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R.E. Submission to the AEMC Wholesale Demand Response Mechanism Review Consultation (EPR0099)

Summary

Reposit Power welcomes the AEMC's draft recommendations under its current review of the Wholesale Demand Response Mechanism (WDRM), and we support the recommendation to initiate Enel X's proposed rule change (ERC0345) to expand eligibility under the WDRM. We also urge the AEMC and AEMO to ensure that implementation of this reform is undertaken with the foresight needed to support future expansions of the mechanism—particularly those enabling participation by small-customer Consumer Energy Resources (CER).

Support for ERC0345

This rule change represents a critical and necessary step toward unlocking broader participation in wholesale markets. Reposit commends both Enel X and the AEMC for championing reforms that address structural barriers in the WDRM framework.

Specifically, ERC0345 seeks to remove one of a number of regulatory barriers preventing the WDRM from realising its potential value in an expanding two-sided market — the exclusion of multiple connection points under NER 2.3.6(m)(1)(i). We believe this amendment is not only appropriate, but essential, to progressing a more equitable and scalable demand response framework in the NEM.

Implementation Must Consider Future Expansion Pathways

While we support the immediate implementation of the ERC0345 rule change, we urge the AEMC and AEMO to ensure that any system or procedural changes undertaken to implement this reform are designed with forward compatibility in mind.

In particular, we ask that:

1. System and process changes made to enable ERC0345 must not preclude, limit or create new barriers to future expansion of the WDRM to small customers;
2. AEMO's baselining, settlement, and telemetry systems be designed to accommodate a greater volume of connection points (both C&I and distributed, small customer CER), even if they are not immediately in scope;
3. Guideline reforms, including revisions to the Wholesale Demand Response Guidelines, explicitly allow for aggregation models and WDRU configurations that can later support small-customer integration; and
4. Implementation decisions are made with clear pathways toward scale, rather than hard-coded around the operational profile of only medium-to-large loads.

Without this consideration, there is a real risk that the systems work performed to support ERC0345 may cement short-term assumptions into long-term technical infrastructure — repeating the very constraints that have previously stymied innovation.

Learnings from AER Sandbox Application Process

Our own experience developing and proposing an AER sandbox trial for small-customer participation in the WDRM provides compelling evidence that significant market innovation and demand-side capacity remain untapped due to the current rule constraints and WDRM system limitations.

Reposit's sandbox trial proposal — which sought to enrol 1,900 residential CER systems (~10 MW aggregated capacity) into the WDRM through a price-responsive VPP — was ultimately unable to proceed due to limitations with AEMO's current baselining and settlement systems. These limitations included:

1. Inability to register small-customer NMIs within WDRUs under current WDRM system capability constraints;
2. Inflexibility in baseline engine design and data handling;
3. Restrictions under WDR Guidelines preventing aggregation across DNSP zones or below 5 MW nodal thresholds.

These technical and procedural blockers were not policy rejections, but system-level constraints. It is Reposit's view that these barriers can and should be removed over time — and that the implementation of ERC0345 should lay the foundation for such removal.

As such, we encourage the AEMC to explicitly include the following guidance in its final report:

“In implementing ERC0345, the AEMC recommends that AEMO design and deliver WDR system changes in a manner that does not constrain or foreclose future reform options, including the participation of small-customer energy resources in the WDRM. System upgrades should be designed for extensibility, ensuring support for broader aggregation models, flexible baseline methodologies, and scalable telemetry solutions.”

Conclusion

Reposit reiterates its support for the AEMC's draft recommendation to progress ERC0345. This reform is a crucial enabler of expanded demand-side flexibility, and we believe it represents a foundation upon which broader participation in the NEM can be built. We strongly encourage the Commission to adopt an implementation approach that anticipates and enables future expansion — including small customer CER participation — and avoids locking in systems that replicate the structural limitations of the current mechanism.

We thank the AEMC for the opportunity to contribute to this review and look forward to continued engagement on the future of flexible demand in the NEM.

Sincerely,



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