

Rosie Elkins
Principal Analyst, Reform Delivery
AEMO
29 January 2025

Dear Ms Elkins,

RE: EnelX baseline methodology proposals - Further Consultation Paper

VIOTAS appreciates the opportunity to respond to the issues outlined in the Further Consultation Paper.

VIOTAS Australia is a demand response aggregator, offering FCAS and energy services to all regions of the NEM. Our customers include commercial and industrial energy users and generators. We work with various customer assets including flexible consumption, generation, battery and solar assets. VIOTAS recently became the second registered participant of WDR. We have an interest in allowing greater participation in the scheme, whilst maintaining the integrity of compliance and performance measurement.

Please refer to our responses in the table below.

Feel free to contact me to discuss further.

Kind regards,

Amelia Bennett
Market Operations Manager

Response - EnelX baseline methodology proposals - Further Consultation Paper

Consultation questions – baseline methodology for solar PV sites

Consultation question	Response
<p>1. Do you consider that the alternative solar PV baseline methodology option would be effective in supporting more solar PV loads to participate in the WDR Mechanism?</p>	<p>Yes, it would be somewhat effective.</p> <p>The later eligibility trading intervals window of 5-9pm is intended to occur after the main solar production hours and is less affected by solar generation. However, the PoL baseline adjustment window still begins as early as 3pm which is still including the impact of solar volatility. The baseline adjustment could be as low as -20% due entirely to the baseline adjustment window on the day in question having relatively high solar output.</p> <p>During dispatch, WDR sites with solar still bear the risk of a reduction in solar occurring in the same interval which a WDR response is expected. This can reduce their response as measured at the incomer. The proposed baseline does not address this.</p> <p>A better solution would be to remove solar generation from incomer consumption. This would mean there would be no concern about solar data impacting results, and no need to shift the eligibility trading window or have any concern about the impact of seasonality. Solar PV generation can be measured by an additional meter installed on site, with 5-minute generation data shared with AEMO. As that approach is not currently being considered, AEMO should in the meantime agree to take solar generation into account when assessing performance.</p> <p>In addition, aligning the WDRM with the AEMC’s Unlocking CER Benefits Through Flexible Trading rule change could help address this issue for sites where the load participating in WDR is separately metered (secondary NMI) from other passive or uncontrollable parts of a site.</p>
<p>2. Do you consider there to be a material additional risk of artificial baseline inflation resulting from the shorter day-of adjustment window?</p>	<p>No, VIOTAS believes that gaming from C&I participants is highly unlikely. From VIOTAS’s experience with large commercial and industrial customers, they would be unwilling to change consumption from their planned operations on the chance that difficult to predict high spot energy prices may occur, to achieve a limited, inflated WDR result. C&I customers’ core business is to deliver products and services for their customers, not generate new revenue or savings from energy markets. Where C&I energy consumers have flexibility in production and energy is large proportion of their cost base, they are generally spot exposed meaning they would be unsuitable for WDRM.</p> <p>AEMO could consider participants in WDRM to be those with limited ability or requirement to change their operations in response to the energy spot market. They are an additional source of flexible demand to those already actively participating in the market through spot exposed contracts.</p> <p>The current use of stringent baselining acts to rule out consumers who could otherwise participate and support the efficient operation of the</p>

	electricity market and grid but does not materially reduce the risk of gaming.
3. Are there any other risks that AEMO has not considered in its initial assessment?	<p>Uncertainty faced by the scheme because of the upcoming AEMC Review of the Wholesale Demand Response Mechanism may result in participants holding back from registration, participating in trials or implementing new baselines.</p> <p>The AEMC’s final report is expected in October 2025 and will consider and make recommendations about the future role of the WDRM. This creates uncertainty about the future of the program. For a demand response provider, significant investment is required to offer WDR, including software development, staff training, marketing, and registration fees. Uncertainty in the future of the program is a big disincentive for further participation and may limit the benefits outlined. Assurance that the program will continue is needed.</p>
4. If implemented, should this baseline option only be available to solar PV loads, or should it be more broadly available?	The baseline option should be available to all loads. This would remove the need to prove that a site has solar to be eligible.

Consultation questions – settings for trialling an alternative accuracy metric

Consultation question	Response
<p>1. Do you agree with AEMO’s proposals around the following settings (why or why not?):</p> <p>a. Trial duration and review.</p> <p>b. Retaining the existing bias threshold.</p> <p>c. Assessment criteria.</p> <p>d. Transition arrangements.</p>	<p>a. No comment.</p> <p>b. AEMO has provided logical reasons to retain the existing bias threshold.</p> <p>c. No comment.</p> <p>d. The cost to participate in WDR is significant. Along with marketing, staffing, communications, internal systems set up etc, AEMO registration fees are payable. If the trial was to end after a year, it may be unlikely that these expenses are recovered, depending on energy prices, availability, and the size of the participating volume.</p> <p>It is recommended that AEMO put in place “grandfathering” provisions to allow trial participants to continue after the completion of the trial, regardless of the outcome.</p>
2. Are there any other risks or issues that AEMO should consider in implementing a higher accuracy threshold	No comment.