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Submitted via email to: energymarkets@deed.wa.gov.au

Dear Ms Guzeleva,

Western Power response to exposure draft of Electricity System and Market Amending Rules – Tranche 9

Western Power appreciates the opportunity to comment on the Tranche 9 amendments to the Electricity System and Market Rules (**ESM Rules**). We support reforms that improve security, reliability and market efficiency, and we are keen to progress changes that are practical, low-risk, and deliver clear benefits for customers and Market Participants.

Summary position:

- **Non-Co-optimised Essential System Services (NCESS) triggers and procurement** amendments (Sections 3.11A and 3.11B): **Support** – with a recommendation to **defer the change to clause 3.11A.2(a)** so that objective criteria and governance safeguards can be developed before applying the State Electricity Objective as an NCESS trigger.
- **Demand Side Programme (DSP)** (Sections 2.29.5 series; 4.13A; 4.25-4.26; Appendix 1): **Support in principle**, subject to metering and data exchange readiness.
- Metering and settlement amendments (**Sections 8.4, 8.5, 8.6, 9.3, 9.15, 9.16, new 9.16A, and consequential Glossary updates**): **Do not support at this stage – recommend deferral** and co-design with AEMO.

Rationale:

1. NCESS provisions – supportable and pragmatic

Western Power **supports the proposed amendments to Chapters 3.11A and 3.11B that clarify the drivers for locational needs** in the South West Interconnected System and provide clearer pathways for procuring non-network solutions where existing market mechanisms are insufficient. We also **support the amended timing in clause 3.11B.4** (“within 20 business days, or as reasonably agreed with the Coordinator”) for assessing expressions of interest, as this offers flexibility to respond more



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quickly to urgent issues while allowing short extensions where market engagement indicates a more complex specification.

In relation to **clause 3.11A.2(a)**, Western Power notes that the proposed drafting retains the role of Energy Uplift Payments as a key indicator but introduces the State Electricity Objective as an additional consideration in determining whether those payments warrant investigation of an NCESS. While we recognise the value of aligning NCESS decisions with the State Electricity Objective, its broad and multi-faceted nature means that using it to guide uplift-based triggers would benefit from further development of clear, objective criteria and governance safeguards. Given the potential cost implications of NCESS procurement, **we recommend that this aspect of the trigger be deferred and further refined through future policy work on NCESS governance** and assessment methodology, rather than being fully embedded at this stage.

Subject to this targeted refinement, the Tranche 9 NCESS provisions make the process for triggering and procuring NCESS clearer and more workable, support timely decision-making, and remain consistent with the broader intent of the NCESS Framework Review.

2. Demand Side Programme Reforms

The Tranche 9 amendments finalise the framework for DSP participation in the Reserve Capacity Mechanism, introducing clearer obligations for load association, metering and performance verification. These reforms strengthen transparency and confidence in demand response as a reliable capacity resource.

Western Power supports the direction of these changes, particularly the new requirements for interval metering of non-contestable DSP loads and formal notification to the Network Operator. **Implementation will depend on complementary amendments to the *Electricity Industry (Metering) Code 2012 (Metering Code)***, and Western Power looks forward to working with Energy Policy WA, AEMO and Synergy to **understand what changes to systems, data processes and standing-data are needed** to be completed ahead of commencement.

3. Metering/settlement amendments

3.1 Opportunity for collaborative refinement

The proposed metering amendments form an integrated package:

- **8.6.1A/8.6.1B** introduce new Pre and Post Disagreement Interval Meter Deadlines.
- **9.3.1(aA)/(aB)** embeds those deadlines in the settlement timetable.
- **9.15.2A** prevents AEMO from using revised data submitted after those deadlines.
- **9.16** excludes meter data from Notices of Disagreement and redirects to new **9.16A**.
- **8.4.3/8.4.4** add post-SAD2 participant notifications tied to **8.6.1A/B**.
- **Glossary** changes are consequential to the above.

As drafted, adopting these potential changes creates **overlap and potential conflict with the Metering Code**, which already requires the Network Operator to provide replacement or corrected data to Users and AEMO within defined timeframes and to minimise settlement adjustments. Proceeding with the proposed amendments now would duplicate obligations, introduce new and potentially conflicting timelines, and require material system and process redesign across Western

Power and AEMO (this potentially will require **Meter Data Management System updates** – e.g., flags and reason codes, case-tracking workflows, submission validation logic, audit/reporting, and participant communications). The **overall cost for these changes can be considerable** and could take up to **~12-18 months to resolve**.

Further, **removing the current pathway in 8.5 and excluding meter data from 9.16 before a fully operational 9.16A process is in place would risk a temporary dispute-path gap** for participants.

Western Power’s ongoing review of metering data quality, and importantly feedback from our customers, has identified a data anomaly rate of less than 1.5%. Targeted remediation actions are being implemented, and longer-term system and process improvements are being designed to prevent recurrence. These measures will ensure continued accuracy and reliability of metering data provided to AEMO and market participants.

Western Power Recommends: Investigate an alternative approach with these interlinked metering changes. Instead, adopt a short, **collaborative design phase with AEMO** to deliver the transparency intent through **procedure-level enhancements** first (definitions, evidence standards, communications templates, service level agreements) and only introduce rule changes later if still required—implemented as a single, coherent package with a clear cut-over.

3.2 Recommended pathway and next steps:

1. **Defer the interlinked metering clauses** (8.4.3/8.4.4, removal of 8.5, 8.6.1A/8.6.1B, 9.3.1(aA)/(aB), 9.15.2A, amendments to 9.16, new 9.16A, and the consequential Glossary) to a later tranche, **if required**.
2. **Establish a joint EPWA–AEMO–Western Power working group** to:
 - map current correction/dispute pathways under the Metering Code and WEM Procedures,
 - identify precise participant pain points, and
 - develop **procedure-level solutions** (definitions, reason-code taxonomy, evidence standards, communications and SLA mechanics) that deliver the transparency and timeliness objectives without duplicating obligations.
3. **Confirm a single cut-over point** only once procedures, training and systems are ready, with clear participant guidance.
4. If, after the design phase, rule amendments are still desirable, **introduce them as one complete package** with aligned definitions and timelines (and, if needed, a narrow, auditable exception within 9.15 for systemic post-deadline corrections).

4. Closing Summary

Western Power supports Energy Policy WA’s commitment to modernising the Wholesale Electricity Market (**WEM**) in line with the State Electricity Objective. The Tranche 9 reforms advance this intent by clarifying how demand response, capacity procurement, and settlement processes interact to deliver a more reliable and efficient power system.

We share Energy Policy WA’s goal of achieving secure, reliable, and affordable electricity for all Western Australians while enabling the transition to a cleaner energy future. Western Power remains

committed to working collaboratively with AEMO, Synergy, and Energy Policy WA to implement these reforms in a way that upholds data integrity, minimises customer impacts, and ensures that market and network processes are well aligned.

Through careful sequencing and joint design, these changes can strengthen the integrity of the WEM framework, support the uptake of flexible resources, and deliver tangible benefits to customers, industry and the State's broader energy transition.

Should you have any queries, please contact **Andy Kondola** (Energy Market Regulation Manager) by email at andy.kondola@westernpower.com.au.

Yours sincerely

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