

Electricity System and Market Amendment (Tranche 9) Rules 2025

Commencement

- The amending rules set out in Schedule 1 come into operation at 8:00 AM (WST) on 1 January 2026.
- The amending rules set out in Schedule 1A come into operation at 8:00 AM (WST) on 26 February 2026.
- The amending rules set out in Schedule 2 come into operation at 8:00 AM (WST) on 1 April 2026.
- The amending rules set out in Schedule 2A come into operation at 8:00 AM (WST) on 1 July 2026.
- The amending rules set out in Schedule 3 come into operation at 8:00 AM (WST) on 1 October 2026.
- The amending rules set out in Schedule 4 come into operation at 8:00 AM (WST) on 1 October 2027.
- The amending rules set out in Schedule 5 come into operation at 8:00 AM (WST) on 1 May 2026.

Where there are electricity system and market rules made by the Minister in accordance with regulation 7(5) of the *Electricity Industry (Electricity System and Market) Regulations 2004* prior to the date this Instrument is made which are specified to come into operation on the same day as the amending rules set out in this Instrument, the amending rules set out in this Instrument come into operation immediately after the commencement of those electricity system and market rules.

Schedule 1

1. Section 1.4 amended

1.1 Delete clause 1.4.1(i) and replace it with the following:

- (i) **(clauses etc)**: a reference to a clause, section, appendix, chapter, annexure or schedule is a reference to a clause, section, appendix or chapter in or annexure or schedule to the ESM Rules;

2. Section 1.7 amended

2.1 Delete the words 'Where a Network Operator (in respect to any WEM Procedures' and replace them with the words 'If a Network Operator (in respect to any WEM Procedure' in clause 1.7.4.

2.2 Insert the words 'on the WEM Website' after the words 'at a minimum, promptly publish' in clause 1.7.4(b)(ii).

2.3 Delete the words 'on the WEM Website' before the words '; and' in clause 1.7.4(b)(ii).

2.4 Delete the word 'own' before the word 'website' in clause 1.7.4(b)(iii).

2.5 Insert the following new clause 1.7.5:

- 1.7.5. If a Distribution System Operator (in respect to any WEM Procedure the Distribution System Operator is required to develop and maintain under these ESM Rules) is required by these ESM Rules to publish a document or information, then:
 - (a) the Distribution System Operator must make that document or information available on its website, in a place that is publicly accessible; and
 - (b) if these ESM Rules require that document or information to be published on the WEM Website:
 - i. the Distribution System Operator must promptly notify AEMO when the document or information is published on the Distribution System Operator's website;
 - ii. AEMO must, at a minimum, promptly publish on the WEM Website a link to the area of the Distribution System Operator's website where the document or information is published; and
 - iii. the Distribution System Operator is deemed to have published the document or information once the Distribution System Operator has published the document or information on its website, and has notified AEMO.

3. Section 1.43 amended

- 3.1 Replace both instances of 'WEM Rule' with 'ESM Rule' in clause 1.43.2.
- 4. Section 1.43A amended**
- 4.1 Replace both instances of 'WEM Rule' with 'ESM Rule' in clause 1.43A.2.
- 5. Section 1.63 amended**
- 5.1 Insert the word 'and' after the semicolon in clause 1.63.10(e)(viii).
- 5.2 Insert the following new clause 1.63.10(e)(ix):
 - ix. the values described in clauses 4.20.5A(b)(iiiA) and 4.20.5A(b)(v);
- 5.3 Insert the following new clause 1.63.10(eA):
 - (eA) a standard form Supplementary Capacity Contract is not required to specify aspects relating to supplementary Flexible Capacity outlined under clauses 4.24.13 (g) and 4.24.13(h)(i)(2);
- 5.4 Insert the word 'and' after the semicolon in clause 1.63.10(f)(ii).
- 6. Section 1.67 amended**
- 6.1 Delete the words 'WEM Rules in force' and replace them with the words 'ESM Rules in force immediately after 8:00 AM' in clause 1.67.1.
- 6.2 Delete clause 1.67.2 and replace it with the following:
 - 1.67.2. A Market Participant with Capacity Credits for a Demand Side Programme may nominate a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 2.29.5AG of the Post-Amended Rules under this clause 1.67.2 until 1 October 2026.
- 6.3 Delete clause 1.67.3 and replace it with the following:
 - 1.67.3. Where a Market Participant nominates a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 1.67.2, AEMO must process the nomination in accordance with clause 2.29.5AH of the Post-Amended Rules.
- 7. Section 1.70 inserted**
- 7.1 Insert the following new section 1.70:
 - 1.70. Specific Transitional Provisions for the WEM Procedures affected by the Tranche 9 Amending Rules**
 - 1.70.1. In this section 1.70:
Tranche 9 Amending Rules (Schedule 1): means the Amending Rules in Schedule 1 of the Electricity System and Market Amendment (Tranche 9) Rules 2025.

- 1.70.2. Notwithstanding clauses 2.9.2A and 2.9.3, AEMO is not required to amend or develop any WEM Procedures to reflect the Tranche 9 Amending Rules (Schedule 1) until 1 May 2026.

8. Section 1.71 inserted

- 8.1 Insert the following new section 1.71:

1.71. Transitional Provisions for Standard Small User Facility WEM Procedure

- 1.71.1. Notwithstanding clauses 2.9.2C, 2.9.3 and 2.11.4:

- (a) a Distribution System Operator is not required to publish the Procedure Change Report for the initial WEM Procedure developed by the Distribution System Operator under clause 3.25.2 until 1 February 2026; and
- (b) an initial WEM Procedure developed under clause 3.25.2 must commence at 8:00 AM on 1 May 2026.

- 1.71.2. A Market Participant is not required under clause 2.13.23 to report a breach, or suspected breach, of a WEM Procedure referred to in clause 3.25.2 if the breach occurs, or is suspected to have occurred, before 1 May 2027.

9. Section 2.2C amended

- 9.1 Insert the following new clause 2.2C.2:

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

10. Section 2.3 amended

- 10.1 Delete clause 2.3.1 and replace it with the following new clause 2.3.1:

- 2.3.1. The Market Advisory Committee is a committee of industry representatives convened by the Coordinator to advise the Coordinator regarding matters concerning, and the Coordinator's plans for, the evolution, development and operation of the South West Interconnected System, the Wholesale Electricity Market and these ESM Rules, and to:

- (a) advise the Coordinator regarding Rule Change Proposals;
- (b) advise AEMO, the Economic Regulation Authority, the Coordinator, Distribution System Operators and Network Operators regarding Procedure Change Proposals;
- (c) advise the Coordinator, AEMO and the Economic Regulation Authority on the development of Rule Change Proposals when requested by the Coordinator, AEMO or the Economic Regulation

Authority in accordance with clauses 2.5.1A or 2.5.1B or 2.5.1C;
and

- (d) provide assistance to the Coordinator in its monitoring role under clauses 2.16.13A and 2.16.13B.

10.2 Insert the following new clause 2.3.1D:

2.3.1D. Any advice provided by the Market Advisory Committee must be consistent with the State Electricity Objective.

10.3 Delete clause 2.3.5(a) and replace it with the following:

- (a) at least eight and not more than ten members representing Market Participants, or prospective Market Participants;

10.4 Delete the words 'nominated by the Minister' in clause 2.3.5(e).

10.5 Insert the words ', in its role as the only supplier of electricity to Non-Contestable Customers' after the word 'Synergy' in clause 2.3.5(h).

10.6 Delete clause 2.3.5A and replace it with the following:

2.3.5A. Subject to clause 2.3.13, when appointing or removing members of the Market Advisory Committee of the class described in clause 2.3.5(a), the Coordinator must use its reasonable endeavours to ensure that:

- (a) the Market Advisory Committee membership includes a diverse but balanced representation of Market Participants or prospective Market Participants;
- (b) the Market Advisory Committee membership is representative of the range Facility Classes, and existing and emerging technology types in the Wholesale Electricity Market; and
- (c) the Market Advisory Committee membership includes 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 Wholesale Electricity Market.

10.7 Delete the words 'clause 2.3.5(c), (g) and (h)' and replace them with the words 'clauses 2.3.5(c), 2.3.5(g) and 2.3.5(h)' in clause 2.3.5C.

10.8 Delete clause 2.3.8E.

10.9 Delete the words 'clause 2.3.5(c), (g) and (h) to whom clause 2.3.5C applies' and replace them with the words 'clauses 2.3.5(c), 2.3.5(e), 2.3.5(g) or 2.3.5(h)' in clause 2.3.10.

10.10 Delete the word 'Representatives' and replace it with the word 'representatives' in clause 2.3.17(a).

- 10.11 Insert the words ‘, Distribution System Operators’ after the word ‘AEMO’ in clause 2.3.17(a).
- 10.12 Delete the words ‘and AEMO’ and replace them with the words ‘, AEMO, Distribution System Operators and Network Operators’ in clause 2.3.17(b).

11. Section 2.8 amended

- 11.1 Delete the words ‘or the Network Operator’ before the words ‘to undertake consultation’ and replace them with the words ‘, a Network Operator or a Distribution System Operator’ in clause 2.8.15.
- 11.2 Delete the words ‘or the Network Operator’ before the words ‘may initiate the consultation’ and replace them with the words ‘, the Network Operator or the Distribution System Operator’ in clause 2.8.15.

12. Section 2.9 amended

- 12.1 Insert the following new clause 2.9.2CC:
- 2.9.2CC. Each Distribution System Operator must manage the development of, amendment of, and replacement for WEM Procedures which these ESM Rules require be developed by a Distribution System Operator.
- 12.2 Insert the words ‘, each Distribution System Operator’ after the words ‘the Coordinator’ in clause 2.9.2F.
- 12.3 Insert the words ‘, a Distribution System Operator’ after the words ‘the Economic Regulation Authority, the Coordinator’ in clause 2.9.6.
- 12.4 Insert the following new clause 2.9.7E:
- 2.9.7E. A Distribution System Operator must comply with WEM Procedures applicable to it.

13. Section 2.10 amended

- 13.1 Insert the words ‘, a Distribution System Operator’ after the words ‘the Coordinator’ in clause 2.10.1.
- 13.2 Insert the words ‘, the relevant Distribution System Operator’ after the words ‘the Coordinator’ in clause 2.10.2.
- 13.3 Insert the words ‘, the Distribution System Operator’ after the words ‘the Coordinator’ in clause 2.10.2A.
- 13.4 Insert the words ‘, the Distribution System Operator’s’ after the words ‘the Coordinator’s’ in clause 2.10.2A(b).
- 13.5 Insert the words ‘, a Distribution System Operator’ before the words ‘or a Network Operator to develop’ in clause 2.10.3.

- 13.6 Insert the words ‘, the Distribution System Operator’ before the words ‘or the Network Operator, as applicable’ in clause 2.10.3.
- 13.7 Delete clause 2.10.5C and replace it with the following:
- 2.10.5C. A Distribution System Operator must publish Procedure Change Proposals that the Distribution System Operator develops.
- 13.8 Insert the words ‘, the Distribution System Operator’ after the words ‘the Coordinator’ in each of the two places they appear in clause 2.10.7.
- 13.9 Insert the following new clause 2.10.9(aB):
- (aB) a Distribution System Operator considers that advice on the Procedure Change Proposal prepared by a Distribution System Operator is required from the Market Advisory Committee; or
- 13.10 Insert the words ‘, the Distribution System Operator’ after the words ‘the Economic Regulation Authority’ in clause 2.10.10.
- 13.11 Delete clause 2.10.12C and replace it with the following:
- 2.10.12C. A Distribution System Operator must publish Procedure Change Reports that the Distribution System Operator prepares.
- 13.12 Insert the words ‘, the Distribution System Operator’ after the words ‘the Economic Regulation Authority’ in clause 2.10.13(c).
- 13.13 Insert the words ‘, the Distribution System Operator’ after the words ‘the Economic Regulation Authority’ in clause 2.10.13(dA).
- 13.14 Delete the word ‘and’ at the end of clause 2.10.13(i).
- 13.15 Delete the full stop at the end of clause 2.10.13(j) and replace it with ‘; and’.
- 13.16 Insert the following new clause 2.10.13(k):
- (k) in the case of a Procedure Change Proposal developed by a Distribution System Operator, a proposed date and time for the WEM Procedure or amendment or replacement to commence, which must, in the Distribution System Operator's opinion, allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it.
- 13.17 Insert the words ‘, a Distribution System Operator’ after the words ‘If AEMO, the Economic Regulation Authority, the Coordinator’ in clause 2.10.17.
- 13.18 Insert the words ‘, the Distribution System Operator’ after the words ‘then AEMO, the Economic Regulation Authority, the Coordinator’ in clause 2.10.17.
- 13.19 Insert the words ‘, a Distribution System Operator’ after the words ‘the Coordinator’ in clause 2.10.18.

14. Section 2.11 amended

- 14.1 Insert the words ‘, a Distribution System Operator’ after the words ‘Procedural Review of a decision by AEMO, the Economic Regulation Authority, the Coordinator’ in clause 2.11.1.
- 14.2 Insert the words ‘, the Distribution System Operator’ after the words ‘on the grounds that AEMO, the Economic Regulation Authority, the Coordinator’ in clause 2.11.1.
- 14.3 Delete clause 2.11.2 and replace it with the following:
- 2.11.2. Following an application for a Procedural Review under clause 2.11.1, if the Electricity Review Board finds that AEMO, the Economic Regulation Authority, the Coordinator, a Distribution System Operator or a Network Operator has not followed the process set out in section 2.10 or the WEM Procedure specified in clause 2.9.5, the Electricity Review Board may set aside AEMO’s decision, the Economic Regulation Authority’s decision, the Coordinator’s decision, the Distribution System Operator’s decision or the Network Operator’s decision and direct AEMO, the Economic Regulation Authority, the Coordinator, the Distribution System Operator or the Network Operator to reconsider the relevant Procedure Change Proposal in accordance with section 2.10 and the WEM Procedure specified in clause 2.9.5.
- 14.4 Delete the words ‘or 2.10.13(j)’ and replace them with the words ‘, 2.10.13(j) or 2.10.13(k)’ in clause 2.11.3.
- 14.5 Delete clause 2.11.4 and replace it with the following:
- 2.11.4. If at any time, AEMO, the Economic Regulation Authority, the Coordinator, a Distribution System Operator or a Network Operator considers that Rule Participants will not have sufficient time to implement any necessary changes required by the WEM Procedure that AEMO, the Economic Regulation Authority, the Coordinator, the Distribution System Operator or the Network Operator, as applicable, are required to publish, or amendment or replacement of the WEM Procedure, then AEMO, the Economic Regulation Authority, the Coordinator, the Distribution System Operator or the Network Operator, as applicable, may extend the time and date when that WEM Procedure, amendment or replacement commences by publishing notice of the revised time and date when the amendment of or replacement for that WEM Procedure commences.

15. Section 2.13 amended

- 15.1 In clause 2.13.23, insert a full stop after the clause number so it reads ‘2.13.23.’.
- 15.2 Delete the word ‘WEM’ and replace it with the word ‘ESM’ in clause 2.13.36(c).
- 15.3 Delete clause 2.13.43 and replace it with the following:

2.13.43. If the Economic Regulation Authority issues a civil penalty notice under clause 2.13.36(c) or the Electricity Review Board makes an order for the payment of a civil penalty under regulation 33(1)(a) of the ESM Regulations, the Economic Regulation Authority must:

- (a) determine the persons to whom the Civil Penalty Amount is to be distributed and the portion of the Civil Penalty Amount to be distributed to each person; and
- (b) inform AEMO of:
 - i. the imposition of the civil penalty by the Economic Regulation Authority or Electricity Review Board (as applicable);
 - ii. the Rule Participant liable for the civil penalty;
 - iii. the Civil Penalty Amount;
 - iv. the date on which the notice was issued or the order made (as applicable);
 - v. the identity of each person who is to receive a portion of the Civil Penalty Amount, and the amount that person is to receive; and
 - vi. contact details for each person identified under clause 2.13.43(b)(v) who is not a Rule Participant.

15.4 Delete clause 2.13.43A and replace it with the following:

2.13.43A. In determining how a Civil Penalty Amount is to be distributed, the Economic Regulation Authority must:

- (a) have regard to:
 - i. the extent of any detriment suffered by persons as a result of the contravention, relative to other persons;
 - ii. any benefits (including financial gains or avoided costs) obtained by persons as a result of the contravention; and
 - iii. any other matter the Economic Regulation Authority considers relevant; and
- (b) ensure that each distributed portion is greater than the Minimum Transaction Cost.

15.5 Delete the word 'and' at the end of clause 2.13.45(f).

15.6 Delete the full stop at the end of clause 2.13.45(g) and replace it with the words 'and'.

15.7 Insert the following new clause 2.13.45(h):

- (h) for each civil penalty ordered by Electricity Review Board under regulation 33(1)(a) of the ESM Regulations or imposed by the Economic Regulation Authority under clause 2.13.36(c):
 - i. the Rule Participant liable for the civil penalty;
 - ii. the Civil Penalty Amount; and
 - iii. an explanation of the Economic Regulation Authority's determination under clause 2.13.43(a) and the reasons for that determination.

16. Section 2.16 amended

- 16.1 Delete the word 'WEM' and replace it with the words 'ESM' in clause 2.16.13F.

17. Section 2.29 amended

- 17.1 Delete clause 2.29.5AB and replace it with the following:

2.29.5AB. A Market Participant who was assigned Peak Capacity Credits or Flexible Capacity Credits for a certified Demand Side Programme must no later than three months before the start of the Capacity Year:

- (a) if the Demand Side Programme was subject to clause 4.10.1B in Year 1 of the Reserve Capacity Cycle:
 - i. notify AEMO of the number of Capacity Credits that are to be allocated to one or more Demand Side Programmes that are registered; and
 - ii. in accordance with clause 2.29.5B, apply to associate Non-Dispatchable Loads with each registered Demand Side Programme that is to be allocated Capacity Credits under clause 2.29.5AB(a)(i) such that:
 - 1. the date of association for the Associated Loads of the Demand Side Programme is no later than 1 December of the relevant Capacity Year; and
 - 2. the sum of the MW quantities by which each Associated Load is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads, equals at least the Capacity Credits allocated to the Demand Side Programme that was subject to clause 4.10.1B; or
- (b) if the Demand Side Programme was not subject to clause 4.10.1B in Year 1 of the Reserve Capacity Cycle, associate Non-Dispatchable Loads to the Demand Side Programme such that:

- i. the date of association for the Associated Loads of the Demand Side Programme is no later than 1 December of the relevant Capacity Year; and
- ii. the sum of the MW quantities by which each Associated Load is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads, equals at least the Capacity Credits assigned to the Demand Side Programme.

For the avoidance of doubt, the requirement to associate Non-Dispatchable Loads to Demand Side Programmes under this clause does not preclude a Market Participant from associating additional Non-Dispatchable Loads to their Demand Side Programmes during the Capacity Year.

17.2 Delete clause 2.29.5AC and replace it with the following:

2.29.5AC. Subject to clause 2.29.5AD, a Market Participant associating Non-Dispatchable Loads to its Demand Side Programmes under clause 2.29.5AB(a) for a Capacity Year, must not associate a Non-Dispatchable Load to a Demand Side Programme at a Transmission Node that is included in the list of Transmission Nodes published by AEMO under clause 4.3.1(n) in Year 1 of the Reserve Capacity Cycle.

17.3 Delete clause 2.29.5AD and replace it with the following:

2.29.5AD. If a Network Operator changes the Transmission Node for a Non-Dispatchable Load associated to a Demand Side Programme, then the relevant Market Participant may continue to associate that Non-Dispatchable Load with the Demand Side Programme for any Capacity Year for which the Demand Side Programme has Capacity Credits assigned for the original Transmission Node.

17.4 Delete the words 'non-contestable customer as defined in the Metering Code' and replace them with the words 'Non-Contestable Customer' in clause 2.29.5AK.

17.5 Insert the following new clause 2.29.5AM:

2.29.5AM. If a Market Participant fails to associate enough Non-Dispatchable Loads to a Demand Side Programme to satisfy the criteria under clauses 2.29.5AB(a)(ii) or 2.29.5AB(b), as applicable, AEMO must reduce the level of Peak Capacity Credits assigned to the Demand Side Programme by the association shortfall calculated as:

$$\max(0, PCC(f) - AssocLoadCapacity(f))$$

where:

- (a) PCC(f) is the total of Peak Capacity Credits assigned to the Facility; and

- (b) *AssocLoadCapacity(f)* is the sum of the MW quantities by which each Associated Load is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads of the Demand Side Programme.

17.6 Insert the following new clause 2.29.5AN:

2.29.5AN. If a Market Participant fails to associate enough Non-Dispatchable Loads to a Demand Side Programme to satisfy the requirements under clause 2.29.5AB(a)(ii) or 2.29.5AB(b), as applicable, AEMO must reduce the level of Flexible Capacity Credits assigned to the Demand Side Programme by the association shortfall calculated as:

$$\max(0, FCC(f) - AssocLoadCapacity(f))$$

where:

- (a) *FCC(f)* is the total of Flexible Capacity Credits assigned to the Facility; and
- (b) *AssocLoadCapacity(f)* is the sum of the MW quantities by which each Associated Load is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads of the Demand Side Programme.

17.7 Insert the following new clause 2.29.5AO:

2.29.5AO. A Market Participant may not change the Transmission Node Identifier for a Demand Side Programme to a Transmission Node published by AEMO under clause 4.3.1(n) in Year 1 of the Reserve Capacity Cycle for the relevant Capacity Year.

17.8 Delete clause 2.29.5B and replace it with the following:

2.29.5B. A Market Participant may apply to AEMO to associate a Non-Dispatchable Load with a Demand Side Programme or an Interruptible Load. The Market Participant must provide the following information to AEMO in support of the application:

- (a) if applicable, details acceptable to AEMO together with supporting evidence that the Market Participant owns the Non-Dispatchable Load or has entered into a contract with the person who owns, operates or controls the Non-Dispatchable Load to reduce its Withdrawal or increase its Injection on request by the Market Participant, and that the Non-Dispatchable Load will not be subject to a contract or arrangement to reduce Withdrawal or increase Injection during one or more Trading Intervals in Year 3 of the relevant Reserve Capacity Cycle for the purpose of reducing Peak Capacity Purchaser Payments and Flexible Capacity Purchaser Payments determined under clause 9.8.2;

- (b) the network Measurement Point of the Non-Dispatchable Load;
- (bA) the Transmission Node Identifier for the Non-Dispatchable Load;
- (c) if the Demand Side Programme contains a Single Associated Load, the expected Minimum Consumption of the Non-Dispatchable Load in units of MW;
- (d) if the Market Participant requesting the association owns, controls or operates the relevant Non-Dispatchable Load, then:
 - i. the start date of the Non-Dispatchable Load association;
 - ii. the end date of the Non-Dispatchable Load association; and
 - iii. the intended reduction of Withdrawal or increase in Injection, in MW, of the Non-Dispatchable Load;
- (e) if the Market Participant requesting the association has entered into a contract with a person who owns, controls or operates the relevant Non-Dispatchable Load, then:
 - i. the contract start date of the Non-Dispatchable Load association;
 - ii. the contract end date of the Non-Dispatchable Load association; and
 - iii. the contracted reduction of Withdrawal or increase in Injection, in MW, of the Non-Dispatchable Load; and
- (f) if the Non-Dispatchable Load is associated with a Non-Contestable Customer, details acceptable to AEMO together with supporting evidence that the Network Operator has installed an Interval Meter at the Measurement Point of the relevant Non-Dispatchable Load.

17.9 Delete the word 'evidence' and replace it with the word 'information' in clause 2.29.5E(a).

17.10 Delete clause 2.29.5E(b) and replace it with the following:

- (b) [Blank]

17.11 Delete the word 'or' at the end of clause 2.29.5E(f)(ii)(2).

17.12 Insert the following new clause 2.29.5HA:

2.29.5HA. If Synergy is notified under clause 2.29.5D that AEMO has accepted its application submitted under clause 2.29.5B in respect of a Non-Dispatchable Load associated with a Non-Contestable Customer, Synergy must notify the relevant Network Operator and provide the Network Operator with the NMI of the relevant Measurement Point described in clause 2.29.5B(b).

- 17.13 Insert the word '2.29.5AB,' before the words '2.29.5B and 2.29.5I' in clause 2.29.5N(a).
- 17.14 Delete the word 'that' before the words 'Separately Certified Components' in clause 2.29.12(b).
- 17.15 Insert the following new clause 2.29.16.
- 2.29.16. A Market Participant that is required to install Facility Sub-Metering for a Facility in accordance with clause 2.29.12 must provide AEMO with meter data, recorded by the Facility Sub-Metering, by 5 February each year, for the 5 year period ending on 1 October of the previous year, excluding any part of the period for which:
- (a) Facility Sub-Metering was not yet installed for that Facility; or
- (b) the relevant meter data has already been provided to AEMO.
- 18. Section 2.30B.11 amended**
- 18.1 In clause 2.30B.11, insert a full stop after the clause number so it reads '2.30B.11.'.
- 19. Section 2.31 amended**
- 19.1 Delete the words 'clause 2.31A.1' and replace it with the words 'clause 2.31.1A' in clause 2.31.13(k)(ii).
- 20. Section 2.34 amended**
- 20.1 Insert the words 'and Rule Participant Details' after the words 'Standing Data' in the heading of section 2.34.
- 20.2 Insert the following new heading above clause 2.34.1:
- Standing Data**
- 20.3 Insert the following new clause 2.34.15:
- 2.34.15. A Rule Participant must provide the information specified in clauses 2.33.1(c), 2.33.1(d) and 2.33.1(e) to AEMO:
- (a) when first registering as a Rule Participant using the registration application outlined in clause 2.33.1; and
- (b) as soon as practicable, following any changes to the information.
- 20.4 Insert the following new heading above new clause 2.34.15:
- Rule Participant Details**
- 21. Section 2.34C introduced**
- 21.1 Insert the following new section 2.34C:

2.34C. Third Party Aggregator Framework

- 2.34C.1. By 1 April 2026, following at least 20 Business Days of 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.
- 2.34C.2. Synergy may amend the Third Party Aggregator Framework from time to time, following at least 20 Business Days of public consultation which allows adequate opportunity for relevant stakeholders to present their views on the amendments.
- 2.34C.3. At the time Synergy publishes the initial Third Party Aggregator Framework under clause 2.34C.1 or an amended Third Party Aggregator Framework under clause 2.34C.2, Synergy must also publish:
- (a) the submissions received in the consultation process;
 - (b) a summary of those submissions;
 - (c) Synergy's responses to issues raised in those submissions; and
 - (d) the date and time from which the Third Party Aggregator Framework will take effect, which must be:
 - i. for the initial Third Party Aggregator Framework, 8:00 AM on 1 July 2026; and
 - ii. for an amended Third Party Aggregator Framework, a date and time which, in Synergy's opinion, allows sufficient time after the date of publication for Third Party Aggregators to implement any changes required by it.
- 2.34C.4. Synergy must consult with the Coordinator before commencing public consultation on a proposed initial or amended Third Party Aggregator Framework.
- 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;
 - (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; and
 - (e) 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).
- 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.
- 2.34C.7. Amendments to the Third Party Aggregator Framework do not affect the terms and conditions of any existing contract between Synergy and a Third Party Aggregator, except where explicitly provided for in the contract.
- 2.34C.8. By 1 July 2026, following at least 20 Business Days of public consultation which allows adequate opportunity for relevant stakeholders to present their views, Synergy must publish on its website a model contract ("**Third Party Aggregator Model Contract**") which sets out:
- (a) all standard terms and conditions with which a Third Party Aggregator must comply to provide services to Synergy; and
 - (b) the mechanisms for sharing risks and benefits between the counterparties.
- 2.34C.9. Synergy may amend the Third Party Aggregator Model Contract from time to time, following at least 20 Business Days of public consultation which allows adequate opportunity for relevant stakeholders to present their views on the amendments.

2.34C.10. At the time Synergy publishes the initial Third Party Aggregator Model Contract under clause 2.34C.8 or an amended Third Party Aggregator Model Contract under clause 2.34C.9, 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.11. Synergy must consult with the Coordinator before commencing public consultation on an initial or amended Third Party Aggregator Model Contract.

22. Section 3.11 amended

22.1 Delete the words 'Frequency Co-optimised Essential System Service' and replace them with the word 'FCESS' in the two places they appear in clause 3.11.6(a).

22.2 Delete the words 'WEM procedure' and replace it with the words 'WEM Procedure' in clause 3.11.6(b).

23. Section 3.11A amended

23.1 Delete clause 3.11A.2 and replace it with the following:

3.11A.2. If AEMO or a Network Operator reasonably considers that one or more of the following events has occurred or applies:

- (a) if the forecasted or actual magnitude and frequency of Energy Uplift Payments in the WEM increases to an uneconomic level (assuming locational and situational market power is being controlled under the relevant processes), this indicates a locational constraint in the network and a case may be made to procure locational services to relieve the network constraint;
- (b) the forecasted or actual number of AEMO Intervention Events to relieve non-frequency control constraints such as loss of reactive power or System Strength indicates a network security problem, and a case could be made to procure a locational security NCESS;
- (c) the Transmission System Plan prepared under section 4.5B, or the Network Opportunity Map, identifies that a suitable non-network investment option may meet network adequacy requirements to help maintain SWIS Power System Security and Power System Reliability standards;
- (d) a need to establish a non-network solution has been identified, arising at any time during a network planning cycle, and not previously identified through the standard planning processes;
- (e) a modification to an existing Power System Security or Power System Reliability standard or the introduction of a new Power

System Security or Power System Reliability standard within a network planning cycle may trigger the need to procure a NCESS;
or

- (f) AEMO considers, in the course of its normal power system operations, that a significant threat to Power System Security or Power System Reliability exists or is emerging, and the existing mechanisms under these ESM Rules may not be sufficient to address the threat,

then:

- (g) AEMO must notify the relevant Network Operator, or the Network Operator must notify AEMO (as applicable), of each event that AEMO or the Network Operator (as applicable) considers has occurred or applies, as soon as practicable but in any event before making a submission under clause 3.11A.2(h); and
- (h) AEMO or the relevant Network Operator (or, at their discretion, both of them) must make a submission (jointly or separately) to request the Coordinator to determine whether to trigger an NCESS procurement process in accordance with section 3.11B.

24. Section 3.11B amended

- 24.1 Delete the words '10 Business Days' and replace them with the words '20 Business Days' in clause 3.11B.4.

25. Section 3.18G amended

- 25.1 Insert the word 'the' before the words 'Economic Regulation Authority must publish' in clause 3.18G.2.
- 25.2 Delete the words 'WEM Rule Change Proposals ,' and replace them with the words 'ESM Rule Change Proposals,' in clause 3.18G.2(c).

26. Section 3.18GA amended

- 26.1 Delete the words 'WEM Rule' and replace them with the words 'ESM Rule' in clause 3.18GA.2(c).

27. Section 3.25 introduced

- 27.1 Insert the following new section 3.25:

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 May 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 Inverter Energy Systems in the Energy Producing System, a maximum aggregate capacity of 30 kVA.

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 the Distribution System Operator's Distribution Network:

- (a) maximum capacity limits for Inverter Energy Systems in the Facility;
- (b) maximum generation limits 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.

3.25.3. A Distribution System Operator must consult with the Coordinator and AEMO before publishing a Procedure Change Proposal in respect of the WEM Procedure referred to in clause 3.25.2.

28. Section 4.4A amended

28.1 Insert the following new clause 4.4A.8:

4.4A.8. If a Market Participant applies for Capacity Credits for a Demand Side Programme for a time after the expected closure date of the Facility or the date that the Reserve Capacity Obligations will cease, published by AEMO under clauses 4.4A.2(e) or 4.4A.4, the Market Participant is deemed to have provided a notice under clause 4.4A.6.

29. Section 4.4B amended

29.1 Insert the following new clause 4.4B.10:

4.4B.10. By 5:00 PM on the 30th Business Day after the date specified in clause 4.1.11, AEMO must publish the information provided by each Network Operator under clause 4.4B.9 in the Constraints Library.

30. Section 4.5 amended

30.1 Insert the words 'rounded up to the nearest whole number of Trading Intervals' after the words 'Demand Side Programme Dispatch Threshold' in clause 4.5.12(g)(i).

31. Section 4.8A amended

31.1 Insert the words 'for a new Facility or Facility upgrade' after the words 'clause 4.9.1(a)' in clause 4.8A.3(c).

32. Section 4.10 amend

32.1 Delete the words 'clause 4.14.1C(b)' and replace them with the words 'clause 4.14.1CB(a)(ii)(1)' in clause 4.10.1(e)(v)(3)(ii).

32.2 Delete clause 4.10.1(f)(i) and replace it with the following:

- i. if the Demand Side Programme has, or is expected to have, a single Associated Load:
 1. the quantity of Peak Capacity the Market Participant expects to make available from the Facility; and
 2. the expected Minimum Consumption of the Non-Dispatchable Load in units of MW;

32.3 Delete the words 'clause 4.14.1C(b)' and replace them with the words 'clause 4.14.1CB(a)(ii)(2)' in clause 4.10.1(fA)(vi)(2).

32.4 Delete the words 'Benchmark Technology Provider' and replace them with the words 'Benchmark Technology' in clause 4.10.1A(b).

32.5 Delete the words 'with more than one Associated Load' and replace them with the words 'for which it intends to have more than one Associated Load' in clause 4.10.1B.

33. Section 4.11 amended

33.1 Delete the words 'Capacity Credits' and replace them with the words 'Early Certified Reserve Capacity' in clause 4.11.1(c)(iv).

33.2 Delete the words 'clause 2.29.5B(c)' and replace them with the words 'clause 4.10.1(f)(i)(2)' in clause 4.11.1(j)(ii).

33.3 Delete the words 'relevant to the exercise of its discretion' and replace them with the words 'required to determine whether the Facility was subject to significant maintenance or an upgrade' in clause 4.11.1B(a).

33.4 Delete the words 'clause 4.11.12' and replace them with the words 'clauses 4.11.4A and 4.11.12' in clause 4.11.4.

33.5 Insert the following new clause 4.11.4A:

4.11.4A. When AEMO assigns a Capability Class to apply to the relevant Facility, if a Facility comprises Facility Technology Types with different Capability Classes, then the Capability Class of the Facility is:

- (a) Capability Class 3, if the Facility has a Facility Technology Type assigned to Capability Class 3 with the highest, or equal highest, Peak Certified Reserve Capacity within the Facility;
- (b) Capability Class 1, if clause 4.11.4A(a) does not apply and the Facility has a Facility Technology Type assigned to Capability Class 1 with the highest, or equal highest, Peak Certified Reserve Capacity within the Facility; or
- (c) Capability Class 2, if clauses 4.11.4A(a) and 4.11.4A(b) do not apply.

34. Section 4.13 amended

34.1 Delete the word 'provider' and replace it with the words 'Security Provider' in clause 4.13.14(d).

35. Section 4.13A amended

35.1 Insert the following new clause 4.13A.5A:

4.13A.5A. If a Market Participant has a single certified Demand Side Programme that:

- (a) is subject to clause 4.10.1B;
- (b) comprises multiple registered Demand Side Programmes for the relevant Capacity Year; and
- (c) has previously provided a single DSP Reserve Capacity Security with respect to the certified Demand Side Programme in accordance with clause 4.13A.1,

then the single DSP Reserve Capacity Security is deemed to satisfy the requirement in clause 4.13A.1 with respect to all of the registered Demand Side Programmes that the single certified Demand Side Programme comprises.

35.2 Insert the following new clause 4.13A.5B:

4.13A.5B. If AEMO:

- (a) holds a single DSP Reserve Capacity Security for multiple registered Demand Side Programmes under clause 4.13A.5A; and

- (b) intends to draw down on DSP Reserve Capacity Security in respect of one of the registered Demand Side Programmes,

then AEMO must apportion the single DSP Reserve Capacity Security across the multiple registered Demand Side Programmes it relates to as follows:

$$DSPRCS(f) = DSPRCS(CF) \times \frac{CC(f)}{\sum_{i \in CF} CC(i)}$$

where:

- (c) DSPRCS(f) denotes the DSP Reserve Capacity Security AEMO apportions to registered Demand Side Programme f under this clause;
- (d) DSPRCS(CF) denotes the single DSP Reserve Capacity Security AEMO holds in respect of certified Demand Side Programme CF under clause 4.13A.5A which, for the avoidance of doubt, excludes any previous reductions in relation to the same Capacity Year resulting from previous payments made under clause 4.13A.15A;
- (e) CC(f) denotes the number of Peak Capacity Credits allocated to the registered Demand Side Programme f in accordance with clause 2.29.5AB(a)(i);
- (f) CC(i) denotes the number of Capacity Credits allocated to the registered Demand Side Programme i in accordance with clause 2.29.5AB(a)(i); and
- (g) $i \in CF$ denotes the set of registered Demand Side Programmes (i) comprising the certified Demand Side Programme (CF).

35.3 Insert the following new clause 4.13A.15A:

4.13A.15A. If a Demand Side Programme has its Capacity Credits reduced by AEMO under clauses 2.29.5AE, 2.29.5AF, 2.29.5AM or 2.29.5AN then, subject to clause 4.13A.16B, the Market Participant that provides the DSP Reserve Capacity Security for the Demand Side Programme must pay to AEMO, as compensation to the market, the greater of:

- (a) if AEMO has reduced the level of Peak Capacity Credits under clauses 2.29.5AE or 2.29.5AM, an amount equal to the product of:
 - i. the shortfall in Peak Capacity Credits calculated by AEMO under clauses 2.29.5AE or 2.29.5AM; and
 - ii. 25 percent of the Peak Benchmark Reserve Capacity Price included in the Request for Expressions of Interest issued for the relevant Reserve Capacity Cycle, expressed in \$/MW per year; and

- (b) if AEMO has reduced the level of Flexible Capacity Credits under clauses 2.29.5AF or 2.29.5AN, an amount equal to the product of:
 - i. the shortfall in Flexible Capacity Credits calculated by AEMO under clauses 2.29.5AF or 2.29.5AN; and
 - ii. 25 percent of the Flexible Benchmark Reserve Capacity Price included in the Request for Expressions of Interest issued for the relevant Reserve Capacity Cycle, expressed in \$/MW per year.

35.4 Delete clause 4.13A.16 and replace it with the following:

4.13A.16. The payment obligation under clauses 4.13A.15 or 4.13A.15A may be satisfied by AEMO drawing upon the DSP Reserve Capacity Security for the relevant registered Demand Side Programme, or the single DSP Reserve Capacity Security that AEMO holds under clause 4.13A.5A in accordance with clause 4.13A.5B.

35.5 Insert the words ‘, 4.13A.15A’ after the words ‘clauses 4.13A.15’ in clause 4.13A.16A.

35.6 Insert the following new clause 4.13A.16B:

4.13A.16B. AEMO may not draw down more DSP Reserve Capacity Security than the amount determined under clause 4.13A.2(b) for the relevant Capacity Year. For the avoidance of doubt, for a Demand Side Programme that was allocated Capacity Credits under clause 2.29.5AB(a)(i), AEMO may not draw down more than the part of the DSP Reserve Capacity Security apportioned to that DSP under clause 4.13A.5B, for the relevant Capacity Year.

36. Section 4.16 amended

36.1 Delete the words ‘Capacity Provider’ and replace them with the word ‘Technology’ in clause 4.16.2(b).

36.2 Delete the words ‘Capacity Provider’ and replace them with the word ‘Technology’ in clause 4.16.2A(b).

36.3 In clause 4.16.3, insert a full stop after the clause number so it reads ‘4.16.3.’.

36.4 Delete the words ‘Capacity Provider’ and replace them with the word ‘Technology’ in clause 4.16.9(b).

36.5 Delete the words ‘The Coordinator of Energy must determine the Benchmark Capacity Providers’ and replace them with ‘The Coordinator must determine the Benchmark Technologies’ in clause 4.16.11.

36.6 Delete the words ‘Capacity Providers’ and replace them with the word ‘Technologies’ in clause 4.16.11(c).

36.7 Delete clause 4.16.12 and replace it with the following:

4.16.12. When determining the Benchmark Technologies under clause 4.16.11, the Coordinator must determine:

- (a) the appropriate reference technology to be used for each Benchmark Technology;
- (b) the technical parameters to be used for each Benchmark Technology, including size and capabilities;
- (c) the uncongested network location to be used for each Benchmark Technology, or if there is no uncongested network location, a network location with relatively low congestion; and
- (d) whether the relevant Benchmark Reserve Capacity Price is to be assessed on the basis of:
 - i. the gross capital cost of the relevant Benchmark Technology; or
 - ii. the capital cost of the relevant Benchmark Technology less any expected contribution to capital costs from participation in the Real-Time Market.

36.8 Delete the words 'Capacity Providers' and replace them with the word 'Technologies' in clause 4.16.12A.

37. Section 4.20 amended

37.1 Insert the words 'subject to clause 1.63.10(e)(ix),' before the words 'if the Reserve Capacity Cycle' in clause 4.20.5A(b)(iiiA).

37.2 Insert the words 'subject to clause 1.63.10(e)(ix),' before the words 'each Fixed Daily Flexible Reserve Capacity Price' in clause 4.20.5A(b)(v).

37.3 Delete clause 4.20.16B.

38. Section 4.25 amended

38.1 Insert the words ', from a Trading Day that is no earlier than the Trading Day commencing on the day that is two days after the day AEMO informed the Market Participant of its decision under clause 4.25.4C(b)' after the words 'to which the application relates' in clause 4.25.4C(c).

38.2 Delete the word 'it' after the words 'schedule fuel that' in clause 4.25.9(b).

39. Section 4.29 amended

39.1 In clause 4.29.1(b)(ii), insert a full stop after the clause number so it reads 'ii.'.

40. Section 7.4 amended

40.1 Delete clause 7.4.52 and replace it with the following

7.4.52. Where AEMO determines, based on the information available to it at the relevant time, that the capability of a Registered Facility to Inject, Withdraw or provide an Essential System Service differs from the quantities and technical parameters specified in the most recently submitted Real-Time Market Submission for the Registered Facility for the relevant Dispatch Interval, AEMO may adjust the following inputs to reflect the information available to it at that time, for use in the Dispatch Algorithm:

- (a) Enablement Minimum;
- (b) Enablement Maximum;
- (c) Low Breakpoint;
- (d) High Breakpoint;
- (e) Maximum Upwards Ramp Rate; and
- (f) Maximum Downwards Ramp Rate.

41. Section 7.13 amended

41.1 Delete the word 'and' in clause 7.13.1EA(c)(i).

42. Section 8.2 amended

42.1 Delete the words 'clause 8.3' and replace them with the words 'section 8.3' in clause 8.2.1(a).

42.2 Delete the words 'clause 8.4' and replace them with the words 'section 8.4' in clause 8.2.1(b).

43. Section 8.3 amended

43.1 Delete clause 8.3.1(bA) and replace it with the following:

- (bA) for each meter, record whether the Measurement Point is associated with a Contestable Customer or Non-Contestable Customer;

43.2 Delete the words 'Meter Data Agent' and replace them with the words 'Metering Data Agent' in clause 8.3.5.

44. Section 8.4 amended

44.1 Delete the words 'clause 8.6' and replace them with the words 'section 8.6' in clause 8.4.2.

45. Section 8.6 amended

45.1 Delete the words 'interval meter' and replace them with the words 'Interval Meter' in clause 8.6.1(c).

46. Section 9.1 amended

- 46.1 Delete the words 'clause 9.15' and replace them with the words 'section 9.15' in clause 9.1.3(f).
- 46.2 Delete the words 'clause 9.15' and replace them with the words 'section 9.15' in clause 9.1.4.
- 47. Section 9.2 amended**
- 47.1 Delete the words 'Financial Penalties' and replace them with the words 'Civil Penalty Amounts' in clause 9.2.1(b).
- 48. Section 9.3 amended**
- 48.1 Delete the words 'Invoice Date' and replace them with the words 'Invoicing Date' in clause 9.3.3(b).
- 49. Section 9.14 amended**
- 49.1 Delete clause 9.14.2(k) and replace it with the following:
- (k) [Blank]
- 50. Section 9.21 amended**
- 50.1 Delete the words 'Financial Penalty' and replace them with the words 'Civil Penalty Amount' in the heading above section 9.21.
- 50.2 Delete the words 'Financial Penalty' and replace them with the words 'Civil Penalty Amount' in the heading of section 9.21.
- 50.3 Delete clause 9.21.1 and replace it with the following:
- 9.21.1. For the purpose of regulation 37(aa) of the ESM Regulations, if a civil penalty is imposed on a Rule Participant for a breach of these ESM Rules, the Civil Penalty Amount received by AEMO must be distributed in accordance with these ESM Rules.
- 50.4 Delete clause 9.21.2 and replace it with the following:
- 9.21.2. If a civil penalty is issued, AEMO must distribute the Civil Penalty Amount as soon as practicable after receiving the Civil Penalty Amount and the instructions provided by the Economic Regulation Authority under clause 2.13.43, and in accordance with those instructions.
- 50.5 Delete clause 9.21.3 and replace it with the following:
- 9.21.3. AEMO must pay interest on any Civil Penalty Amount it holds prior to distribution under clause 9.21.2. Interest accrues daily at the Bank Bill Rate from (and including) the date that AEMO receives the Civil Penalty Amount up to (but excluding) the settlement date for distribution of the Civil Penalty Amount. AEMO must include the interest accrued with each payment made under clause 9.21.2.

50.6 Delete clause 9.21.4.

51. Glossary amended

51.1 Delete the definition of Benchmark Capacity Provider.

51.2 Delete the definition of Benchmark Flexible Capacity Provider.

51.3 Insert the following new definition of Benchmark Flexible Technology:

Benchmark Flexible Technology: In respect of a Reserve Capacity Cycle, a notional new Facility of the Facility Technology Type which is expected to be able to provide Flexible Capacity at the lowest annual capital cost and annual fixed operating and maintenance costs as determined by the Coordinator under clause 4.16.11.

51.4 Delete the definition of Benchmark Peak Capacity Provider.

51.5 Insert the following new definition of Benchmark Peak Technology:

Benchmark Peak Technology: In respect of a Reserve Capacity Cycle, a notional new Facility of the Facility Technology Type which is expected to be able to provide Peak Capacity at the lowest annual capital cost and annual fixed operating and maintenance costs as determined by the Coordinator under clause 4.16.11.

51.6 Insert the following new definition of Benchmark Technology:

Benchmark Technology: In respect of a Reserve Capacity Cycle, the Benchmark Flexible Technology or the Benchmark Peak Technology or both (as the context requires).

51.7 Delete the definition of Civil Penalty Amount and replace it with the following:

Civil Penalty Amount: The amount of a civil penalty imposed or demanded in respect of a breach of a provision of the ESM Rules that has been specified in Schedule 1 of the ESM Regulations as a civil penalty provision.

51.8 Insert the following new definition of Distribution Network:

Distribution Network: A Network that is a distribution system.

51.9 Insert the following new definition of Distribution System Operator:

Distribution System Operator: Has the meaning given in the Electricity Industry Act.

51.10 Delete the definition of Facility Capacity Rebate.

51.11 Delete the definition of Injection and replace it with the following:

Injection: The quantity of power or energy sent into a Network, as measured:

- (a) for a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility with a single Measurement Point, at the Measurement Point;
- (b) for a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility with multiple Measurement Points with the same Electrical Location, at the Electrical Location;
- (c) for a Non-Dispatchable Load, at the Measurement Point; and
- (d) for a Demand Side Programme or Interruptible Load, as the maximum of:
 - i. zero; and
 - ii. the sum of the Injection and Withdrawal quantities of the Associated Loads of the Demand Side Programme,

which is measured in instantaneous MW unless specified as MWh over a time period, and represented as a positive number or zero.

51.12 Insert the following new definition of Inverter Energy System:

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.

51.13 Insert the following new definition of Non-Contestable Customer:

Non-Contestable Customer: Has the meaning given in the Metering Code.

51.14 Delete the definition of Offending Rule Participant.

51.15 Insert the following new definition of Peak Reserve Capacity Obligation Quantity:

Peak Reserve Capacity Obligation Quantity: The specific amount of capacity required to be provided in a Dispatch Interval or Trading Interval as part of a Reserve Capacity Obligation set by AEMO in accordance with clauses 4.12.4 to 4.12.6.

51.16 Insert the following new definition of Standard Small User Facility:

Standard Small User Facility: Has the meaning given in clause 3.25.1.

51.17 Insert the following new definition of Third Party Aggregator:

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.

51.18 Insert the following new definition of Third Party Aggregator Framework:

Third Party Aggregator Framework: The document published by Synergy under clause 2.34C.1, as amended under clause 2.34C.2.

51.19 Insert the following new definition of Third Party Aggregator Model Contract:

Third Party Aggregator Model Contract: The document published by Synergy under clause 2.34C.8, as amended under clause 2.34C.9.

51.20 Delete the word ‘defined’ before the word ‘Measurement Point,’ in clause (a) of the definition of Withdrawal.

51.21 Delete clause (e) in the definition of Withdrawal and replace it with the following:

- (e) for a Demand Side Programme or Interruptible Load, as the minimum of:
 - i. zero; and
 - ii. the sum of the Injection and Withdrawal quantities of the Associated Loads of the Demand Side Programme,

52. Appendix 1 amended

52.1 Delete the word ‘and’ after the word ‘operational;’ in clause (f)(v) of Appendix 1.

52.2 Delete the full stop at the end of clause (f)(vi) of Appendix 1 and replace it with ‘; and’.

52.3 Insert the following new clause (f)(vii) of Appendix 1:

- vii. the Transmission Node Identifier.

53. Appendix 3 amended

53.1 In Appendix 3’s list of terms and definitions, amend the definition of “Indicative NAQ Facility” by deleting the words ‘Step 13(c)(ii)’ and replacing them with the words ‘Step 10(c)(ii) of Part A or Part B as applicable’.

Schedule 1A

1. Section 2.34A amended

- 1.1 Delete the words 'precision of 0.1 Hz' and replace them with the words 'minimum precision of 0.1 Hz/s' in clause 2.34A.12I(b).
- 1.2 Delete the word 'Hz' and replace it with the word 'Hz/s' in clause 2.34A.12I(c).

2. Appendix 13 amended

- 2.1 Delete the words '0.25 Hz over any 500 millisecond period' and replace them with the words '0.75 Hz per second (measured over any 500 millisecond period)' in the row for the Condition 'Rate of Change of Frequency Safe Limit' of Table 1 of Appendix 13.
- 2.2 Delete the words '0.25 Hz over any 500 millisecond period (reasonable endeavours)' and replace them with the words '0.75 Hz per second (measured over any 500 millisecond period) (reasonable endeavours)' in the row for the Condition 'Rate of Change of Frequency Safe Limit' of Table 2 of Appendix 13.

Schedule 2

1. Section 4.11 amended

1.1 Delete clause 4.11.2B and replace it with the following:

4.11.2B. AEMO must document in a WEM Procedure the assumptions and process for the Relevant Level Method, including how it determines:

- (a) the DER adjusted demand profile under step B.2.2 of Appendix 9;
- (b) the reference demand profile under step B.2.5 of Appendix 9;
- (c) non-candidate availability scenarios under step B.3.4 of Appendix 9; and
- (d) any other aspect of the Relevant Level Method AEMO considers appropriate.

2. Appendix 9 amended

2.1 Delete the words 'RLM Reference Period' and replace them with the words 'ELCC Reference Period' in step B.3.5 of Appendix 9.

2.2 Delete the words 'RLM Reference Period' and replace them with the words 'ELCC Reference Period' in step B.9.1(d) of Appendix 9.

2.3 Insert the words 'from the previous Reserve Capacity Cycle' after the words 'Committed Candidate' in clause B.9.1(e) of Appendix 9.

2.4 Delete the words 'step B.1.4' and replace them with the words 'step B.1.4(a)' in clause B.9.1(e)(i) of Appendix 9.

2.5 Delete clause B.9.1(e)(ii) of Appendix 9 and replace it with the following:

- ii. an estimate of the Facility Average Performance Level, determined in accordance with step B.4 and:
 - 1. using as input:
 - i. Historical Output values as determined under step B.1.4(a), where available; or
 - ii. estimates in the expert report provided for the Candidate under clause 4.10.3 in the previous Reserve Capacity Cycle; and
 - 2. excluding any of the Trading Intervals identified under step B.4.1 in the ELCC Reference Period for which there is no data available under step B.9.1(e)(ii)(1) for a Candidate and adjusting the IntervalCount under step B.4.3 accordingly.

Schedule 2A

1. Section 3.11A amended

- 1.1 Delete clause 3.11A.2(a) and replace it with the following:

(a) the forecasted or actual amount of Energy Uplift Payments due to binding Network Constraints has reached a level which may not be consistent with the State Electricity Objective;

2. Section 3.11B amended

- 2.1 Insert the following new clause 3.11B.7(iB):

(iB) if the NCESS involves a Non-Contestable Customer;

- 2.2 Insert the following new clause 3.11B.8A:

3.11B.8A. Synergy is the only Market Participant or service provider that may make an NCESS Submission that involves a Non-Contestable Customer.

- 2.3 Delete the word 'and' at the end of clause 3.11B.10(a).

- 2.4 Insert the following new clause 3.11B.10(aA):

(aA) exclude NCESS Submissions from applicants other than Synergy that propose to involve a Non-Contestable Customer;
and

3. Section 4.24 amended

- 3.1 Insert the following new clause 4.24.7(bB):

(bB) whether the Eligible Service involves a Non-Contestable Customer;

- 3.2 Insert the following new clause 4.24.8(bA):

(bA) AEMO must only accept an offer for the provision of an Eligible Service involving a Non-Contestable Customer if the provider is Synergy;

Schedule 3

1. Section 2.29 amended

- 1.1 Delete clause 2.29.5AG and replace it with the following:

2.29.5AG.A Market Participant responsible for a Demand Side Programme may nominate either the Adjusted Baseline Method or Unadjusted Baseline Method for the determination of the Relevant Demand of the Demand Side Programme.

- 1.2 Delete clause 2.29.5AH and replace it with the following:

2.29.5AH.AEMO must:

- (a) use the Unadjusted Baseline Method if a Market Participant has not nominated a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 2.29.5AG; or
- (b) subject to clause 2.29.5AI, if a Market Participant nominates a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 2.29.5AG:
 - i. effect the nomination from the later of:
 - 1. the Trading Day specified by the Market Participant in the nomination; or
 - 2. the start of the second Trading Day following the date of receipt of the nomination; and
 - ii. within one Business Day of receipt of the nomination, inform the Market Participant about the date the nomination will be effective.

- 1.3 Delete the words 'once during a Capacity Year' after the word 'AEMO' in clause 2.29.5AI.

- 1.4 Delete the words 'for that' after the words 'Demand Side Programme' and replace them with the words 'twice for each' in clause 2.29.5AI.

- 1.5 Delete clause 2.29.5AJ and replace it with the following:

2.29.5AJ. [Blank]

2. Section 4.13A amended

- 2.1 Delete the clause 4.13A.5A which begins with 'If a Market Participant has a single certified Demand Side Programme that is subject to clause 4.10.1B:'.

- 2.2 Delete the following clause 4.13A.5B:

4.13A.5B. If AEMO:

- (a) holds a single DSP Reserve Capacity Security for multiple registered Demand Side Programmes under clause 4.13.5A; and
- (b) intends to draw down on DSP Reserve Capacity Security in respect of one of the registered Demand Side Programmes,

then AEMO must apportion the single DSP Reserve Capacity Security across the multiple registered Demand Side Programmes it relates to as follows:

$$DSPRCS(f) = DSPRCS(CF) \times \frac{CC(f)}{\sum_{i \in CF} CC(i)}$$

where:

- (a) DSPRCS(f) denotes the DSP Reserve Capacity Security AEMO apportions to registered Demand Side Programme f under this clause;
- (b) DSPRCS(CF) denotes the single DSP Reserve Capacity Security AEMO holds in respect of certified Demand Side Programme CF under clause 4.13A.5A;
- (c) CC(f) denotes the number of Capacity Credits held by registered Demand Side Programme f;
- (d) CC(i) denotes the number of Capacity Credits held by registered Demand Side Programme i; and
- (e) i ∈ CF denotes the set of registered Demand Side Programmes (i) comprising the certified Demand Side Programme (CF).

2.3 Delete clause 4.13A.15 and replace it with the following:

4.13A.15. If a Market Participant that provides DSP Reserve Capacity Security in respect of a Demand Side Programme fails to reduce Withdrawal or increase Injection of the Associated Loads for that Demand Side Programme to a level which is at least equivalent to its Required Level, adjusted to 90 percent of the level of Peak Capacity Credits specified in clause 4.20.5A or allocated under clause 2.29.5AB and reduced by any reductions of Capacity Credits under clause 4.25.4C, in at least two Trading Intervals before the end of the relevant Capacity Year, then the Market Participant must pay to AEMO, as compensation to the market, an amount equal to the DSP Reserve Capacity Security amount for that Demand Side Programme for that Capacity Year as soon as practicable after the end of the relevant Capacity Year and in any event by 31 December of Year 4 of the relevant Reserve Capacity Cycle.

2.4 Delete the following clause 4.13A.15A:

4.13A.15A.If a Demand Side Programme that was subject to clause 4.10.1B in Year 1 of the relevant Reserve Capacity Cycle has its Capacity Credits reduced by AEMO under clause 2.29.5AE or clause 2.29.5AF, then the Market Participant that provides the DSP Reserve Capacity Security for the Demand Side Programme must pay to AEMO, as compensation to the market, either:

- (a) if AEMO has reduced the level of Peak Capacity Credits under clause 2.29.5AE, an amount equal to the product of:
 - i. the shortfall in Peak Capacity Credits calculated by AEMO under clause 2.29.5AE; and
 - ii. the Floating Daily Peak Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year; or
- (b) if AEMO has reduced the level of Flexible Capacity Credits under clause 2.29.5AF, an amount equal to the product of:
 - i. the shortfall in Flexible Capacity Credits calculated by AEMO under clause 2.29.5AF; and
 - ii. the Floating Daily Flexible Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year.

2.5 Delete clause 4.13A.16 and replace it with the following:

4.13A.16. The payment obligation under clauses 4.13A.15, 4.13A.15A or 4.25.4CD may be satisfied by AEMO drawing upon the DSP Reserve Capacity Security for the relevant registered Demand Side Programme, or the single DSP Reserve Capacity Security that AEMO holds under clause 4.13A.5A in accordance with clause 4.13A.5B.

2.6 Delete the words '4.13A.15A or 4.13A.16' and replace them with the words '4.13A.16 or 4.25.4CD' in clause 4.13A.16A.

3. Section 4.25 amended

3.1 Delete the word 'consumption' and replace it with the words 'DSP Energy Level' in clause 4.25.1(c).

3.2 Delete the word 'consumption' and replace it with the words 'DSP Energy Level' in clause 4.25.2(b)(i).

3.3 Insert the words ', 4.25.2(b)(ii)' after the words 'under clauses 4.25.2(a)(ii)' in clause 4.25.2B.

3.4 Delete clause 4.25.2B(d) and replace it with the following:

- (d) AEMO has not issued the Demand Side Programme with a non-zero Dispatch Instruction by:

- i. 31 January, in respect of the immediately preceding period 1 October to 31 January; and
- ii. 31 July, in respect of the immediately preceding period 1 April to 31 July.

3.5 Insert the following new clause 4.25.2BB:

4.25.2BB. Subject to clause 4.25.2BC, in each period outlined in clauses 4.25.1(c)(i) and 4.25.1(c)(ii), at any time after a DSP Dispatch Event for a Demand Side Programme in that period, the relevant Market Participant may request that AEMO conduct a Reserve Capacity Test of that Demand Side Programme.

3.6 Insert the following new clause 4.25.2BC:

4.25.2BC. A Market Participant must not request more than three Reserve Capacity Tests for the same Demand Side Programme under clause 4.25.2BB in each period outlined in clauses 4.25.1(c)(i) and 4.25.1(c)(ii).

3.7 Delete clause 4.25.3D and replace it with the following:

4.25.3D. [Blank]

3.8 Delete clause 4.25.4 and replace it with the following:

4.25.4. If a Separately Certified Component of a Facility fails a Reserve Capacity Test requested by AEMO under clause 4.25.2, AEMO must re-test the Separately Certified Component in accordance with clause 4.25.2, not earlier than 14 days and not later than 28 days after the first Reserve Capacity Test. If the Separately Certified Component fails this second Reserve Capacity Test, then AEMO must, from the second Trading Day following the Scheduling Day on which AEMO determines that the second Reserve Capacity Test was failed:

- (a) if the Reserve Capacity Test related to a Non-Intermittent Generating System, reduce the number of Peak Capacity Credits held by the relevant Market Participant for the Separately Certified Component to the greatest of the values obtained in the failed Trading Intervals in either Reserve Capacity Test performed (after adjusting these results to the equivalent values at a temperature of 41 degrees Celsius and allowing for the capability provided by operation on different types of fuels); or
- (b) [Blank]
- (c) if the Reserve Capacity Test related to an Electric Storage Resource, reduce the number of Peak Capacity Credits held by the relevant Market Participant for the Separately Certified Component to reflect the higher average performance achieved over the Peak

Electric Storage Resource Obligation Duration for the Electric Storage Resource in either Reserve Capacity Test, in accordance with 4.25.2E(a) (after adjusting these results to performance at a temperature of 41 degrees Celsius).

3.9 Insert the word 'and' and the end of clause 4.25.4B(cA)(i).

3.10 Delete clause 4.25.4CC and replace it with the following:

4.25.4CC.If AEMO reduces Peak Capacity Credits for Demand Side Programme f with effect from Trading Day d under clause 4.25.4C(c), AEMO must calculate a Peak Capacity Payment Reduction Ratio as:

$$PeakCapacityPaymentReductionRatio(f, d) = \left(1 - \frac{DaysComplete(d)}{TDCY(d)} \right) \times \frac{ReductionQuantity(f, d)}{InitialQuantity(f, d)}$$

where:

- (a) DaysComplete(d) is the number of Trading Days up to, but excluding, Trading Day d since 1 October of the Capacity Year in which Trading Day d falls;
- (b) TDCY(d) is the number of Trading Days in the Capacity Year in which Trading Day d falls;
- (c) ReductionQuantity(f,d) is the quantity of Peak Capacity Credits that AEMO reduced Demand Side Programme f by under clause 4.25.4C(c) in Trading Day d which, for the avoidance of doubt, excludes any previous reductions in relation to the same Capacity Year under clause 4.25.4C(c); and
- (d) InitialQuantity(f,d) is the quantity of Peak Capacity Credits assigned to Demand Side Programme f in accordance with clauses 2.29.5AB(a)(i) or 4.20.5A in relation to the Capacity Year in which Trading Day d falls.

3.11 Delete the words 'which, for the avoidance of doubt, excludes any previous reductions in relation to the same Capacity Year resulting from previous payments made under clause 4.25.4CD' and replace them with the words 'or apportioned by AEMO to the Demand Side Programme under clause 4.13A.5B' in clause 4.25.4CD(b).

3.12 Delete clause 4.25.4CE.

3.13 Insert the words 'any Non-Dispatchable Load that was associated with' after the words 'A Market Participant may not offer' in clause 4.25.4F.

3.14 Delete clause 4.25.4G.

3.15 Delete clause 4.25.4H.

3.16 Delete clause 4.25.4I.

3.17 Delete clause 4.25.6(b) and replace it with the following:

(b) [Blank]

4. Section 4.26 amended

4.1 Delete clause 4.26.1(b)(v) and replace it with the following:

v. where Facility f is a Demand Side Programme, Y(f,t) is:

$$\frac{PRCP}{DSP_MIN_AV_TI \times QTY_BD_CY}$$

where:

1. PRCP is the Peak Reserve Capacity Price for Facility f for the Capacity Year;
2. DSP_Min_AV_TI is the minimum number of Trading Intervals per Trading Day that a Demand Side Programme must nominate to be available to provide Peak Capacity if issued a Dispatch Instruction in accordance with clause 4.10.1(f)(iii); and
3. QTY_BD_CY is the number of Business Days in the relevant Capacity Year.

4.2 Delete clause 4.26.1A(a)(ii)(5) and replace it with the following:

5. if Facility f is a Demand Side Programme, the Peak DSP Association Shortfall calculated by AEMO under clause 4.26.1AB, or zero if AEMO has not determined a Peak DSP Association Shortfall for the Trading Interval; and

4.3 Delete clause 4.26.1AA and replace it with the following:

4.26.1AA. AEMO must determine the Peak DSP Delivery Shortfall for a Demand Side Programme for all Trading Intervals t from the first Trading Interval of DSP Dispatch Event e for the Demand Side Programme up to but excluding the first Trading Interval of the next DSP Dispatch Event e+1 for the Demand Side Programme as the minimum of:

- (a) the number of Peak Capacity Credits held by the Market Participant for the Demand Side Programme for Trading Interval t; and
- (b) the Peak DSP Event Shortfall determined under clause 4.26.1AD for the Demand Side Programme for DSP Dispatch Event e.

4.4 Insert the following new clause 4.26.1AB:

4.26.1AB. AEMO must calculate the Peak DSP Association Shortfall for each Demand Side Programme for each Trading Interval t from the start of the

Capacity Year until the Trading Interval t-1 before the first Trading Interval t, in which one of the following applies:

- (a) the Demand Side Programme is subject to a Dispatch Instruction issued under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5; or
- (b) the Demand Side Programme is undergoing a Reserve Capacity Test under section 4.25.

4.5 Insert the following new clause 4.26.1AC:

4.26.1AC. For the purpose of clause 4.26.1AB, AEMO must calculate the Peak DSP Association Shortfall for Demand Side Programme f in Trading Interval t as:

$$PDSPAS(f, t) = \max(0, RCOQ(f, t) - AssocLoadCapacity(f, t))$$

where:

- (a) RCOQ(f,t) is the Reserve Capacity Obligation Quantity determined for Facility f in Trading Interval t; and
- (b) AssocLoadCapacity(f,t) is the sum of the MW quantities by which each Associated Load in Facility f is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads for Trading Interval t.

4.6 Insert the following new clause 4.26.1AD:

4.26.1AD. AEMO must calculate the Peak DSP Event Shortfall for each DSP Dispatch Event e as follows:

- (a) if the Capacity Shortfall determined under clause 4.26.2D for each Trading Interval in e is zero, the DSP Event Shortfall for e is zero; and
- (b) otherwise, the DSP Event Shortfall equals the lowest, non-zero, Capacity Shortfall of all Trading Intervals in e.

4.7 Delete the words 'clause 2.29.5AG, clause 2.29.5AH, clause 2.29.5AI or clause 2.29.5AJ' and replace them with the words 'clauses 2.29.5AG, 2.29.5AH or 2.29.5AI' in clause 4.26.2CA.

4.8 Insert the following new clause 4.26.2CB:

4.26.2CB. A Market Participant may request that AEMO disregards a day for the purpose of determining the Selected Days in accordance with Section 1 of Appendix 10 because the level of Withdrawal or Injection of the Demand Side Programme on that day:

- (a) will not be representative of the usual operation of the Demand Side Programme due to any planned or foreseen event; or

- (b) was not representative of the usual operation of the Demand Side Programme due to any unforeseen event.

4.9 Insert the following new clause 4.26.2CC:

4.26.2CC.AEMO must:

- (a) reject a request made under clause 4.26.2CB if:
 - i. the request was made more than 1 day after the day that is requested to be excluded;
 - ii. by accepting the request, the total number of days accepted under this clause 4.26.2CC for this Demand Side Programme in the Capacity Year the day ends in would exceed 20 days; or
 - iii. the day requested to be disregarded would fall into the Baseline Window for a Trading Interval for which AEMO has:
 - 1. issued a Dispatch Instruction for the relevant Demand Side Programme before the request under clause 4.26.2CC was received by AEMO; or
 - 2. requested a Reserve Capacity Test under clause 4.25.2(b) for the relevant Demand Side Programme; and
- (b) otherwise accept the request.

4.10 Insert the following new clause 4.26.2CD:

4.26.2CD.AEMO must, when determining the Relevant Demand of a Demand Side Programme under Appendix 10, exclude any days for which a request was accepted under clause 4.26.2CC(b).

4.11 Insert the following new clause 4.26.2CE:

4.26.2CE.AEMO may specify in a WEM Procedure how and in what format a Market Participant must make a request under clause 4.26.2CB.

4.12 Delete the words 'if AEMO has issued a Dispatch Instruction with a non-zero MW quantity under section 7.6 to the Demand Side Programme f for the Trading Interval t' and replace them with the words 'if Trading Interval t falls within a DSP Dispatch Event for Demand Side Programme f' in clause 4.26.2D(a).

4.13 Delete the word 'restrict' and replace it with the word 'amend' in clause 4.26.2D(a)(ii).

4.14 Delete clause 4.26.2D(b) and replace it with the following:

- (b) zero, otherwise.

4.15 Delete clause 4.26.3A(b)(i)(1) and replace it with the following:

1. if Facility f is a Registered Facility:

$$TIRR(f, t) \times \min(PDSPDS(f, t), RCOQ(f, t))$$

where:

- i. $TIRR(f, t)$ is the Trading Interval Refund Rate for Facility f in Trading Interval t ;
- ii. $PDSPDS(f, t)$ is the Peak DSP Delivery Shortfall in MW determined in accordance with clause 4.26.1AA in Trading Interval t , and
- iii. $RCOQ(f, t)$ is the Reserve Capacity Obligation Quantity of the Demand Side Programme f for Trading Interval t (in MW); or

5. Section 7.13 amended

- 5.1 Delete clause 7.13.1G(a)(iii) and replace it with the following:
(iii) [Blank]
- 5.2 Delete the words 'clauses 4.25.2B(d), 4.25.2BA(d), 4.26.1AA(b), 4.26.2CA(a), 4.26.2D, 4.26.14 and 7.13.1E(d)' and replace them with the words 'clauses 4.25.2(b), 4.26.2D and 7.13.1E(d)' in clause 7.13.5.
- 5.3 Insert the words 'or Reserve Capacity Test' after the words 'applicable Dispatch Instruction' in clause 7.13.5.
- 5.4 Insert the word 'Capacity' after the word 'Reserve' in each of the two instances it appears in clause 7.13.5(a).
- 5.5 Insert the words 'or Reserve Capacity Test' after the words 'Dispatch Instruction' in clause 7.13.5(b).

6. Glossary amended

- 6.1 Insert the following new definition of DSP Dispatch Event:

DSP Dispatch Event: For a Demand Side Programme, the set of contiguous Trading Intervals during which the Demand Side Programme was subject to a Reserve Capacity Test or a Dispatch Instruction with a non-zero MW quantity.

- 6.2 Delete the definition of Financial Penalty.
- 6.3 Insert the following new definition of Peak DSP Association Shortfall:

Peak DSP Association Shortfall: The quantity, in MW, determined under clauses 4.26.1AB and 4.26.1AC.

- 6.4 Insert the following new definition of Peak DSP Event Shortfall:

Peak DSP Event Shortfall: The quantity, in MW, determined under clause 4.26.1AD.

6.5 Delete the definition of Peak DSP Test Shortfall.

7. Appendix 10 amended

7.1 Delete following words in Appendix 10:

A “**DSP Dispatch Event**” for a Demand Side Programme is a set of contiguous Trading Intervals in which either:

- The Demand Side Programme is subject to a Dispatch Instruction under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5; or
- AEMO has subjected the Demand Side Programme to a Reserve Capacity Test in accordance with clause 4.25.2B and/or clause 4.25.2BA.

7.2 Delete the word ‘Select the ten’ and replace it with the words ‘Subject to clause 4.26.2CC(b), select the ten’ in step 1.1 of Appendix 10.

7.3 Insert the words ‘subject to clause 4.26.2CC(b),’ after the words ‘step 1.1, then’ in step 1.3 of Appendix 10.

7.4 Delete the words ‘days selected’ and replace them with the words ‘Days selected’ in step 1.4 of Appendix 10.

7.5 Delete the words ‘days selected’ and replace them with the words ‘Days selected’ in step 1.8 of Appendix 10.

Schedule 4

1. Section 1.63 amended

1.1 Delete clause 1.63.10(e)(ix) and replace it with the following:

- ix. the values described in clauses 4.20.5A(b)(iiiA) and 4.20.5A(b)(v);

1.2 Insert the following new clause 1.63.10(e)(ixA):

- ixA. the Flexible Facility Reserve Capacity Deficit Refund under clause 4.26.4;

2. Section 3.16 amended

2.1 In clause 3.16.7A, insert a full stop after the clause number so it reads '3.16.7A.'

3. Section 4.13A amended

3.1 Delete clause 4.13A.15A and replace it with the following:

4.13A.15A.If a Demand Side Programme has its Capacity Credits reduced by AEMO under clauses 2.29.5AE, 2.29.5AF, 2.29.5AM or 2.29.5AN then, subject to clause 4.13A.16B, the Market Participant that provides the DSP Reserve Capacity Security for the Demand Side Programme must pay to AEMO, as compensation to the market, the greater of:

- (a) if AEMO has reduced the level of Peak Capacity Credits under clauses 2.29.5AE or 2.29.5AM, an amount equal to the product of:
 - i. the shortfall in Peak Capacity Credits calculated by AEMO under clauses 2.29.5AE or 2.29.5AM; and
 - ii. 25 percent of the Peak Benchmark Reserve Capacity Price included in the Request for Expressions of Interest issued for the relevant Reserve Capacity Cycle, expressed in \$/MW per year; and
- (b) if AEMO has reduced the level of Flexible Capacity Credits under clauses 2.29.5AF or 2.29.5AN, an amount equal to the product of:
 - i. the shortfall in Flexible Capacity Credits calculated by AEMO under clauses 2.29.5AF or 2.29.5AN; and
 - ii. 25 percent of the Flexible Benchmark Reserve Capacity Price included in the Request for Expressions of Interest issued for the relevant Reserve Capacity Cycle, expressed in \$/MW per year.

4. Section 4.25 amended

4.1 Delete clause 4.25.4CF.

4.2 Delete the words 'clauses 4.25.4I or' and replace them with the word 'clause' in clause 4.25.6.

4.3 Insert the word 'and' after the semi-colon in clause 4.25.6(a)(ii).

4.4 Delete clause 4.25.6(b) and replace it with the following:

(b) [Blank]

5. Section 4.26 amended

5.1 Delete the word 'Peak' in clause 4.26.1(e)(i)(3).

5.2 Delete the word 'Peak' in clause 4.26.1(e)(iA)(3).

5.3 Delete the word 'CCIG(f,t)' and replace it with the word 'PCCIG(f,t)' in clause 4.26.1A(a)(ii)(3)(i).

6. Section 4.28 amended

6.1 Delete the word 'and' at the end of clause 4.28.4D(a).

6.2 Delete the words 'clauses 4.25.4CD or 4.25.4CE' and replace them with the words 'clause 4.25.4CD' in clause 4.28.4D(c).

6.3 Delete clause 4.28.13 and replace it with the following:

4.28.13. AEMO must publish on the WEM Website the Total_Ratio values calculated by it in accordance with Step 3 of Appendix 5 when it:

(a) determines the Indicative Peak Individual Reserve Capacity Requirements or the Peak Individual Reserve Capacity Requirements for a Trading Month; or

(b) recalculates the Peak Individual Reserve Capacity Requirements for a Trading Month as required by clause 4.28.11A.

7. Section 4.29 amended

7.1 Insert the following new clause 4.29.3(d)(vii):

vii. the total Flexible Capacity Cost Refund to be paid by Market Participant p to AEMO for all Trading Intervals in Trading Day d;

8. Glossary amended

8.1 Insert the following definition of Peak Facility Reserve Capacity Deficit Refund:

Peak Facility Reserve Capacity Deficit Refund: Has the meaning given in clause 4.26.1A.

8.2 In the definition of Peak Individual Reserve Capacity Requirement Contribution, delete the words 'step 11' and replace them with the words 'step 1'.

- 8.3 Delete the definition of Peak Reserve Capacity Deficit Refund.
- 8.4 Delete one of the duplicate definitions of Peak Reserve Capacity Obligation Quantity.
- 8.5 Delete the definition of Post Hot Season New Notional Wholesale Meter.
- 8.6 Delete the definition of Real-Time Market Offer Shortfall.
- 8.7 Delete the definition of Real-Time Market Reserve Capacity Deficit.
- 9. Appendix 1 amended**
- 9.1 Delete the words 'expressed in MW,' before the words 'expressed in MW' in clause (c)(xiiA) of Appendix 1.
- 10. Appendix 5 amended**
- 10.1 Delete Appendix 5 and replace it with the following:

Appendix 5: Peak Individual Reserve Capacity Requirements

This Appendix presents the method that must be used by AEMO to determine, for a Trading Month n:

- Peak Individual Reserve Capacity Requirement Contributions as required for assigning Certified Reserve Capacity and Flexible Certified Reserve Capacity to Demand Side Programmes for a Reserve Capacity Cycle under clauses 4.11.1(j) and 4.11.1(jA);
- Indicative Peak Individual Reserve Capacity Requirements as required under clause 4.28.6;
- Peak Individual Reserve Capacity Requirements as required under clause 4.28.7; and
- revised Peak Individual Reserve Capacity Requirements as required under clause 4.28.11A.

AEMO must perform steps 1 to 4 to determine the Indicative Peak Individual Reserve Capacity Requirements, Peak Individual Reserve Capacity Requirements or revised Peak Individual Reserve Capacity Requirements for Trading Month n.

AEMO must perform step 1 as required to determine the Peak Individual Reserve Capacity Requirement Contribution of an individual metered Associated Load for Trading Month n, using as input the relevant values calculated by AEMO in its most recent determination of the Peak Individual Reserve Capacity Requirements for Trading Month n.

For the purpose of this Appendix:

1. All references, apart from those in step 1(c), to meters are to Interval Meters.
2. The Notional Wholesale Meter is to be treated as an Interval Meter registered to Synergy during Trading Month n. This meter is denoted by meter $m=m^*$.
3. The “**Post Hot Season New Notional Wholesale Meter**”, determined in accordance with step 1(c), is to be treated as an Interval Meter registered to Synergy during Trading Month n. This meter is denoted by $m=m^+$.
- 3A. The “**Ex-NWM New Interval Meter**”, determined in accordance with step 1(cA), is to be treated as an Interval Meter registered to Synergy during Trading Month n. This meter is denoted by $m=m^\#$.
4. A meter measuring a Facility containing an Intermittent Load, that is and continues to be deemed to be an Intermittent Load under clause 1.48.2, is to be included in these calculations as if it were two meters, one representing the Intermittent Load and processed in step 1(d) and one representing other load at the Facility and processed in step 1(a), with metered energy calculated according to clause 2.30B.10 and clause 10 of this Appendix 5.
5. A meter measuring a Facility containing an Intermittent Load, for which an application was accepted under clause 2.30B.6 on or after New WEM Commencement Day, is to be included in these calculations as a single meter representing a Non-Dispatchable Load, with metered energy calculated according to clause 2.30B.11 and clause 10 of this Appendix 5.
6. The meter registration data to be used in the calculations is to be the most current complete set of meter registration data as at the time of commencing the calculations.
7. When calculating the Indicative Peak Individual Reserve Capacity Requirements AEMO must assume all meters registered to a Market Participant on the day of calculation will remain registered to that Market Participant for all future Trading Intervals.
8. A meter measuring a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility not containing an Intermittent Load is to be included in these calculations with metered energy calculated in accordance with clause 10 of this Appendix 5.
9. Each meter measuring an Aggregated Facility is to be included as a separate meter with metered energy calculated in accordance with clause 10 of this Appendix 5.
10. Metered energy for meter m, in Trading Interval t is:
 - (a) zero, if AEMO has issued a direction under clause 7.7.5 in respect of an Electric Storage Resource associated with m for a Dispatch Interval within Trading Interval t;
 - (b) if meter m measures an Associated Load of a Demand Side Programme which was issued a Dispatch Instruction under clause 7.6.5A for a non-zero MW quantity in Trading Interval t:

$$-1 \times UBE$$

where UBE is the Unadjusted Baseline Energy for the Associated Load in Trading Interval t as calculated in step 2.2 of Appendix 10;

- (c) if meter m is associated with a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility:

$$-1 \times \min(0, SOMS(m, t))$$

where $SOMS(m, t)$ is the Sent Out Metered Schedule of meter m in Trading Interval t ; and

- (d) otherwise:

$$-1 \times SOMS(m, t)$$

where $SOMS(m, t)$ is the Sent Out Metered Schedule of meter m in Trading Interval t .

Step 1: Determine the contribution of each meter m to the Peak Reserve Capacity Requirement as:

- (a) for a meter, including the Notional Wholesale Meter, that is not an Intermittent Load meter and for which Sent Out Metered Schedules exist for all Peak IRCR Intervals for the relevant Capacity Year:

$$PRCRC(m) = 2 \times MedianIRCRIntervals(m)$$

where $MedianIRCRIntervals(m)$ is the median metered energy of meter m in the Peak IRCR Intervals for the relevant Capacity Year;

- (b) for a meter, excluding the Post Hot Season New Notional Wholesale Meter and the Ex-NWM New Interval Meter, that is not an Intermittent Load meter and for which Sent Out Metered Schedules do not exist for all of the Peak IRCR Intervals, but for which Sent Out Metered Schedules do exist for all Trading Intervals in Trading Month $n-3$:

$$PRCRC(m) = 2 \times \max_{M \in PTM}(Median4Peaks(m, M))$$

where:

- i. $M \in PTM$ refers to all Trading Months from the first month after the end of the previous Hot Season to Trading Month $n-3$ inclusive; and
 - ii. $Median4Peaks(m, M)$ is the median metered energy of meter m in the 4 Peak SWIS Trading Intervals of Trading Month M ;
- (c) for the Post Hot Season New Notional Wholesale Meter:

$$PRCRC(m^+) = \frac{PRCRC(m^*)}{NIMCount(FMPHS)} \times (NIMCount(n-3) - NIMCount(FMPHS))$$

where:

- i. $PRCRC(m^*)$ is the contribution to the Peak Reserve Capacity Requirement by the Notional Wholesale Meter calculated under step 1(a);
- ii. $NIMCount(n-3)$ is the number of non-interval or accumulation meters that existed at the end of Trading Month $n-3$; and
- iii. $NIMCount(FMPHS)$ is the number of non-interval or accumulation meters that existed at the end of the final Trading Month of the previous Hot Season;

(cA) for the Ex-NWM New Interval Meter:

$$PRCRC(m\#) = -1 \times \sum_{m \in NM} PRCRC(m)$$

where:

- i. $m \in NM$ denotes all meters identified in step 1(b) of this Appendix 5 which measured energy that was measured by meter $m=m^*$ during the preceding Hot Season; and
- ii. $PRCRC(m)$ is the contribution to the Peak Individual Reserve Capacity Requirement by meter m calculated under step 1(b); and

(d) for an Intermittent Load meter defined under clause 2.30B.9(b):

- i. if the Intermittent Load is registered and operating or AEMO reasonably expects it to be registered and operating during Trading Month n based on information provided to AEMO in accordance with clause 4.28.8:

$$PRCRC(m) = MaxL(m) \times \left(\frac{PRCR}{EPD} - 1 \right)$$

where:

- 1. $MaxL(m)$ is the nominated load level for Intermittent Load m to apply for Trading Month n as specified in clause 4.28.8;
- 2. $PRCR$ is the Peak Reserve Capacity Requirement for the Capacity Year in which Trading Month n falls; and
- 3. EPD is the expected peak demand corresponding to the Peak Reserve Capacity Requirement for the Capacity Year in which Trading Month n falls, as described in clause 4.6.2; and
- ii. otherwise:

$$PRCRC(m) = 0$$

Step 1A: For each meter m and each Market Participant p , calculate the value of $d(m,p)$ as:

$$d(m,p) = \frac{RegDays(m,p)}{TMDays}$$

where:

- (a) $RegDays(m,p)$ is the number of full Trading Days that meter m was registered to Market Participant p in Trading Month n ; and
- (b) $TMDays$ is the number of Trading Days in Trading Month n .

Step 2: For each Market Participant p , calculate the contribution to the Peak Reserve Capacity Requirement as:

$$PRCRC(p) = \max(0, \sum_{m \in Meters} (PRCRC(m) \times d(m,p)))$$

where:

- (a) $PRCRC(m)$ is the contribution to the Peak Reserve Capacity Requirement by meter m calculated under step 1;
- (b) $m \in Meters$ denotes all meters for which a value was determined under step 1 of this Appendix 5; and
- (c) $d(m,p)$ is the value calculated for meter m and Market Participant p under step 1A.

Step 3: Calculate:

$$Total_Ratio = \frac{\min(PRCR, PCC)}{\sum_{p \in MP} PRCRC(p)}$$

where:

- (a) $PRCR$ is the Peak Reserve Capacity Requirement for the Capacity Year in which Trading Month n falls;
- (b) PCC is the number of Peak Capacity Credits held by Market Participants for Trading Month n at the time of the calculation;
- (c) $p \in MP$ denotes all Market Participants; and
- (d) $PRCRC(p)$ is the contribution to the Peak Reserve Capacity Requirement by Market Participant p calculated under step 2.

Step 4: For each Market Participant p , calculate the Indicative Peak Individual Reserve Capacity Requirement or Peak Individual Reserve Capacity Requirement, as applicable, as:

$$PIRCR(p) = PRCRC(p) \times Total_Ratio$$

where:

- (a) $PRCRC(p)$ is the contribution to the Peak Reserve Capacity Requirement by Market Participant p calculated under step 2; and
- (b) $Total_Ratio$ is the value determined under step 3.

Schedule 5

1. Section 8.4 amended

1.1 Delete clause 8.4.3 and replace it with the following:

8.4.3. If a Meter Data Agent issues a Meter Data Submission that contains adjusted kWh quantities for an Interval Meter for a Trading Week for which Settlement Adjustment Date 2 has passed, then within one Business Day, the Metering Data Agent must notify AEMO and the relevant Market Participant, via email, that the adjusted information has been issued.

1.2 Delete clause 8.4.4 and replace it with the following:

8.4.4. A notification provided under clause 8.4.3 must include:

- (a) the date the Meter Data Submission was issued; and
- (b) for each adjusted kWh quantity:
 - i. the NMI;
 - ii. the Trading Interval for which the information was adjusted;
and
 - iii. the adjusted kWh quantity.

1.3 Delete clause 8.4.5.