Our Ref: #38377719

15 May 2026

Real-Time Market Monitoring
Australian Energy Market Operator
Level 45, 152 St Georges Terrace
PERTH WA 6000

Submitted via wa.rtm@aemo.com.au

2026 ESM Tolerance Range Review

Thank you for the opportunity to provide feedback on the draft 2026 ESM Tolerance Range Review report. Synergy has considered the draft report and provides the following feedback for AEMO's consideration.

Outcome of the Review

AEMO's draft report outcomes determine that:

1. The current Tolerance Range will remain unchanged for Scheduled and Semi-Scheduled Facilities;

2. Demand Side Programmes and Interruptible Loads will not have an applicable Tolerance Range; and

3. No Facility Tolerance Ranges will be applied.

These outcomes are based on AEMO's analysis as outlined in sections 6 and 7 of the draft report. Synergy is supportive of these review outcomes and appreciates AEMO's thorough and balanced approach to the review.

In addition to these findings, AEMO has identified next steps to improve dispatch compliance monitoring:

4. AEMO will investigate resolving issues within the DCM;

5. AEMO will develop enhanced monitoring processes to complement the DCM; and

6. AEMO will monitor the need for Facility Tolerance Ranges.

The draft report notes ongoing issues with false positive notifications driven by the Dispatch Compliance Monitor (DCM) limitations. For example, false positives due to a time lag of up to 30 seconds between the Facilities' end of dispatch interval sent-out megawatt value WEMDE sample, used in the DCM calculation, and the Facilities' actual end of dispatch interval sent-out megawatt value. AEMO also identified instances of a time lag between AEMO sending the facility its AGC signal, and the time that the signal is received by a facility, leading to discrepancies between AGC signals and facility response. Synergy has observed this time lag, with a delay of 10-15 seconds common when Facilities receive dispatch instructions.

AEMO also identified that droop response is not incorporated in the current DCM, which can lead to false positive notifications for facilities providing the response to frequency deviations. Synergy notes that under the proposed design, droop response will only be considered if a facility is providing contingency raise. Synergy suggests that mandatory droop response for all generation facilities, in all intervals, should be considered by the AEMO DCM.

Synergy supports AEMO's continued work to investigate known issues within the DCM, and the development of complementary monitoring processes to improve notifications for Market Participants and contribute to Power System Security and Power System Reliability.

To this end, Synergy includes confidential and commercially privileged attachments outlining its methodology for determining Dispatch Non-Compliance scenarios. Synergy requests that these documents are utilised solely for the purpose of AEMO consideration of the 2026 ESM Tolerance Range Review and DCM functionality and are not used for any other purpose by AEMO without Synergy's express permission. The relevant sections of these documents are listed below:

[redacted]

[redacted]

[redacted]

[redacted]

Synergy is available to discuss its methodology with AEMO if further clarification is required. Should AEMO wish to discuss the methodology or any other queries, please contact Genevieve Teo at genevieve.teo@synergy.net.au.

Yours sincerely,

Dominic Regnard

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HEAD OF TRADING