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Energy Policy WA - DEED
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DEED CONSULTATION: OPERATIONAL FORECASTING REVIEW: EXPOSURE DRAFT PROPOSED ELECTRICITY SYSTEM AND MARKET (ESM) AMENDING RULES

Synergy welcomes the opportunity to provide feedback to the Department of Energy and Economic Diversification (**DEED**) on the *Operational Forecasting Review: Exposure Draft Proposed Electricity System and Market (ESM) Amending Rules (Forecasting Draft Rules)* that was released on 26 August 2026. DEED's *Review of AEMO Operational Forecasting in the WEM: Information Paper August 2026 (Forecasting Info Paper)* was also released alongside the Forecasting Draft Rules.

DEED, in consultation with the Australian Energy Market Operator (**AEMO**), have been progressing the AEMO Operational Forecasting Review (**Review**). Synergy understands that the purpose of the Review is to identify and recommend near-term improvements to the AEMO's operational forecasting processes. As part of the Review, in July 2025, the *Operational Forecasting in the WEM Review: Consultation Paper (Operational Forecasting Paper)* was published with six proposals. Synergy understands that the Forecasting Draft Rules contains amendments to the Electricity System and Market Rules (**ESM Rules**) to implement review outcomes for Proposals 4 and 5 from the Operational Forecasting Paper.

Synergy sets out below an overarching matter for DEED's consideration and provides its detailed comments on the Forecasting Draft Rules in the attached Table 1.

1 REVIEW OUTCOME 4 (ADDRESS THE LACK OF INCENTIVES TO PRODUCE ACCURATE INTERMITTENT GENERATION FORECASTS)

The Forecasting Info Paper outlines that a refined implementation approach has been adopted for Proposal 4. Synergy supports this refinement, and considers this is a sound approach to reduce implementation costs while still being able to deliver the desired outcomes.

There are currently several gazetted ESM Rule amendments that are waiting to be commenced. Of note is Schedule 3 of the *"Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024"*¹ (**the CAR Rules**), which are intended to implement changes to the cost allocation of Regulation Raise and Regulation Lower. The Schedule 3 amendments are to "...come into operation at a time specified by the Minister in a notice published in the Gazette."² Synergy considers that the adoption of Review Outcome 4 as outlined in the Forecasting Info Paper will improve forecasting accuracy for intermittent generators, and therefore Schedule 3 of the CAR Rules may no longer be required. Additionally, Synergy is of the understanding that the cost

¹ [Wholesale Electricity Market Amendment \(Cost Allocation Reform\) Rules 2024](#)

² [Wholesale Electricity Market Amendment \(Cost Allocation Reform\) Rules 2024, p. 1](#)

allocation is intended to be done on the basis of forecasting errors. If the AEMO is responsible for undertaking the forecasts, it does not seem appropriate for Market Participants to be allocated costs for factors that are out of their control. Synergy seeks clarity from DEED if Schedule 3 of the CAR Rules are still intended to be implemented, and if so, additional clarity is needed on the intended interactions between these Forecasting Draft Rules and Schedule 3 of the CAR Rules.

2 CONCLUSION

Synergy thanks DEED for its work to date on the Wholesale Electricity Market reform programs and looks forward to DEED's continued consultation on market reform matters.

Yours sincerely

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ACTING MANAGER ELECTRICITY MARKETS

Table 1: Detailed comments on the Forecasting Draft Rules

Synergy's comments on the Forecasting Draft Rules				
#	Rule ref.	Classification	Issue	Suggestion
1	1.74.1	Major	Per clause 1.74.1, Market Participants may only have two months from the publication of the WEM Procedure that specifies the format and content for an Energy Conversion Model (ECM) to develop an ECM for each of their Centrally Forecasted Facility. The publication date of the Procedure Change Report for this WEM Procedure is set as 1 November 2027, and Market Participants may be required to provide to their ECMs from 1 January 2028. Synergy considers that some Market Participants may struggle to develop the ECM within this two-month period, noting also that this period runs over the traditional year-end holiday period. Hence, Synergy suggests that more time be given to Market Participants to develop the ECM for their Centrally Forecasted Facility after the relevant WEM Procedure is published. Synergy also suggests that a process be established to facilitate efficient discussions between AEMO and Market Participants on the development of the ECMs.	
2	2.34D.5	Major	Clause 2.34D.5 allows AEMO to revoke the classification of a Semi-Scheduled Facility as a Centrally Forecasted Facility prior to notifying the responsible Market Participant of the revocation. The revocation applies on the later of either, the Trading Day following the date of revocation, or the Trading Day from when the changes to the Standing Data that led to the revocation of the Facility's classification takes effect. The Market Participant of a Semi-Scheduled Facility that is no longer classified as a Centrally Forecasted Facility would be expected to recommence forecasting arrangements under clause 7.4.2 of the ESM Rules. Therefore, Synergy believes that prior to the revocation of a Facility's classification, the responsible Market Participant should be informed, and that a reasonable amount of time be provided to the Market Participant to take the necessary actions to recommence intermittent generation forecasting for their Facility. Further, Synergy proposes that, as part of notifying a Market Participant of the revocation of a Facility's Centrally Forecasted Facility classification, AEMO should be required to advise the Market Participant of the reasons that have led to the revocation. Synergy suggests amendments to clause 2.34D.5 with regards to these suggestions. Synergy also recommends that a WEM Procedure be published setting out the Standing Data changes which could lead to the classification of a Semi-Scheduled Facility as a Centrally Forecasted Facility being revoked.	2.34D.5 If AEMO approves changes to the Standing Data of a Semi-Scheduled Facility that will result in the Semi-Scheduled Facility no longer being eligible for classification as a Centrally Forecasted Facility under clause 2.34D.1, then AEMO must, as soon as practicable: (a) notify the relevant Market Participant of the ineligibility of the Semi-Scheduled Facility to continue to be classified as a Centrally Forecasted Facility; and (b) notify the relevant Market Participant of the specific changes to the Standing Data of the Semi-Scheduled Facility that have led to the Semi-Scheduled Facility being ineligible to continue to be classified as a Centrally Forecasted Facility; and (a) revoke the classification of the Semi-Scheduled Facility as a Centrally Forecasted Facility, effective from the later of: ~~the following Trading Day~~ 5 Business Days from the date of AEMO's notification to the Market Participant; and ~~the Trading Day from~~ 5 Business Days from the date of which the relevant Standing Data changes take effect; ~~and~~ ~~(b) notify the relevant Market Participant of the revocation of the classification of the Semi-Scheduled Facility as a Centrally Forecasted Facility.~~

Synergy's comments on the Forecasting Draft Rules

#	Rule ref.	Classification	Issue	Suggestion
3	7.3B.3	Moderate	For clarity and transparency, Synergy suggests that details on the Dispatch Intervals, Affected Dispatch Intervals and Pre-Dispatch Intervals that are excluded from the analyses performed under clause 7.3B.3 should be made available in AEMO's quarterly report on the accuracy of Forecast Unscheduled Operational Demand and Unconstrained Intermittent Generation Forecasts. The details should, at minimum, comprise of the number of excluded intervals and the reasons for their exclusion. Similarly, Synergy considers that any adjustments made in conducting the analysis of Forecast Unscheduled Operational Demand accuracy as per clause 7.3B.3(d) should also be detailed in AEMO's quarterly accuracy report.	