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19 November 2025

Mr Kieran Rayney
General Manager Network Regulation and GTE Market Development and Coordination
Energy Policy WA
EPWA-Submissions@deed.wa.gov.au

Dear Mr Rayney,

Exposure Draft of Electricity System and Market Rules: Rules for Distributed Energy Resources – Roles and Technical Requirements

Thank you for the opportunity to provide a submission on the Exposure Draft of Electricity System and Market (ESM) Amending Rules – Rules for Distributed Energy Resources – Roles and Technical Requirements (DER Exposure Draft).

The Australian Energy Market Operator (AEMO) appreciates the consultation paper and other supporting materials published alongside the DER Exposure Draft, which helped to clarify the policy intent and facilitate a detailed review by relevant operational areas within the consultation period.

AEMO supports the proposed changes, which are an important step towards integrating Distributed Energy Resources into the South West Interconnected System. We have provided some minor feedback and suggestions for your consideration in Attachments 1 and 2.

Following review, AEMO does not consider that any AEMO systems or WEM Procedures will require amendment to give effect to the Amending Rules. We therefore expect only minimal upfront costs associated with amending the relevant Non-Co-optimised Essential System Services and Supplementary Capacity tender documents. AEMO has not assessed the impact to ongoing costs, which will be dependent on many factors including the volume of residential customers involved and the relevant contracts themselves. Given Synergy's role as the contracting party with the Third Party Aggregators, any ongoing impact to AEMO may be minimised.

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If you would like to discuss any of the matters raised, please contact Sarah Graham, Manager WA Regulatory Affairs at sarah.graham@aemo.com.au.

Yours sincerely,

Signed by:
Kirsten Rose
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Kirsten Rose

Executive General Manager WA

Attachments:

Attachment 1 – Feedback and clarifications

Attachment 2 – Editorial suggestions and typographical errors



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Attachment 1: Feedback and clarifications

Clause	Comment / suggestion
2.34C.1	<ul style="list-style-type: none"> AEMO recommends that clause 2.34C.1 includes a minimum consultation period of 20 Business Days (consistent with the WEM Procedure minimum consultation timeframes).
2.34C.2	<ul style="list-style-type: none"> Clause 2.34C.2 allows for Synergy to undertake amendments to the Third Party Aggregator Framework. AEMO considers a process akin to clauses 2.10.2 and 2.10.2A would be beneficial, allowing for parties other than Synergy to suggest amendments to the Third Party Aggregator Framework. AEMO also considers a minimum public consultation period of 20 Business Days should be included for all amendments to the Third Party Aggregator Framework. AEMO notes that clause 2.34C.2 states that the amended framework will take effect “from the date it is published on Synergy’s website”, however, this may not allow sufficient time for industry to undertake system and/or process changes required to adhere to the amendments made. AEMO recommends a process akin to those for changes to WEM Procedures (see clause 2.10.13(g) – 2.10.13(h)), whereby the revised document is published with a commencement date that may be in the future.
2.34C.4	<ul style="list-style-type: none"> AEMO would appreciate this clause being expanded to include AEMO (and the Network Operator), noting that clause 2.34C.6 specifies that Synergy must act consistently with the framework when providing services to AEMO (and the Network Operator). AEMO also recommends that this clause specify that consultation under this clause is intended prior to the public consultation process under clause 2.34C.2.

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2.34C.5(d)(ii)	<ul style="list-style-type: none"> AEMO seeks clarification on whether this sub-clause is intended to allow for Synergy to contract with itself, thereby foregoing the use of Third Party Aggregators. If this is the intention, AEMO queries whether it is intended that Synergy would formally be a Third Party Aggregator under the framework, as this appears inconsistent with the definition used for the term.
3.11B.8A.	<ul style="list-style-type: none"> Similar to AEMO's comment on clause 2.34C.5(d)(ii) above, AEMO seeks clarification on whether the wording "or service provider" in clause 3.11B.8A contemplates that Synergy may make an NCESS Submission not in its capacity as a Market Participant, but rather as a service provider or Third Party Aggregator.
3.25.2	<ul style="list-style-type: none"> Based on information provided at the public consultation meeting on 6 November 2025, AEMO understands that the intent of this clause is for Synergy to be responsible for a customer's compliance with the WEM Procedure referred to in clause 3.25.2. To make this intent clear, AEMO suggests replacing the words "the Market Participant for a Standard Small User Facility connected to its Distribution Network" with "a Market Participant connecting a Standard Small User Facility to the Distribution System Operator's Distribution Network." AEMO also seeks clarification on whether the WEM Procedure referred to in clause 3.25.2 will include standards currently provided under section 3.6 of Western Power's Technical Rules. If Technical Rules are not be amended before the commencement of these Amending Rules, it is not clear whether the WEM Procedure or Technical Rules would prevail in the event of any inconsistency.
3.25.3	<ul style="list-style-type: none"> All WEM Procedures are subject to the Procedure Change Process under section 2.10 of the ESM Rules, which includes a minimum of four weeks public consultation. As such, AEMO recommends this clause is amended to specify that the consultation with the Coordinator and AEMO should be undertaken <u>prior to</u> the public consultation process under clause 2.10.7 of the ESM Rules.
Definition of Inverter Energy System	<ul style="list-style-type: none"> AEMO notes that battery systems are being developed in Australia that do not have an inverter, and queries whether the definition may need expanding to capture such emerging technologies.

Attachment 2: Editorial suggestions and typographical errors

Clause	Suggestion
2.34C.1; 2.34C.6; 3.11B.7(iB); 3.11B.8A; 3.11B.10(aA); 4.24.7(bB); 4.24.8; and (bA)	<ul style="list-style-type: none"> The term ‘non-contestable’ customer is used throughout the Exposure Draft and in Tranche 9. It is not defined in the glossary, but rather states “as defined in the Metering Code” in each instance it is used. This method is inconsistent with how other terms are defined in the ESM Rules and creates the potential for mis-reading the subject that is specified to be defined in the Metering Code (e.g. in some instances, it could be mis-read to apply to other terms in the clause). Given the contents of the Metering Code will form part of the ESM Rules in time, AEMO recommends defining Non-Contestable Customer in the glossary and removing references to the Metering Code within the relevant clauses. AEMO can provide recommended drafting, if required.
3.11B.7(iB); 3.11B.8A; 3.11B.10(aA); 4.24.7(bB); 4.24.8; and (bA)	<ul style="list-style-type: none"> The words “involves a non-contestable customer” or “involving a non-contestable customer” is used under several clauses relating to NCESS Submissions and Supplementary Capacity Contracts. AEMO considers a better phrase may be “in respect of” a non-contestable customer. This is because these submissions may be made in respect of multiple third-parties, including one or more non-contestable customers and a mix of contestable and non-contestable customers.
3.11B.7(iB)	<ul style="list-style-type: none"> AEMO suggests replacing the word “NCESS” with “NCESS Submission” in this clause, to ensure consistency with the intent of the clause. Further, AEMO suggests that “if” is replaced with “whether” at the beginning of the sub-clause.
3.11B.8A	<ul style="list-style-type: none"> AEMO suggests that this clause may be better drafted as a “must not” obligation in relation to a Market Participant or service provider, rather than Synergy.
3.11B.10.	<ul style="list-style-type: none"> AEMO recommends including the words “exclude NCESS Submissions that” at the end of the parent clause, and removing these words from the beginning of each sub-clause, with “are” being included at the beginning of sub-clause (b).
3.25.2(d)	<ul style="list-style-type: none"> The defined term ‘Injection’ is used twice in this sub-clause, but the definition applies only to Registered Facilities. AEMO understands that the clause is intended to apply to both registered and non-registered facilities, and therefore either the defined term should be revised, or the use of the word “injection” should be replaced with a more appropriate term.



Definition of Inverter Energy System	<ul style="list-style-type: none">To improve clarity, AEMO suggests replacing the current definition with the following: “Inverter Energy System: A system comprising of one or more inverters together with one or more energy sources (which may include Electric Storage Resources) that are controllable up to the Metering Point, and may be controllable beyond the Metering Point. For the avoidance of doubt, multiple Inverter Energy Systems can exist within a single Energy Producing System in a Facility.”
Definition of Third Party Aggregator	<ul style="list-style-type: none">AEMO suggests replacing the word “the” with “a” immediately before the first use of the term “Market Participant” in this definition.