

PROCEDURE: Revising flexibility targets

Overview

Operational and technical factors contribute to achieving flexibility targets, meaning that following testing, some adjustments may be required to flexibility targets.

This document is intended as a guide for the flexibility services pilot, supporting partners and Western Power in working together, to effectively manage requests from partners to request adjustments to their flexibility targets.

This procedure steps out the principles, process and key activities for adjusting flexibility targets, including how the process will be managed. It is general, and not comprehensive, in that it does not detail all the individual activities that partners and participants may need to undertake in order meet their contractual obligations under the flexibility services pilot contract.

Guidance

Flexibility targets may need to go up or down, following testing, and once results are reviewed. A partner may request to either increase, or reduce their target, under the following scenarios:

1. Increasing the flexibility target: where the actual flexibility delivered (PV output or load shift) is much higher than the set target. In this situation, the participant is achieving much higher than expected rates, over the target cap of 100%, at which their service was assessed and remuneration based.
2. Reducing flexibility target: where actual flexibility delivered (solar PV output or load shift) output less than the set target, due to a number of factors, like aging infrastructure. In this situation, the premise is not close to meeting its target and is unlikely to ever meet it. In some cases, the flex achieved is so much less that it could be deemed as non-conforming and may not be able to pass NMI testing at the set target.

Adjusting the flexibility target to an accurate level will ensure that:

- The target is realistic, and sites are able to conform when the flexibility actions are taken
- There is more accurate reimbursement for partners, for flex services delivered.

Principles

- Testing of premises is needed to accurately confirm flexibility targets.
- Once their data is available, partners will have the opportunity to submit one flexibility target adjustment per premises, that applies for the contract term, with no further adjustments or reversals.
- The new proposed flexibility target must align with the testing results for the premise and may need to go through technical assessment.
- Changes to the flexibility target are volumetric only. The payment rate (as the bid \$/MW) remains set, noting that the overall payment at settlement may increase or decrease.
- Where the flexibility target is going down, Western Power will retrospectively apply any revised flex target, and calculate any reimbursement payments on the new result.
- Where the flexibility target is increasing, Western Power will treat the NMI as a new NMI and will undertake a technical assessment. We will work with the Partner to understand the changes

and consider any increases by negotiation. If the increase is approved, Western Power will apply the new flex target from the start date indicated in the related CVO.

- Western Power reserves the right to decline any proposed flexibility target adjustments.

Procedure

STAGE	ACTIVITIES	OWNER	LINKED DOCUMENTS
1. TRIGGER	<p>Within 30 days of data being available in the flexibility platform:</p> <ul style="list-style-type: none"> • Partner submits request (as completed template) to DER Service Manager via flexibility services email 	Partner	Template: flex target change spreadsheet
2. ASSESSMENT	<p>Within two business days:</p> <ul style="list-style-type: none"> • DER Manager undertakes first pass review of change (MW) • DER Manager advises partner of result (either supported, progress to technical assessment or declined) 	WP – DER Service Provider	
	<p>Within five business days (depending on the number submitted):</p> <ul style="list-style-type: none"> • Technical evaluation process is run for NMIs 	WP – Assessment team	
3. APPROVAL	<p>Within one business day:</p> <ul style="list-style-type: none"> • Submitted to Project Sponsor for commercial approval 	WP – DER Service Manager	
4. NOTIFICATION	<p>Within one business day:</p> <ul style="list-style-type: none"> • Partner is contacted to advise of their results • Partner advises DER Service Manager of decision to progress to variation, or not 	WP – DER Service Manager	
5. CONTRACT VARIATION	<p>Within approximately 5 working days:</p> <ul style="list-style-type: none"> • Contract Manager develops contract variation • Variation is issued to partner 	WP – Contract Manager	Contract variation order
6. UPLOAD NEW TARGET	<p>As ready:</p> <ul style="list-style-type: none"> • Flexibility services platform data uploaded • Any purchasing system updates made • Next settlement report to include backpay (where applicable) 	WP – DER Service Manager	Flexibility services platform: user guide

Contact

Please share your feedback with us on this procedure document to inform our future work together.

If you have any questions or need access to the materials mentioned in this procedure, please email flexibilityservices@westernpower.com.au.