



Australian Energy Market Commission (Commission)
Level 15, 60 Castlereagh Street
Sydney NSW 2000
aemc@aemc.gov.au

14 August 2025

Re: EPR0099 - Review of the Wholesale Demand Response Mechanism (WDRM)

Thank you for the opportunity to provide feedback on the Commission's Review of the Wholesale Demand Response Mechanism, Draft report, 10 July 2025 (Report).

The Energy Efficiency Council (EEC) is the peak body for Australia's energy management sector, working to ensure Australia harnesses the power of efficiency, electrification and flexible demand to deliver a prosperous, equitable, net zero Australia.

The [EEC's submission](#)¹ to the Review of the Wholesale Demand Response Mechanism consultation paper dated April 2025 set out the benefits of the WDRM and the ongoing, important role it should play in the future energy market.

The EEC commends the Commission for its full analysis of the WDRM's unique benefits and supports the Commission's finding that these benefits outweigh its operating costs.

The EEC fully supports the Commission's two draft recommendations:

1. that the wholesale demand response mechanism (WDRM) should continue operating; and
2. that the Expanding eligibility under the WDRM rule change request be initiated.

The EEC notes that the National Electricity Market Wholesale Market Setting Review Draft Report has recently highlighted the importance of increasing the market visibility of demand-side resources. In this context, the EEC maintains that the WDRM should be further expanded to cover portfolio-level baselines and small customers.

The argument against portfolio-level baselines advanced in the Report is that the settlement model for the WDRM relies on baselines being determined at individual NMIs. Rather than dismissing the idea of portfolio-level baselines, this suggests the settlement model is not fit for purpose and should be changed. Doing so would stimulate much more participation (a frequent criticism of the WDRM) and bring Australia in line with international best practice in demand flexibility market design.

The EEC also disagrees with the Report's assertion that expanding the WDRM to smaller customers is unnecessary due to the introduction of the recent CER Benefits and IPRR rule changes. Unfortunately, the EEC believes the design of these mechanisms is such that they are neither likely to incentivise a broad range of small users and diverse demand-side technologies to participate, nor stimulate a competitive market for aggregation services. This is why we continue to support expanding the WDRM, a proven mechanism bringing flexible loads into the wholesale market.

For further information on anything in this submission, please contact me on jeremy.sung@eec.org.au or 0411 934 701.

¹ Please see the EEC's submissions website: <https://www.eec.org.au/policy-advocacy/policy/submissions>



Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jeremy Sung', is positioned above the printed name.

Jeremy Sung
Head of Policy
Energy Efficiency Council