. capacity of ≤ 30 kVA;
2. Is connected to the Distribution Network with a connection voltage < 1000 Volts; and
3. Was installed on or after 1 February 2025.

Technical Requirements for Standard Small User Facilities

3.25. Requirements for Standard Small User Facilities

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.

Contents of the WEM Procedure

DSO must produce a WEM Procedure for a Standard Small User Facilities

The WEM Procedure will only cover the following matters:

- Max. capacity limits for each DER within a facility;
- Max. installed generation capacity within a facility;
- AS/NZS 4777.2 compliance (incl. “Australia Region B” grid setting); and
- Requirement to be export limited to 1.5kW
OR
meet a remote disconnection / reconnection requirement.

Technical Requirements for Standard Small User Facilities

3.25. Requirements for Standard Small User Facilities

(...)

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:

- (a) maximum capacity limits for each Inverter Energy System in the Facility;
- (b) maximum installed generation capacity for the Facility;
- (c) requirements to comply with relevant AS/NZS 4777 standards relating to inverter requirements; and
- (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.

WEM Procedure: Questions for consultation

- Does a start date of 1 February 2026 provide enough time to meet the WEM Procedure's requirements?
- Are there any key barriers that you foresee in meeting the WEM Procedure requirements?
And how could they be addressed?
- What additional information do you require to ensure you are able to conform with these new requirements?



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Aggregation of non-contestable customers

Background

The aggregation of DER presents opportunities for customers and the power system

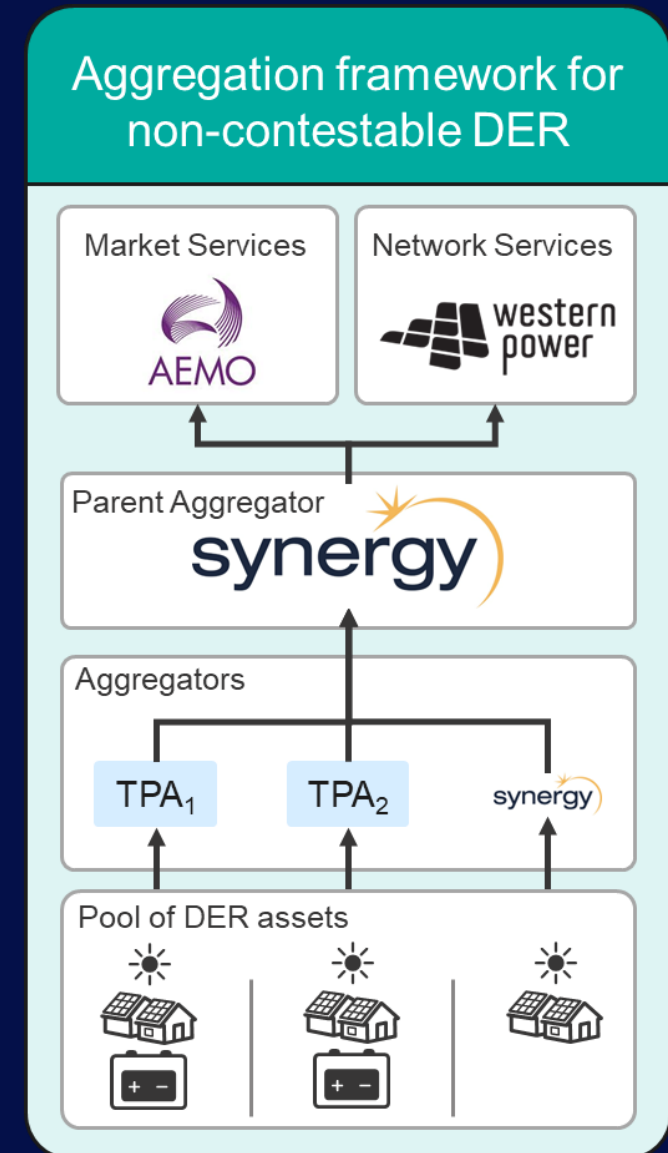
The aggregation of DER is critical to the integration of DER at scale, and represents the pathway to new value streams for consumers.

- DER Roadmap: DER Orchestration Roles and Responsibilities Information Paper (May 2022) identified Synergy to be the parent aggregator for non-contestable customers.
- This position reflects 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.
- These Rules seeks to establish the initial framework for aggregation of non-contestable customer DER.

The “Parent” Aggregator

In summary:

- Synergy is the only market participant that can provide network or market services through non-contestable customers.
- The Rules will amend criteria for NCESS & SC submissions (DSP already in place):
 - ❑ The proposal requires that NCESS and SC submissions must notify whether they include non-contestable customers¹.
 - ❑ AEMO and Western Power will be required to exclude NCESS & SC submissions from applicants other than Synergy that include non-contestable customers².



1: see section 3.11B.7.(iB) & section 4.24.7.(bB) of the Exposure Draft.

2: see section 3.11B.10.(aA) & section 4.24.8.(bA) of the Exposure Draft.



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Third Party Aggregation Framework for non-contestable DER

Background

Synergy will be required to facilitate Third Party Aggregation Services

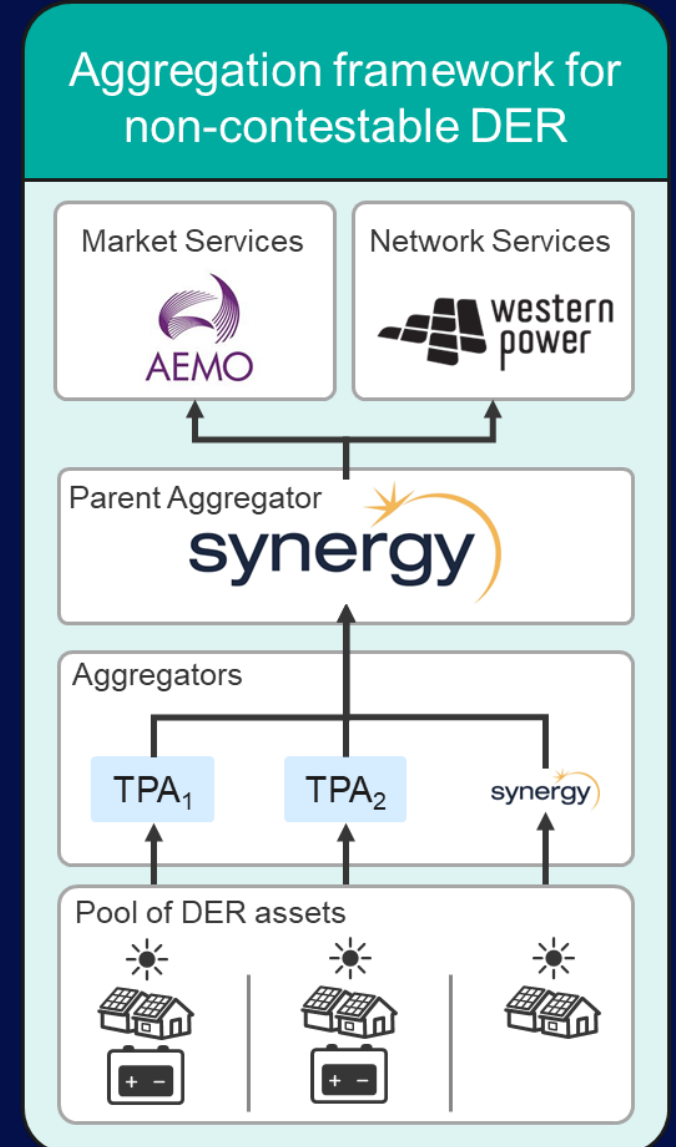
In establishing Synergy as parent aggregator, consideration was given to the opportunities presented by the involvement of other aggregation services through the direct engagement with non-contestable customers.

- A sophisticated Third Party Aggregation market is desirable due to the benefits from innovation and new customer products.
- To support its development, Synergy will be required to develop a framework for how it facilitates access to network and market services for Third Parties.

The Third Party Aggregator Framework

Synergy will develop a framework to explain how it will work with Third Party Aggregators to provide services through non-contestable DER.

- Synergy will act as primary contractor with AEMO and Western Power for services including non-contestable customer devices.
- TPAs will be required to form agreements with Synergy to provide the service to Western Power & AEMO.
- **The Third Party Aggregator Framework will:**
 - inform TPAs how they engage with Synergy; and
 - Provide transparency on how Synergy will deal with TPAs.



Policy Objective - Approach

A lighter-handed approach has been taken in consideration of timeliness and costs.

The emerging TPA industry in Western Australia remains relatively small, and value streams available to DER aggregation continues to develop.

- The Framework and obligations on Synergy has sought to strike a balance between timeliness, complexity, cost and outcomes for consumers.
- The TPA Framework is expected to evolve as the space matures, including through enhanced regulatory measures as necessary.
- Govt remains alert to effectiveness of this framework – Stakeholders can reach out EPWA at anytime: smartersolar@deed.wa.gov.au.

Third Party Aggregation Framework

Synergy will be required to develop a framework for how it will engage with Third Parties

- The TPA Framework must be published by 1 February 2026.
- The TPA Framework must be developed by through public consultation and hosted on the Synergy website.
- Any changes to the TPA Framework require consultation with industry.
- Synergy is required to act consistently with the requirements that are outlined in the framework.

2.34C. Third Party Aggregator Framework

2.34C.1. Following public consultation which allows adequate opportunity for relevant stakeholders to present their views, Synergy must publish on its website a document ("Third Party Aggregator Framework") which sets out how Synergy will engage with Third Party Aggregators that seek to provide services to Synergy involving a non-contestable customer as defined in the Metering Code.

2.34C.2. Synergy may amend the Third Party Aggregator Framework from time to time, following public consultation which allows adequate opportunity for relevant stakeholders to present their views on the amendments. The amended framework will take effect from the date it is published on Synergy's website.

2.34C.3. At the time Synergy publishes the Third Party Aggregator Framework under clauses 2.34C.1 or 2.34C.2, Synergy must also publish:

- (a) the submissions received in the consultation process;
- (b) a summary of those submissions; and
- (c) Synergy's responses to issues raised in those submissions.

(...)

2.34C.6. Synergy must act consistently with the Third Party Aggregator Framework when:
(a) engaging and contracting with Third Party Aggregators; and
(b) providing services to AEMO or a Network Operator involving a non-contestable customer as defined in the Metering Code.

TPA Framework – Contents (1)

Synergy's TPA Framework must include:

- a) the types of services that Synergy intends to procure from TPAs;
- b) the minimum tech requirements that TPAs must meet to provide those services;
- c) an overview of how TPAs can engage with Synergy for the purpose of service provision.

2.34C.5. The Third Party Aggregator Framework must specify:

- (a) the types of services that Synergy intends to procure from Third Party Aggregators;
- (b) minimum technical requirements that a Third Party Aggregator must meet as a condition of providing services to Synergy;
- (c) an overview of the processes for engaging and contracting with Synergy, including:
 - i. how and when Synergy will notify Third Party Aggregators of opportunities to provide services to Synergy;
 - ii. how Third Party Aggregators must submit proposals to provide services to Synergy;
 - iii. how proposals to provide services will be assessed by Synergy;
 - iv. how Synergy will communicate its decision on a proposal to the Third Party Aggregator;
 - v. how Synergy will manage any disputes that arise; and
 - vi. all applicable timeframes;

TPA Framework – Contents (2)

Synergy's TPA Framework must include:

- d) the criteria used by Synergy to assess offers from TPAs;
- e) a standard form contract* – which includes the standard T&Cs, and the mechanisms for risk and benefit sharing; and
- f) the process by which TPAs can propose to provide new services which Synergy does not currently support.

*publication of a standard form contract will be delayed until 1 July 2026 – EPWA is seeking stakeholder views on this.

2.34C.5. The Third Party Aggregator Framework must specify:

(...)

(d) the criteria Synergy will use to assess:

- i. proposals to provide services that it receives from a Third Party Aggregator; and
- ii. options for Synergy to provide services using its own internal resources;

(e) a standard form contract, which prescribes:

- i. all standard terms and conditions with which a Third Party Aggregator must comply to provide services to Synergy; and
- ii. the mechanisms for sharing risks and benefits between the counterparties; and

(f) the process by which a Third Party Aggregator can propose to provide services to Synergy other than those specified under clause 2.34C.5(a).

TPA Framework: Questions for consultation

- Does the commencement date of 1 February 2026 provide enough time for appropriate consultation on Synergy's TPA Framework?
- Is a Standard Form Contract considered beneficial by stakeholders? And do you foresee any issues with its delayed introduction?
- Do stakeholders have views on the initially light touch approach to Synergy's role in aggregation of non-contestable customer DER?

Next Steps

- Consultation on the proposed Rules will close 20 November 2025.
submissions can be sent by email to:
epwa-submissions@deed.wa.gov.au
- Following consultation, Energy Policy WA will publish a Consultation Summary paper to communicate how we have adopted stakeholder feedback.
- Intending for the rules to be made in December 2025.
- Stakeholders can contact EPWA's DER policy team through email:
smartersolar@deed.wa.gov.au