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EPWA CONSULTATION: TRANCHE 10 EXPOSURE DRAFT PROPOSED ELECTRICITY SYSTEM AND MARKET (ESM) AMENDING RULES

Synergy welcomes the opportunity to provide feedback on Energy Policy WA's (**EPWA**'s) *Tranche 10: Exposure Draft Proposed Electricity System and Market (ESM) Amending Rules* that was released on 26 May 2026 (**Tranche 10 Draft Rules)**. Synergy provides its detailed comments on the Tranche 10 Draft Rules in the attached tables.

Synergy thanks EPWA for its work to date on the WEM reform programs and looks forward to EPWA's continued consultation on market reform matters.

Yours sincerely

R.Bedola

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Table1: Comments on Schedule 1 – Amending Rules to commence on gazettal

Synergy's comments on Schedule 1 of Tranche 10 Amending Rules				
#	**Rule ref.**	**Classification**	**Issue**	**Suggestion**
1	4.1.27	Clarification	Synergy understands the intent of proposed clause 4.1.27 is to exempt AEMO and Market Participants from obligations relevant to Flexible Capacity in each Capacity Year where the Flexible Reserve Capacity Price (Flexible RCP) is less than or equal to the Peak Reserve Capacity Price (Peak RCP). Synergy seeks clarity if the intention is: A. that the Flexible Capacity obligations will only apply in Capacity Years where the Flexible RCP is greater than the Peak RCP?; Or B. that following a Capacity Year with the Flexible RCP greater than the Peak RCP, the obligations will continue to apply in all subsequent Capacity Years, even if the Flexible RCP were to be lower than the Peak RCP in any of those subsequent years? For illustrative example, assume for the 2030 Capacity Year, Flexible Reserve Capacity Price is higher than the Peak Reserve Capacity Price. If, in 2031, the Flexible RCP is now lower than the RCP, is the intention that the Flexible Capacity obligations will not apply in 2031 (i.e. outcome A); or the Flexible Capacity obligations will continue to apply (i.e. outcome B).	
2	7.7.5A and 7.7.14	Moderate and Clarification	Synergy supports the implementation of the proposed new clause 7.7.5A, however raises the following items for further consideration. • Synergy requests further clarifying details are provided on the criteria to be used by AEMO when determining the Facility/Facilities that will be direct to use Liquid Fuel, other than the factor of a Facility's Liquid Fuel nomination under clause 4.10.1(e)(v). • Synergy suggests that measures should be established to ensure that no single Market Participant responsible for a Facility/Facilities that have made the Liquid Fuel nomination under clause 4.10.1(e)(v) should be disadvantaged due to the proposed clause 7.7.5A. The criteria should be such that all Facilities that have made the Liquid Fuel nomination should have equal likelihood of being directed under proposed clause 7.7.5A. • Synergy considers that other factors such as gas network or transportation limitations, or constraints in Market Participants' gas supplies should also be evident at the time of the Low Reserve Condition Declaration before AEMO is able to apply clause 7.7.5A. • Synergy further suggests that a compensation mechanism be established for Market Participants who have been negatively impacted financially due to its Facility/Facilities being directed under clause 7.7.5A. To address this concerns Synergy has provided suggesting drafting amendments to clause 7.7.14 such that AEMO must include additional information in the WEM Procedure. The drafting also includes a typographical amendment to subitem (a) of additional between the words '7.7.5 or'.	**7.7.14**. AEMO must document in a WEM Procedure ~~the processes it will use to determine which Registered Facility to direct~~: (a) the processes it will use to determine which Registered Facility to direct under clauses 7.7.3, 7.7.4, 7.7.5, or 7.7.5A; ~~or~~ (b) the processes it will use to determine which Registered Facility to direct to synchronise to provide a RoCoF Control Service under clause 3.4.4(d)~~.~~; (c) the circumstances that must be met for AEMO to issue a direction under clause 7.7.5A; and (d) the details of the compensation mechanism that may be used following a direction under clause 7.7.14.

Synergy's comments on Schedule 1 of Tranche 10 Amending Rules				
#	**Rule ref.**	**Classification**	**Issue**	**Suggestion**
3	7.12.1C(b)	Clarification	Synergy requests additional clarification is provided on the factors and thresholds that would be used to determine that '*material and irregular level of Energy Uplift Payments'* have been received by a Market Participant over a Suspension Period.	
4	7.12.2	Typographical	Synergy considers the defined term within clause 7.12.2 should instead be 'Market Participant Excess Amount' for consistency with other proposed amendments in the Tranche 10 Draft Rules.	**7.12.2.** If the Economic Regulation Authority determines under clauses 7.12.1C or 7.12.7(b) that a Market Participant's Deemed Real-Time Payment for a Suspension Period exceeds its Deemed Real-Time Cost ("Market Participant Excess Amount"), then: …
5	7.12.7	Minor and Typographical	Synergy considers the defined term within clause 7.12.7 should instead be 'Market Participant Deficient Amount' for consistency with other proposed amendments in the Tranche 10 Draft Rules. Additionally, for completeness, Synergy suggests clause 7.12.7 should also allow for the Economic Regulation Authority (**ERA**) to determine that a Market Participant's Deemed Real-Time Payment is equal to the deemed Real-Time Cost.	**7.12.7.** The Economic Regulation Authority must, following receipt of any further information under clause 7.12.5 or a response from AEMO under clause 7.12.6, if applicable, determine whether: (a) the Market Participant's Deemed Real-Time Cost for the Suspension Period exceeded its Deemed Real-Time Payment ("Market Participant Deficit Amount"), in which case clause 7.12.8 applies; or (b) the Market Participant's Deemed Real-Time Payment for the Suspension Period exceeded its Deemed Real-Time Cost, in which case clause 7.12.2 applies; or (c) the Market Participant's Deemed Real-Time Payment equals its deemed Real-Time Cost.

Table 2: Comments on Schedule 2 – Amending Rules to commence on 1 October 2026

Synergy's comments on Schedule 2 of Tranche 10 Amending Rules				
#	**Rule ref.**	**Classification**	**Issue**	**Suggestion**
1	9.8.3A	Typographical	Synergy provides the suggested typographical edits to clause 9.8.3A for completeness.	**9.8.3A.** For the purposes of clause 9.8.3, for Market Participant p, on Trading Day d, Capacity Payments(p,d) is calculated as: … (d) EDPRCP(~~e~~ e,d) is the Entity Daily Peak Reserve Capacity Price associated with entity e in Trading Day d.
2	9.8.3B	Typographical	Synergy provides the suggested typographical edits to clause 9.8.3B for completeness.	**9.8.3B.** For the purpose of clause 9.8.3, for Market Participant p, on Trading Day d, Over Allocation Payment(p,d) is calculated as: …

Table 3: Comments on Schedule 4 – commencement to be determined

Synergy's comments on Schedule 4 of Tranche 10 Amending Rules				
#	**Rule ref.**	**Classification**	**Issue**	**Suggestion**
1	9.5.5A	Moderate	Synergy understands that the policy intent of the newly proposed clause 9.5.5A is to avoid situations where the settlement calculations may become unusable due to calculations that divide by zero, or the calculations produce unreasonable or preserve outcomes The Explanatory Note on page 74 of the Tranche 10 Draft Rules notes that a threshold of 200 MWh has been chosen as this *"represents the minimum Injection level expected under 'normal' operating conditions"*[1]. Synergy supports the need for a change to address this issue. However, given the pace of change in the WEM through the energy transition, Synergy considers the following: • a dynamic threshold should be used, i.e., a percentage of the nameplate capacity of Injecting Facilities during a system black event, (instead of a fixed value threshold) and • periodic reviews of the dynamic threshold be conducted following significant changes in the WEM to ensure the threshold remains appropriate.	

[1] Tranche 10: Exposure draft proposed Electricity System and Market (ESM) Amending Rules