



Department of
**Energy and Economic
Diversification**

**Energy
Policy WA**

Non-Co-optimised
Essential System Services
Framework Review
Information Paper

Abbreviations

Term	Definition
AEMO	Australian Energy Market Operator
DEED	Department of Energy and Economic Diversification
DSP	Demand Side Programme
DER	Distributed Energy Resources
ESM	Electricity System and Market
ESR	Electric Storage Resource
EPWA	Energy Policy WA
ESS	Essential System Services
EOI	Expression of Interest
FCESS	Frequency Co-optimised Essential System Services
NSS	Network Support Services
NCESS	Non-Co-optimised Essential System Services
PSSR	Power System Security and Reliability
RCM	Reserve Capacity Mechanism
SWIS	South West Interconnected System
SEO	State Electricity Objective
WEM	Wholesale Electricity Market

Executive Summary

The Non-Co-optimised Essential System Services (NCESS) framework allows the Australian Energy Market Operator (AEMO) and Network Operator (Western Power) to procure services that are not already available through other mechanisms to meet Power System Security and Reliability requirements. These may include services to maintain system strength or network support services in areas where the network is at risk of not meeting reliability expectations.

The specific problem that each of these services must solve will be different, and the technical or commercial solution to address it is often difficult to specify in advance. In addition, sometimes these services are only required in a specific location or at a specified time which limits the choice or participation. Therefore, these services are procured via contracts, as the need arises, and are not expected to be co-optimised through the dispatch algorithm in the Real-Time Market.

As the transition to a low emissions energy system characterised by increasing levels of intermittent and distributed generation continues, it is essential that the NCESS framework operates efficiently to enable AEMO and Western Power to maintain power system security and reliability at the lowest cost to consumers.

In 2025 the Department of Energy and Economic Diversification (DEED) in consultation with AEMO and Western Power, commenced a review of the NCESS framework to ensure that the process followed by the responsible parties in identifying the need to procure NCESS remains effective and fit for purpose. The focus of the Review was on whether the NCESS framework continues to be consistent with the State Electricity Objective (SEO) and was conducted in two stages:

- Stage one focused on strengthening the trigger conditions for the NCESS procurement process to provide clarity, better align with planning and operational signals, and identify emerging needs in a timely manner; and
- Stage two focused on necessary changes to facilitate the growth of Network Support Services (NSS) to avoid the need for network augmentation and minimize costs to consumers where possible.

The first stage of the Review informed the development of amendments to the trigger conditions in Section 3.11A of the Electricity System and Market (ESM) Rules, which were consulted on in late 2025. The Minister for Energy approved the amendments, which were included in the Electricity System and Market Amendment (Tranche 9) Rules 2025 and notice of the Amending Rules was published in the Government Gazette on 23 December 2025.

- In addition to the changes to the trigger conditions, amendments were also made to clause 3.11B.4. Under this clause AEMO or Western Power are required to consult with the Coordinator, following the closing date for expressions of interest, but the 10

Business Day has proven insufficient in practice and clause 3.11B.4 was amended to extend the timeframe from 10 to 20 Business Days.

1. Stage Two

The proposed outcomes of the second stage of the Review were published in a [Consultation Paper](#) on 10 February 2026 to seek feedback on three proposals to amend the NCESS framework:

Proposal 1 - Allow Western Power to utilise the NCESS framework in a more efficient and flexible manner for repetitive NSS procurements for the same services in different locations, provided that certain criteria and conditions are met.

Proposal 2 - Provide a temporary and limited exemption from clause 5.3.1(b) of the ESM Rules to remove barriers to participation in the emerging distribution-based NSS market and ensure service providers can realise sufficient value and encourage them to participate.

Proposal 3 - Support distribution-based NSS necessary to support regional reliability, by clarifying registration requirements (Market Participant and Registered Facility) and participation in the RCM is not required for relevant services, provided that certain criteria is met.

General overview of stakeholder submissions

DEED received four stakeholder submissions on the proposals with general support provided for all proposals.

DEED has considered stakeholder submissions on these proposals and has made no further adjustment to the proposals. Some of the stakeholder feedback will be incorporated into an Exposure Draft of proposed Amending Rules to implement the Review outcomes.

The final Review Outcomes are shown in the Table below.

This Information Paper sets out the final Review Outcomes for the NCESS framework Review and is for information only.

Appendix A provides a summary of stakeholder feedback in response to the NCESS framework review Consultation Paper and DEED's responses to the feedback.

Exposure Draft of Electricity System and Market Rules

The Exposure Draft of ESM Amending Rules to implement the Review Outcomes have been published for consultation and is available [here](#).

Following consideration of the stakeholder feedback on the proposed ESM Amending Rules they will be submitted to the Minister for Energy for making. DEED is seeking

stakeholder feedback on the Exposure Draft by 5:00 PM (WST) on 29 October 2026.
Feedback can be sent to energymarkets@deed.wa.gov.au.

2. Final Review Outcomes and Rationale

Final Review Outcome	Rationale
Review Outcome 1 - Truncated procurement for repetitive NSS procurements Allow Western Power to utilise the NCESS framework in a more efficient and flexible manner through a truncated process for repetitive NSS procurements, provided certain criteria and conditions are met. The truncated processes will allow the Coordinator for Energy (Coordinator) the discretion to approve and publish an approved Standard NCESS Service Specification, which can be reused by Western Power (provided certain criteria is met). This will enable Western Power to run NCESS procurements using the approved Standard NCESS Service Specification, without submitting a trigger submission to the Coordinator, and to bypass the EOI stage and proceed directly to advertising a Request for NCESS Submissions under clause 3.11B.6 of the ESM Rules. Following consultation with AEMO and DEED to ensure that there have been no material amendments to the approved Standard Service Specification, Western Power could continue to utilise it for subsequent NCESS procurements of NSS.	The preparation of a formal NCESS requirement assessment, trigger submission development and determination by the Coordinator provides transparency and allows for coordination between DEED, AEMO and Western Power. However, for repeatable, well-understood distribution-based service requirements, the cumulative duration and repetition of steps can compress delivery windows and add limited value, if the service specification is unchanged following the expression of interest (EOI) process. Therefore, this adds unnecessary cost and complexity, as well as requiring additional resourcing from potential proponents at the EOI stage for limited benefit. The final Review Outcome has been refined from what was originally proposed in the Consultation Paper. The requirement for Western Power to seek a determination for an 'initial trigger submission' is removed, as the approval of a Standard NCESS Service Specification allows Western Power to proceed directly to a Request for NCESS Submissions. Western Power has now submitted trigger submissions to the Coordinator for NSS on several occasions.¹ On each occasion Western Power has undertaken an EOI process based on a draft service specification for the NCESS procurements, and has developed and refined the service specification over the course of several years.

¹ [Coordinator Determinations](#)

	Western Power now has a stable ‘template’ for service specifications that it can reuse for future procurements, for which, fundamentally, the service specification remains the same with only minor variations made to certain parameters. New section 3.11C will provide the Coordinator with the discretion to approve and publish a Standard NCESS Service Specification, which can be reused by Western Power (provided certain criteria is met). This will enable Western Power to run NCESS procurements using the approved Standard NCESS Service Specification without submitting a trigger submission to the Coordinator, removing unnecessary duplication, time and costs. The truncated process will allow Western Power to bypass the EOI stage and proceed to advertising a Request for NCESS Submissions under clause 3.11B.6. The Request for NCESS Submissions process for each truncated NSS procurement will be open to all service providers capable of providing the service. For each procurement process consultation between Western Power, AEMO and the Coordinator will continue to be required under the relevant WEM guideline², which will be updated. This proposal seeks to preserve oversight and visibility while removing unnecessary duplication, time and cost. A truncated process preserves safeguards while streamlining repeated procurements for the same service, with a goal of increasing the efficiency of the process and better achieving the SEO.
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² [WEM Procedures and Guidelines](#)

Review Outcome 2 - Removal of barriers for selected NSS.

To remove barriers to participation in the emerging distribution network support services (NSS) market and ensure service providers can realise sufficient value, a temporary and limited exemption from Clause 5.3.1(b) of the ESM Rules is proposed.

Clause 5.3.1(b) will not apply to a Market Participant that has entered into an NCESS Contract with a Network Operator between 1 January 2026 and 31 December 2028 with respect to a Facility, which:

- a) is connected to the distribution system; and
- b) is an Electric Storage Resource (ESR), that has an aggregated capacity of 5 MW or less, and the System Size behind each individual Connection Point does not exceed 1.2 MW.

For Facilities that meet the Service Specification requirements, a temporary and limited exemption from clause 5.3.1(b) of the ESM Rules will be included.

This will allow suppliers to receive payments for the provision of distribution-based NSS and Capacity Credit payments under the RCM, if both services are delivered concurrently by the same facility, effectively allowing them to ‘value-stack’ for a time limited period, thereby incentivising participation in the NSS market.

The final Review Outcome has been refined from what was originally proposed in the Consultation Paper to clarify the intent of the proposal – that it is for distribution connected Non-scheduled Facilities comprising ESR and not Demand Side Programme (DSP) aggregations more generally.

Stakeholder concerns have been voiced in the past that DSP participants are being overpaid for the service they provide given their low fixed costs.

The Reserve Capacity Price is sufficient to cover the fixed costs associated with DSP aggregations and, therefore, it is not appropriate for DSP aggregators of commercial and industrial loads or DER to be remunerated in the RCM and also receive an availability payment under an NCESS contract.

If Western Power has concerns that there may not be sufficient value in offering NSS, it may do the same as what AEMO does with the “activation only” supplementary capacity contracts – and offer a high activation price to participants for activation only services).

	This is appropriate as DSPs do not receive energy or activation payments through the WEM.
Review Outcome 3 - Support distribution-based NSS necessary for regional reliability To support distribution-based NSS necessary to support regional reliability, it is proposed that Market Participant registration, Facility registration, and participation in the RCM is not required for relevant services, provided all of the following criteria are met: A Market Participant or service provider will be exempt from the requirements under clause 5.2A.2 (i.e. the requirement to participate in the RCM) if a Facility provides services under an NCESS Contract: a) has a System Size of 5MW or less; and b) the Facility operates exclusively on a section of the Distribution Network while islanded from the wider power system. This change will remove the requirement for the relevant service provider to register as Market Participant. Facilities with System Sizes of 5MW or less are not required to be registered under the ESM Rules.	Regional towns located on rural feeders are more susceptible to extended outages due to environmental exposure and limited accessibility, which can delay restoration efforts. To address reliability challenges in these areas, Western Power prioritises cost effective alternatives to traditional network augmentation. These can include local, islanded, backup generation (sub 5MW) procured as NSS through the NCESS framework, as an alternative method of maintaining supply to customers during network outages. Clarity for potential service providers needed to support regional reliability is required. Amendments to the ESM Rules will be made to clarify that there are no requirements for small-scale, distribution connected, islanded NSS, provided set criteria is met, to apply for certification in the RCM, which will avoid the need for these service providers to be registered in the WEM. This proposal does not prevent Facilities with relevant NCESS Contracts from registering and participating in the RCM, if they wish. The Final Review outcome is slightly amended from what was originally proposed in the Consultation Paper to clarify the intent of the proposal – that it only applies to back up generation while islanded from the wider power system.

Appendix A

Submission	Comment	DEED Response
Consultation Paper Proposal 1 Truncated procurement for repetitive NSS procurements. Allow Western Power to utilise the NCESS framework in a more efficient and flexible manner through a truncated process for repetitive NSS procurements, provided certain criteria and conditions are met. The truncated processes will allow the Coordinator to review and make a determination on an 'initial trigger' submission and approve a 'standard service specification', enabling Western Power to procure similar services against that specification without the need for further determinations. Subsequent procurements, for which the specification is unchanged, could proceed directly to a Request for Submissions following Consultation with AEMO and DEED.		
WA Expert Consumer Panel (ECP)	The ECP supports the proposal.	Noted.
Sumitomo SHI FW Energia Oy (Sumitomo)	Sumitomo welcomes the proposal to use pre-approved generic service specifications in NCESS procurements. Sumitomo suggests that: • previous NCESS procurements can be used to prepare generic service specifications for future procurements; • already approved/completed NCESS procurements can retrospectively be treated as the "first use" of the approved specification for the service in question;	DEED notes that the truncated procurement process only applies to Western Power, as the Network Operator, for repetitive NSS procurements for the same services in different locations, provided that the criteria and conditions are met. Previous NCESS trigger submissions made by Western Power and AEMO were seeking to solve different issues, respectively, and, in some instances, were required to be delivered within very short timeframes.

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	- location specific services at the transmission level including system strength, dynamic voltage regulation, generation/storage capacity can be procured using the framework proposed in the consultation paper. Sumitomo considers that the generic specifications should be written in a manner which facilitates the procurement of individual or multiple services at specific locations in the network (transmission or distribution). Combining services specified separately into a single procurement should not be viewed as a “material change” requiring Coordinator determination, nor should the quantity of a service been procured. Material changes should include: - using specifications written for procuring services from one technology for another which could provide the same service (e.g. using specifications written to facilitate the procurement of system strength from new synchronous condensers for procuring system strength services from a gas turbine retrofitted with a clutch) - timeline for procurement - the timelines for responding to the Request for Submission and delivering specific services should be standardised to the extent possible - using the same specifications to procure services from technologies with different inherent characteristics (e.g. using inertia specifications for procuring both synthetic and synchronous inertia.	As part of the PSSR Standards Review, DEED, in consultation with AEMO and Western Power, is progressing the development of a system strength framework for the South West Interconnected System (SWIS) that clarifies the roles and responsibilities for AEMO, Western Power and the Coordinator regarding system strength, including arrangements for the centralised procurement of forecast system strength shortfalls through the NCESS framework.

Submission	Comment	DEED Response
Synergy	Synergy is supportive of a truncated NCESS process for repetitive NSS procurements, provided appropriate governance and oversight is established. Synergy considers the following can assist in ensuring the procurements are delivering the optimal solutions in both the short- and long-term interest of consumers. • A consultation process by Western Power with the AEMO and Energy Policy WA³ (EPWA) is required for each subsequent NSS procurement under a truncated NCESS process. This will assist in enabling coordination of the parties in delivering optimal solutions for the WEM. • EPWA and the AEMO are required to publish a decision to either support or reject the NSS procurement following the consultation by Western Power with EPWA and the AEMO. ○ The decision document should detail EPWA and the AEMO's views on how the NSS procurement supports the WEM in meeting the SEO and delivers value to network users. • The tender process for each truncated NSS procurement is open to all interested bidders and is not	DEED notes that the intent is that Western Power could issue subsequent service specifications with different times, locations or size of service required. This proposal seeks to preserve oversight and visibility while removing unnecessary duplication, time and cost. Regarding the points raised by Synergy, DEED notes the following: • The proposed Amending Rules are drafted in a manner that provides transparency and allows for coordination between DEED, AEMO and Western Power: • Throughout each part of the process the consultation between Western Power, AEMO and the Coordinator will continue to be required under the relevant WEM guideline⁴. • Western Power may only submit a proposed Standard NCESS Service Specification to the Coordinator and request that the Coordinator approves it for future use if certain conditions are met. • The WEM guideline will be updated to provide further information on the process for the development and approval of a Standard NCESS Service Specification for reuse. . • The proposed Amending Rules will require the Coordinator to publish the decision to either support or

³[The Energy Policy Group moved to the Department of Energy and Economic Diversification on 1 July 2025. Stakeholder submissions that reference Energy Policy WA have been left unchanged.](#)

⁴[WEM Procedures and Guidelines](#)

Submission	Comment	DEED Response
	limited to solely participants in the Expressions of Interest (EOI) stage of the initial NCESS process. - The Coordinator's determination for the initial trigger submission and generic service specification are time-bound (suggest one to two years), after which Western Power will be required to reapply to the Coordinator for approval (or rejection) of the NCESS trigger and generic service specification. This requirement should exist for all NCESS triggers regardless of the materiality of changes (or lack thereof) to the service specifications of the NSS being sought. Synergy seeks to clarify if the NSS procured through the truncated NCESS process is intended to address the power system security and reliability requirements identified in Western Power's Transmission System Plan and Network Opportunity Map. - Synergy considers that measures to ensure that Western Power is incentivised to identify the most economically efficient pathway to addressing network support requirements and is motivated to continue to invest in the SWIS. These measures could include: - Requiring Western Power to publish, as part of the EOI, its estimated costs for network augmentation to meet the NSS requirements. - Requiring an independent third party to undertake periodic retrospective reviews of the NCESS	reject a Standard NCESS Service Specification, or amendments to it, on the Coordinator's website. - Currently, in making a trigger submission to the Coordinator, Western Power must demonstrate the relative merits between procuring an NCESS or augmenting the network, supported by financial analysis. This analysis is ordinarily redacted in the publication of the Coordinator's determination. - The NCESS procurement process is currently open to all interested proponents, i.e. it is not limited to only those who have participated in the EOI stage, and this will continue. - In making a determination, the Coordinator must consider the extent to which an NCESS will minimise costs in the WEM and whether is it consistent with the SEO. - When Western Power reasonably considers that an event has occurred or applies and that conditions exist for the use of Standard NCESS Service Specification for the procurement of an NCESS, Western Power must provide notice to the Coordinator. Western Power, AEMO and the Coordinator must consult with each other to determine whether changes to the variable conditions materially amend the Standard NCESS Service Specification. Therefore, DEED does not consider that applying a time bound limit is necessary, at this stage. DEED notes that the intent of the truncated process is not to have a set and forget process that can be run independently by

Submission	Comment	DEED Response
	procurements to assess whether longer term cost savings have been achieved under the NCESS procurement process. Synergy suggest that “material amendment” to the approved service specification that would require a new Coordinator determination should include: • the service requirements [clause 3.11B.5(a)]; • the expected technical capability of a facility or equipment that may be able to provide the service [clause 3.11B.5(b)]; • the material contractual terms associated with the NCESS, including required pricing structure [clause 3.11B.5(g)]; • the selection criteria that may apply to the NCESS Submissions [clause 3.11B.5(h)]; and • any other relevant matters added or taken out of the approved service specification [based on clause 3.11B.5(i)].	Western Power i.e. without oversight. Rather, the intent is to remove repetitive steps, that can compress seasonal delivery windows and add limited value when the service specification is unchanged, and to reduce cost and complexity for potential proponents. DEED notes Synergy’s suggestions regarding what constitutes a material amendment and has incorporated them into the proposed Amending Rules.
Western Power	Western Power supports the proposal. Western Power considers that this is a pragmatic proposal that provides an alternative procurement pathway that better reflects proportional requirements, while still retaining appropriate levels of governance and transparency.	Noted.

Submission	Comment	DEED Response
Consultation Paper Proposal 2 Removal of barriers for selected NSS To remove barriers to participation in the emerging distribution-based NSS market and ensure service providers can realise sufficient value, a temporary and limited exemption from clause 5.3.1(b) of the ESM Rules is proposed. This exemption would apply if all of the following criteria are met: • The NSS is provided by a Facility connected to the distribution system; • The Facility has an aggregated capacity of 5MW or less, including: ○ A sub-limit of 1.2MW per Connection Point to apply in the case of Electric Storage Resources; and ○ A sub-limit of a 0.6MW per Connection Point to apply in the case of all other technology types; and • The NCESS Contract is entered into during the exemption period (for services procured from 1 January 2026 to 31 December 2028). The exemption applies to the procurement completion date, that is the date on which contracts are executed, not the commencement of the process or the contracts end date.		
ECP	The ECP supports proposed ‘value stacking’ for payments to NSS providers, with the following qualifications: • The total avoided cost of SWIS generation capacity (capacity credits) plus the avoided network augmentation costs should be the ‘ceiling’ for how much a NSS receives from value stacking if it provides both services (Reserve Capacity and NSS) • Exiting resources capable of either providing NSS or receiving RCM Capacity Credits should not need significantly higher payments from value stacking to provide the other of these two service needs – there just	The exemption will support the emerging distribution-based NSS market and enable service providers that meet the prerequisite technical and operational requirements, particularly those operating small- scale community batteries, to realise sufficient value. The proposed ESM Amending Rules have been refined following publication of the Consultation Paper, limiting the exemption to Non-Scheduled Facilities comprising Electric Storage Resources (i.e. network-connected batteries).

Submission	Comment	DEED Response
	needs to be sufficient incentive to offer the second service • New NSS resources are likely to need higher payments than existing resources and value stacking legitimately allows this up to the ceiling of the stacked avoided costs (generation and/or network augmentation as applicable) The ECP questioned why the proposed value stacking is not the default rather than requiring an exemption, it recognises the separate value of the two services, even if from the same resource. The ECP considers that sound financial analysis of the alternatives is important, to ensure that costs and benefits are appropriately compared between the alternatives. The ECP requested that EPWA consider whether limits proposed in the Proposal 2 (i.e. the 5 MW, 1.2 MW and 0.6 MW limits) criteria will preclude any NSS resources that would be valuable to allow, because of the benefits they would provide compared to their costs.	This exemption is for a time bound period of three years allowing sufficient time for the NSS markets to become well established. DEED notes that the procurement of NSS is currently in its infancy and may look quite different in the future. While the exemption period is initially 3 years, it may be extended (in the same or a modified form) if further analysis, at the end of this period determines that continued support is required. DEED, therefore, considers that a 5-year exemption is not warranted at this stage. There are benefits to customers in making sure that Facilities that can receive Capacity Credits participate in the RCM. The policy imperative is that small ESRs, connected to the distribution network, that can provide NSS services, should participate in the RCM. DEED notes that several smaller ESRs have recently participating in the RCM and have been awarded Capacity Credits for 2027-28 and that the number of these is expected to continue increase.
Sumitomo	Sumitomo welcomes the proposal to allow value stacking for facilities to provide both NSS and capacity services. Sumitomo suggests that consideration should be extended to the same exemptions to the transmission level assets which can provide capacity and system services such as reactive power and short circuit capacity at specific	DEED clarifies that the proposal does not facilitate value stacking for <i>all</i> Facilities. It would be inconsistent with the SEO to pay the Reserve Capacity Price in the RCM to a DSP aggregator and allow it to also receive an availability payment under an NCESS contract, i.e. to be double paid for the same capacity. This is particularly

Submission	Comment	DEED Response
	locations in the network (to help facilitate the procurement of system strength services at weak nodes identified for example in AEMO's 2025 ESOO).	important as DSP aggregators do not incur substantial capital costs, unlike Market Participants investing in new energy producing facilities.
Synergy	Synergy supports the proposal. Synergy recommends that: - Only NCESS contracts with a short- to medium-term service duration (up to 3 years) be eligible for the temporary exemption. - Prior to any decision on whether to extend the temporary exemption period, a review of the effectiveness of the exemption in supporting the development of the distribution NSS market be conducted and consultation with industry on review findings be held. The review should also capture any incremental costs to WEM consumers of the temporary exemption compared to costs that would have been incurred if network augmentation had been pursued. Synergy suggests that services providers in the emerging distribution NSS market could also be incentivised if they are able to value-stack payments from individual NCESS contracts with AEMO or Western Power.	Noted.
Western Power	Western Power supports the proposal but considers the proposed three-year exemption period may be too short to support market growth and sustained participation, given development, contracting and (where relevant) connection	DEED considers that a 5-year exemption is not warranted at this stage as the evolution of the NSS market will be monitored and the exemption if for a time bound period of three years allowing sufficient time for NSS markets to become well established.

Submission	Comment	DEED Response
	lead times. Western Power proposes an exemption period of five years (1 January 2026 to 31 December 2030). Western Power would support a mid-term review (for example after three years) to assess market development, participation and outcomes, and to inform whether the exemption should continue, be amended, or conclude as planned.	While the exemption period is proposed to be initially 3 years, it may be extended (in the same or a modified form) if further analysis, at the end of this period determines that continued support is required.
Consultation Paper Proposal 3 Support distribution-based NSS necessary for regional reliability. To support distribution-based NSS necessary to support regional reliability, it is proposed that Market Participant registration, Facility registration, and participation in the RCM is not required for relevant services, provided all of the following criteria are met: a) the Facility associated with an NCESS Contract quantity has a System Size of 5MW or less, and b) the generating unit(s) comprising the Facility operate exclusively on a section of the distribution system while islanded from the wider power system.		
ECP	The ECP supports the proposal, except for the requirement for ‘islanded’ operation being a prerequisite for all distribution-based NSS. The ECP notes that there are also a variety of valuable NSS that are better provided (lower cost, less interruptions to supply etc.) by facilities or aggregations or even demand management that do operate in parallel with the grid, at least during any changeovers if not normally. The islanding	DEED confirms that this proposal is intended to only apply to backup generation providing NSS in an area in which the SWIS region is islanded. Regional towns located on rural feeders are more susceptible to extended outages due to environmental exposure and limited accessibility, which can delay restoration efforts. To address reliability challenges in these areas, Western Power prioritises cost-effective alternatives to traditional network augmentation, procured through the NCESS framework, as an

Submission	Comment	DEED Response
	requirement would preclude them unless it is only a requirement for backup generation. The ECP requests further consideration of the proposed 5MW maximum facility size limit be given to ensure that it will not preclude any NSS resources that would be valuable.	alternative method of maintaining supply to customers during prolonged outages. These services are different to a typical Distribution System Operator led NSS. They are often designed to serve poor reliability areas with low MW demand and are often provided by diesel generators. Providers of these types of services may also be unfamiliar with the requirements associated with market participation and may refrain from participating in an NCESS procurement process, removing potentially cheaper sources of back up supply during prolonged outages. Currently the ESM Rules would require these facilities to apply for certification in the RCM, which in turn would require their registration and the registration of the facility. To address this, amendments to the ESM Rules will be made to remove the requirements for this type of small-scale, distribution connected, islanded NSS to apply for certification in the RCM, provided the set criteria is met. This proposal: • does not prevent Facilities with relevant NCESS Contracts from registering and participating in the RCM should they choose to do so; • only applies to distribution-level NSS operating exclusively in islanded mode; and

Submission	Comment	DEED Response
		has contractual and technical arrangements that will prevent parallel operation.
Synergy	Synergy is supportive of the proposal.	Noted.
Western Power	Western Power supports the proposal to remove the requirement for market registration and the obligation for RCM participation for NSS providing backup supplies. Western Power consider that this proposal is a pragmatic one that will support Western Power's ability to deploy non-network solutions to efficiently address reliability challenges and improve customer experience in regional areas.	Noted.