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EPWA CONSULTATION: OPERATIONAL FORECASTING IN THE WEM REVIEW CONSULTATION PAPER

Synergy welcomes the opportunity to provide feedback on Energy Policy WA's (EPWA's) Operational Forecasting in the WEM Review Consultation Paper (**Consultation Paper**) released on 24 July 2025, as part of the Operational Forecasting Review (**Forecasting Review**) being undertaken by EPWA, in collaboration with the Australian Energy Market Operator (**AEMO**), of the AEMO's operational forecasting processes.

Synergy understands that the intent of the Forecasting Review is to ensure that operational forecasting practices in the Wholesale Electricity Market (**WEM**) are fit-for-purpose and aligned with best practices nationally and internationally. Synergy sets out its responses to the proposals within the Consultation Paper below.

Proposal 1 – Reconsider blending parameters

The Consultation Paper outlines a proposal for the AEMO to review and revise its use of blending parameters and persistence forecasting approach that is used to forecast both intermittent generation and large loads. In undertaking its review, AEMO should consider shortening the period over which it blends persistence and foundation forecasts, blending differently for different sites or not blending at all and instead adopting an alternate approach to forecasting.

Synergy supports the proposal for the AEMO to review its approach to blending forecasts.

Proposal 2 – Enhance collaboration with weather providers

Proposal 2, as outlined within the Consultation Paper, is for the AEMO to enhance its collaboration with weather providers to improve weather forecasts used in demand forecasting and intermittent generation resource availability forecasts. Additionally, the Consultation Paper seeks feedback on whether there is a potential role for Market Participants in providing or utilising site-specific data in forecasting.

Synergy is supportive of the AEMO further developing its collaboration with weather providers to improve weather forecasts used in its operational forecasting.

Synergy considers that additional clarification is required to better understand the potential role of Market Participants in relation to Proposal 2, and reserves its position until further details are provided. Currently, Synergy is uncertain whether the suggestion is for Market Participants to provide site-specific weather forecasts or alternatively provide site-specific data to better assist the weather forecast providers engaged by AEMO. Synergy considers that Market Participants need clarifying details on:

- the type, granularity and standard of the site-data that would be required;
- the suggested frequency of data provision;
- whether the proposal is intended to be an “opt-in” provision, or whether it will be mandated; and
- details of any obligations and compliance requirements (and penalties) that may be placed on Market Participants.

Without this additional detail, stakeholders are unable to undertake a proper assessment of the potential resourcing and cost commitments required, alongside any potential risks that this proposal may entail for Market Participants.

Proposal 3 – Enhance documentation and processes

It is suggested that AEMO should further develop documentation of its forecasting process and review the use of its forecasting system’s development and production environments.

Synergy supports the adoption of Proposal 3.

Proposal 4 – Address the lack of incentive to produce accurate intermittent generation forecasts

This proposal is for a centralised forecasting approach, with the AEMO to be responsible for producing intermittent generation forecasts used in the WEM Dispatch Engine (WEMDE) and for Market Participants to be obliged to provide the necessary information to support AEMO in fulfilling this responsibility.

Synergy considers that this proposal is premature at this stage of the Forecasting Review. Should the other proposed changes contained within the Consultation Paper be implemented, the AEMO and Market Participants must be afforded time to observe and assess if the changes have improved the quality of operational forecasting in the WEM before having to consider if a centralised forecasting approach would achieve the same objective of improved forecasting quality.

Additionally, a proposal for change from a partial to fully centralised forecasting approach should be accompanied by a cost-benefit analysis to enable educated consideration of the proposed change. In undertaking a cost-benefit analysis, consideration should also be given to any potential alternative approaches that may be appropriate for the WEM.

Proposal 5 – Publish operational forecasting metrics

Proposal 5 is for the introduction of a rule obliging AEMO to publish metrics for the tracking of operational forecast and backcast errors.

Synergy supports the introduction of this obligation.

Proposal 6 – Formalise large load information provision

It is proposed that operators of large loads will be obligated to provide the AEMO with demand forecast and notify AEMO of any unexpected changes to forecast schedules. Synergy notes that, in the Transformation Design and Operation Working Group (TDOWG) meeting held on 13 August 2025, it was advised that EPWA and the AEMO are currently considering setting a threshold such that the obligation applies to loads with maximum demand of 20 MW or greater.

Synergy reserves its position on this proposal and requests confirmation if the obligation is intended to be placed on retailers servicing the large load customers, or directly onto these customers. Should the obligation be placed on the retailers, consideration must be given that this will require commitments and support from large load customers, along with required amendments to contracts between retailers and their customers. These measures will be essential to making legally enforceable the requirement for large-load customers to provide forecasted operational plans (that would drive expected demand) and secure customers' cooperation to ensuring accuracy of the demand forecast provided. Furthermore, there may be cost considerations if installation of some form of technological interface is required to facilitate data transfer between retailers and their customers to deliver on this obligation.

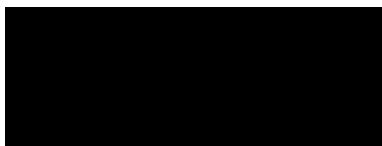
In addition to the above, Synergy believes that further clarifying details are required to allow for Market Participants and customers to properly assess the implication of this proposal. Synergy seeks to understand if the threshold is intended to be applied at a customer level or at the National Meter Identifier (**NMI**) level. Following this, if a customer has multiple NMIs captured under the threshold, is the requirement for the forecast demand to be provided at the customer level or for each individual NMI associated with that customer. Clarification is also required on any potential compliance provisions and forecast accuracy requirements related to this proposal.

Lastly, Synergy requests clarification on whether there is expectation that this obligation be applicable in relation to the Notional Wholesale Meter.

Conclusion

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

Your sincerely



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