

TITLE: WHOLESALE ELECTRICITY SUPPLY POLICY **DATE:** 11/12/2023

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This document is not to be considered in isolation, but in relation to its position in the document hierarchy as illustrated under section heading: document hierarchy and questions.

1 ENDORSEMENTS

Sign off	Signature and date	Name	Title
Author:	<i>Dominic Regnard</i> Date: 11/12/2023	Dominic Regnard	Manager, Trading
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Approver ((board or committee chair):	<i>m/shepherd</i> Date: 11/12/2023	Michelle Shepherd	Chair
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2 PURPOSE

A policy to apply to the operations of the wholesale business unit (**WBU**) as in offering wholesale supply of electricity to customers, in accordance with Regulations 23 and 24 of the Electricity Generation and Retail Corporation (**EGRC**) Regulations.

3 REASON FOR THIS POLICY

This policy sets out the practical steps and processes required of the WBU, the retail business unit (**RBU**) and applicable staff to ensure that the EGRC complies with its obligations under the Act and the EGRC Regulations, specifically to:

- (a) meet the requirements of Regulations 23 and 24 of the EGRC Regulations;
- (b) provide for a standard process for the WBU to respond to requests from customers for the wholesale supply of electricity, including:
 - (i) assessing the ability of the customer to make payments for the wholesale supply of electricity; and

- (ii) determining the terms and conditions on which the wholesale supply of electricity is to be offered in response to a request, taking into account the customer's ability to make such payments;
- (c) ensure those standard processes are not, having regard to all relevant circumstances, more favourable to the RBU than another customer in relation to an offer to supply wholesale electricity to the RBU; and
- (d) outline a response standard for customer requests to the WBU for the wholesale supply of electricity.

3.2 Consequences of a failure to comply

A failure to comply with this policy could result in the EGRC breaching its statutory obligations, potentially leading to civil penalties being imposed under the Act or the EGRC Regulations. The EGRC is audited for compliance with the Act and the EGRC Regulations. The EGRC may also take disciplinary action against officers and employees who do not comply with this policy.

3.3 Who to contact to discuss questions or concerns

If you have any questions or concerns in relation to compliance with this policy, please contact general counsel for further details.

3.4 Definitions

The definitions used in this policy are attached as appendix 1.

4 POLICY COVERAGE

4.1 Overview

This policy applies to requests:

- (a) from customers to the WBU for the wholesale supply of electricity from the EGRC; and
- (b) which are made after 1 January 2014.

This policy sets out the required key steps in the request for quotation (**RFQ**) process being:

- (a) RFQ requirements.
- (b) Receipt of RFQ.
- (c) Clarification of enquiry.
- (d) Counter party approvals and credit requirements.
- (e) Response to RFQ.
- (f) Acceptance and confirmation.

4.2 Overarching principles

The WBU must ensure that it deals with each RFQ in a transparent and fair manner, having regard to all relevant circumstances.

5 RFQ REQUIREMENTS

5.1 Form

The WBU may publish and make available standard forms to be used by a customer in submitting a RFQ or any aspect of the RFQ process, together with any instructions for the completion of those forms.

The form may specify that if the RFQ contains estimates or forecasts of any information, the customer warrants that such estimate or forecast is the customer's best, reasonable estimate or forecast.

The WBU may publish any forms, instructions, templates or standard form documents on the EGRC's website or other internet-based service that may be reasonably accessed by customers, or make these documents available in such other manner as the EGRC considers appropriate.

5.2 Commencement

The WBU may publish an email address to which a RFQ may be sent. Receipt of an RFQ will commence when:

- (a) it is delivered to the published email address, or such other address otherwise notified by the WBU in writing to a customer; and
- (b) it is in the form prescribed by the WBU and is duly completed. If there is no prescribed form for a RFQ, the enquiry must at least be in writing.

If the WBU considers that a RFQ has not been submitted in the form required or duly completed, it may notify the customer that it rejects the RFQ and, if appropriate, provide a brief explanation for the rejection.

6 RECEIPT OF RFQ

6.1 Acknowledgement of receipt

The WBU must acknowledge, in writing, receipt of any RFQ it receives as soon as practicable after receiving the RFQ.

The acknowledgement from WBU to a customer may contain a statement that the acknowledgement is not to be taken as creating a binding contract between EGRC and the customer in relation to the matters the subject of the RFQ.

If a RFQ received by the WBU is submitted by, or for the benefit of, a customer that is not an approved counterparty, the WBU will respond to that customer in a reasonable time after receiving the RFQ, advising:

- (a) that the customer needs to be an approved counterparty before the RFQ can be progressed; and
- (b) the requirements and process required to become an 'approved counterparty'.

The WBU may, in its absolute discretion, reject an RFQ that the WBU determines to be made for purposes other than seeking to enter into an arrangement to procure wholesale electricity.

If the WBU decides to reject a RFQ on this basis, then it must notify the customer and, if appropriate, provide a brief explanation for the rejection.

6.2 Clarification of enquiry

In assessing the RFQ, the WBU may request in writing that the customer provide certain further information to the WBU within 10 business days (or such other time as the WBU considers reasonable) or the WBU may meet with the customer to assist the WBU clarify a matter under a RFQ.

Where the WBU makes a request for further clarification or information under this section in respect of a RFQ, the WBU may refuse to deal with the RFQ, and declare it invalid, if the customer does not provide the requested information to the reasonable satisfaction of the WBU within the time specified by the WBU (which must not be unreasonable).

Any discussions are not binding on the WBU and the WBU is not liable for any error or omission that is made in such discussions, nor any warranty or representation purported to be made in the course of those discussions.

7 COUNTERPARTY APPROVAL AND CREDIT REQUIREMENTS

7.1 Approval process for counterparties

The credit policy prescribes certain criteria for customers which must be met for EGRC to enter transactions with approved counterparties.

The process for assessing credit limits and requirements shall be made in accordance with the credit policy.

7.2 Credit requirements

The EGRC must comply with the credit policy.

8 RESPONSE TO RFQ

8.1 Considerations

When determining pricing and other terms and conditions for an RFQ, the WBU must:

- (a) apply a consistent pricing approach between RFQs of like or similar nature, including taking into account all relevant circumstances of those RFQs including, but not limited to, volume, period and terms and conditions;
- (b) take into account relevant internal WBU circumstances including, but not limited to, contracted position, plant and fuel availability and available generating capacity; and
- (c) take into account market conditions or any other conditions considered to be relevant. The WBU must maintain records of the pricing approach adopted together with any underlying assumptions.

8.2 Pricing, terms and conditions

In determining the applicable terms and conditions offered to customers other than the RBU, the WBU must not take into account the financial interest of the RBU.

In determining the applicable terms and conditions offered to the RBU, the WBU must ensure that a wholesale supply of electricity is not offered to the RBU on terms that are, having regard to all relevant circumstances, more favourable than the terms on which a wholesale supply of electricity is offered to customers other than the RBU.

8.3 Offer

Subject to part 6 and sufficient surplus electricity generating capacity being reasonably available to meet the RFQ, the WBU will formally provide an offer (or revised offer) in response to the RFQ in writing to the customer as soon as practicable after WBU receives all information and documentation (in accordance with this policy) it requires to properly assess an RFQ and determine an offer.

Each offer will set out:

- (a) the relevant pricing applicable for the requested wholesale supply of electricity;
- (b) the terms and conditions of supply for that wholesale supply of electricity; and
- (c) the time within which the customer may accept the offer.

Each offer must also state that the offer does not create binding legal obligations on the WBU and that it will be subject to the satisfaction of EGRC's credit policy.

8.4 Existing contractual arrangements

Other than for the RBU, the process and timings in this part 8 do not apply to the extent they are inconsistent with any binding contractual obligation on the EGRC that arose at any time before the merger time.

9 ACCEPTANCE AND CONFIRMATION

Other than as set out in this part 9, an offer issued by the WBU to a customer in itself does not create binding legal obligations on the WBU.

WBU must allow the customer a reasonable period to accept an offer in response to a RFQ unless there is a material change in circumstances affecting WBU which occurs after the offer is made.

An offer that is not accepted by the customer within the period for acceptance stated in the offer automatically lapses and becomes invalid upon the expiration of that period.

If the customer accepts an offer within the period for acceptance, the WBU will send the customer a formal confirmation, provided that any conditions associated with the RFQ and its assessment by the WBU are met or otherwise satisfied.

If the customer does not accept the terms presented in an offer, the customer may request a revised offer. The WBU may (but is not obliged to) present a revised offer in response to the RFQ, provided always that all applicable provisions of this policy are complied with in presenting the revised offer.

The WBU may revise an offer for an RFQ as many times as the WBU considers appropriate.

The confirmation is not binding on the EGRC, nor does it have any force or effect, and the EGRC is under no obligation to supply any electricity pursuant to any confirmation until the customer returns a duly executed counterpart of the confirmation to the WBU.

9.1 Existing contractual arrangements

Other than for the RBU, the process and timings in this part 9 do not apply to the extent they are inconsistent with any binding contractual obligation on the EGRC that arose at any time before the merger time.

10 CONFIDENTIALITY

All information provided in accordance with this policy by:

- (a) the WBU to a customer; or
- (b) a customer to the WBU,

must only be used in commercial confidence unless otherwise agreed or required by law.

11 REPORTING AND RECORDKEEPING

The EGRC must maintain all records reasonably necessary to enable an external audit of compliance with this policy.

12 PROCEDURES

The EGRC may develop and document procedures to govern the day-to-day administrative and operational matters and processes necessary to give effect to this policy. Procedures do not form part of this policy.

13 COMPLIANCE

The EGRC and all of its officers and staff must comply with the applicable provisions of this policy.

14 BREACHES

14.1 Reporting

An officer of the EGRC or a member of staff must report any actual or suspected breach of this policy of which they become aware to the trading and risk management committee (**TRMC**) or its delegate.

The obligation under the above paragraph is not limited to self-reporting. If a person is aware or concerned that an officer of the EGRC or another staff member is engaging in behaviour that is, or may be, in breach of this policy, that person should report this information to the TRMC or its delegate.

14.2 Investigation

Upon receipt of a reported breach of this policy, the TRMC or its delegate must investigate whether a breach has actually occurred.

The TRMC must inform general counsel of the result of any investigation. If the investigation concludes that a breach has occurred, that breach must be:

- (a) recorded in the register; and
- (b) reported to the general counsel, CEO and the audit and risk committee as soon as practicable.

15 VARIATION OF THIS POLICY

The policy will be reviewed, and if necessary, amended from time to time to:

- (a) ensure consistency and compliance with the EGRC regulations; and
- (b) address any issues with the effectiveness of this policy.

If this policy is varied, a copy will be provided to the Minister and, subject to regulation 24(6) of the EGRC Regulations, published on the EGRC's website.

16 DOCUMENT HIERARCHY AND QUESTIONS



The document hierarchy diagram (left) shows where in the document hierarchy this system sits and how it relates to all other documents in the hierarchy.

Any questions or feedback related to this document should be directed to the document owner in the first instance

17 RELATED DOCUMENTS

Document title	Document number
Interpretation	Appendix 1
Definitions	Appendix 2

Appendix 1: Interpretation

In this document, unless the context otherwise requires:

- (a) A reference to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time to time.
- (b) Words expressed in the singular include the plural and vice versa.
- (c) Words expressed in one gender include the other gender.
- (d) A "person" includes a company, partnership, firm, joint venture, association, authority, corporation or other body corporate.
- (e) A reference to any thing or any amount is a reference to the whole and each part of it.
- (f) A reference to a group of persons is a reference to all of them collectively, to 2 or more of them collectively and to each of them individually.
- (g) References to time are to time in Perth, Western Australia, being Coordinated Universal Time (UTC) + 8:00hrs
- (h) Where a day, which is not a business day, is specified by or on which a thing must be done, that thing that must be done by or on the next succeeding business day.

- (i) No rule of construction will apply to the disadvantage of a party because that party was responsible for drafting this document or any of the provisions of this document.
- (j) A reference to any law contained in this document is deemed to include any amendment, re-enactment or consolidation of the law.
- (k) A reference to “dollars” or “\$” is a reference to the currency of Australia.
- (l) The procedures, schedules and attachments (if any) do not form part of this document.

Appendix 2: Definitions

In this policy, the following definitions apply:

A reference to a supply of wholesale electricity to the RBU has the same meaning as in regulation 21 of the EGRC Regulations.

Term	Meaning
Act	means the <i>Electricity Corporations Act 2005 (WA)</i> .
Audit and Risk Committee	means the audit and risk management committee appointed by the board.
Approved Counterparty	a counterparty that has been approved by the TRMC in accordance with Synergy's trading risk policy (tier 4 instrument).
Board	means the board of directors of the EGRC.
Business Day	means any day other than a Saturday, Sunday or a public holiday in Western Australia.
Business Unit	means each of the RBU and the WBU.
Confirmation	a document in writing, setting out the terms and conditions on which the WBU will supply wholesale electricity the subject of a RFQ to the customer.
Credit Policy	means the Wholesale Energy Credit Policy of the EGRC, which establishes the credit, finance and security requirements of contractual counterparties to the EGRC.
Customer	means a person who seeks to procure wholesale electricity supplied on the SWIS and includes the RBU.
EGRC	means the Electricity Generation and Retail Corporation established under section 3(1) of the Act.
EGRC Regulations	means the <i>Electricity Corporations (Electricity Generation and Retail Corporation) Regulations 2013 (WA)</i> .
Market Rules	means the Wholesale Electricity Market Rules (as amended from time to time) made under the <i>Electricity Industry (Wholesale Electricity Market) Regulations 2004</i> .
Merger Time	has the meaning given to that term in section 194 of the Act.
Minister	means the minister responsible for administering the Act from time to time.
Policy	means this Wholesale Electricity Supply Policy, as may be amended or replaced from time to time.

Procedure	means a procedure developed and agreed by the Business Units in accordance with clause 10.
RBU	has the meaning given to “retail business unit” in regulation 3 of the ERGC Regulations.
Register	means the register in which all breaches of this Policy are recorded.
RFQ	means an enquiry received by the WBU from a Customer requesting an offer of a wholesale supply of electricity.
Staff	has the meaning given in regulation 3 of the EGRC Regulations.
SWIS	has the meaning given to the term “South West interconnected system (SWIS)” in the Market Rules.
WBU	has the same meaning as the term “wholesale business unit” in regulation 3 of the EGRC Regulations.
