

FACT SHEET – payment for your flexibility services

Your payment

Flexibility services are a type of alternative options service which Western Power would like to call upon to assist with managing its electricity network.

Your participation in this flexibility services trial is valuable. Western Power will pay you for your availability and performance for each flexibility service event.

Your price, for flexibility services, is submitted and confirmed in Schedule 3 of the Flexibility Services Contract.

Payment will be monthly and based on: $\frac{[\text{availability} + \text{performance}]}{[\text{events}]}$

The breakdown of availability and performance payments

Availability means that you put forward your premises to provide flexibility services, for the event. We pay you the availability incentive if you are 'available' by meeting more than 1 per cent of your target.

Performance means how well your premises performed to provide flexibility during the event. Your performance incentive is paid if your meter data tells us that you met more than 50 per cent of your target, during the event. The amount of performance incentive paid is prorated in proportion to how much flexibility service was provided for each Event.

Payment for each premises will be made up of up to 20% for availability and up to 80% for performance.

See clauses 16 – 19 of the Flexibility Services Contract, for more information.

Your flexibility targets and the actual services provided on the day

To participate in the 26 events (including the scheduled test) of the trial, you set a target for increasing electricity demand for each event, that you propose to meet. This is called your **flexibility target**.

How your system performs on the event day is called the **achieved flexibility**. We will measure achieved flexibility by taking data every 30 minutes, from the meter at the premises, during a flexibility event. Achieved flexibility is then calculated by the difference between the **baseline** and the metered data for your premise.

To calculate your payment, we will assess your achieved flexibility.

For more information on baseline, see the [baseline fact sheet](#).

The process for being paid

You will be paid monthly, using the Ariba portal ([www. https://service.ariba.com](https://service.ariba.com)). At the end of each month, we will assess your availability and performance, then issue a purchase order within ten business days.



So you can review your availability and performance, the purchase order will include meter data and which premises were confirming and non-confirming during the events.

You will then invoice Western Power and be paid within ten business days.

What if I don't agree with Western Power's assessment?

You will have two weeks, from the date you receive your purchase order, to get in touch with us and communicate a concern to your account manager. We will then meet to go through your concern.

If your concerns are not resolved then, you may decide to issue a Notice of Dispute.

See clause 44 of the Flexibility Services Contract, for more information.

Payment examples

Scenario 1: The Participant agreed to a load shift of 1MW per Event at a price of \$27,000 per MW (Bid Rate). There is a total of 26 Events for the Term. The Participant achieved 100% of its Flexibility Target for each Event.

The maximum fees payable by Western Power to the Participant for the Term will be calculated as follows:

$$1\text{MW} \times \$27,000 = \$27,000$$

Of that amount the Availability Incentive and Performance Incentive are:

$$\text{Availability Incentive} = \$27,000 \times 20\% = \$5,400$$

$$\text{Performance Incentive} = \$27,000 \times 80\% = \$21,600$$

$$\text{Fee Payable: } \$21,600 + \$5,400 = \$27,000$$

The maximum fees payable by Western Power to the Participant for an Event will be calculated as follows:

$$\left(\frac{\$27,000}{26}\right) = \$1,038.46$$

Of that amount the Availability Incentive and Performance Incentive are:

$$\text{Availability Incentive} = \$1,038.46 \times 20\% = \$207.69$$

$$\text{Performance Incentive} = \$1,038.46 \times 80\% = \$830.77$$

$$\text{Fee Payable: } \$207.69 + \$830.77 = \$1,038.46$$

The maximum fees payable by Western Power to the Participant for a Month if there were three (3) Events in that Month will be calculated as follows:

$$\text{Fee Payable: } \$1,038.46 \times 3 = \$3,115.38$$

Scenario 2: The Participant agreed to load shift of 1MW per Event at a price of \$27,000 per MW (Bid Rate). There is a total of 26 Events for the Term. There were 2 Events in a Month. The Baseline for this Premises had been measured and established as 2MW for the first Event and 1.5MW for the second Event.

For the first Event, the actual demand at the Premises was 2.6MW. The fees payable by Western Power to the Participant for the first Event will be calculated as follows:

The maximum possible fees for the Event is \$1,038.46 comprising an Availability Incentive of \$207.69 and Performance Incentive of \$830.77.

The Achieved Flexibility for this Event is equal to the difference between the actual demand at the Premises and the Baseline (i.e 2.6MW – 2MW = 0.6MW). This equates to 60% of the 1MW Flexibility Target.

Performance Incentive = \$830.77 x 60% = \$498.46

Availability Incentive = \$207.69

Fee Payable: \$498.46 + \$207.69 = \$706.15

For the second Event, the actual demand at the Premises was 1.9MW. The fees payable by Western Power to the Participant for the second Event will be calculated as follows:

The maximum possible fees for the Event is \$1,038.46 comprising an Availability Incentive of \$207.69 and Performance Incentive of \$830.77.

The Achieved Flexibility for this Event is equal to the difference between the actual demand at the Premises and the Baseline (i.e 1.9MW – 1.5MW = 0.4MW). This equates to 40% of the 1MW Flexibility Target.

The Premises is a Non-Conforming Premises and therefore no Performance Incentive is payable for this Event.

Availability Incentive = \$207.69

Fee Payable: \$207.69

The fees payable by Western Power to the Participant for the Month will be calculated as follows:

Fee Payable: \$706.15 + \$207.69 = \$913.84
