



14 August 2025

Harrison Gibbs
Australian Energy Market Commission
Level 15, 60 Castlereagh St
Sydney NSW 2600

RE: Review of the Wholesale Demand Response Mechanism

Shell Energy welcomes the opportunity to provide a response to the Australian Energy Market Commission's (AEMC) Review of the Wholesale Demand Response Mechanism (WDRM) draft report.

About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint.

Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia¹, Shell Energy offers integrated solutions and market-leading² customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120-megawatt Gangarri solar energy development in Queensland. Shell Energy also operates the 60 MW Riverina Storage System 1 in NSW, as well as the 200 MW Rangebark Storage System and 370 MW Koorangie Storage System both located in Victoria.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

General comments

Shell Energy agrees with the AEMC's draft recommendation that the WDRM be continued and that the pending rule change request seeking to allow sites with multiple connection points to participate in the WDRM be initiated.

We recognise that there will soon be other opportunities for demand-side resources to participate in the market such as through the outcomes of the Integrating Price Responsive Resources (IPRR) and Unlocking CER through flexible trading arrangements (FTA) rule changes. Yet the WDRM is the only model where the customer is effectively paid for reducing its demand, compared to the others which operate by lowering the costs of total

¹ By load, based on Shell Energy analysis of publicly available data.

² Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.



spot price exposure. The WDRM also allows participants to bid the load reduction into the NEM, rather than having to bid the entirety of a load like a scheduled generator or voluntary scheduled resource (VSR) might.

The WDRM is not a perfect mechanism, with challenges relating to baseline methodologies, the value of the Wholesale Demand Response Reimbursement Rate, the impact of solar PV, aggregation and other issues. Despite this, there are benefits to the mechanism, as the AEMC has identified.

Continuing the WDRM allows improvements to be made over time to deliver additional benefits. We look forward to engaging with the AEMC on the rule change request seeking to allow sites with multiple connection points to participate in the WDRM. We also recognise AEMO's recent final decision on EnelX's proposals for new baseline methodologies which will see new baseline methodologies available to participants.

For any other questions relating to this response, please contact Regulatory Strategy Lead, Ben Pryor at ben.pryor@shellenergy.com.au.

Yours sincerely,

[signed]

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