

Energy Market Leaders Forum – Outcomes

MEETING No:	11
DATE:	18 August 2016
TIME:	09:30 am – 11:30 am Eastern Standard Time
LOCATIONS:	AEMO - Melbourne AEMO - Sydney AEMO - Brisbane AEMO - Adelaide AEMO - Perth

1. ATTENDEES

Melbourne	AEMO AEMO IPM Australia Limited TasNetworks EnergyAustralia Yallourn Pty Ltd Australian Energy Regulator (AER) AusNet Services Pacific Hydro Pty Ltd Jemena Limited Australian Energy Council Energy Networks Association	Karen Olesnicky (Chair) Mike Cleary David Foulds Bess Clark Melinda Green Peter Adams Adrian Hill Randall Brown Ian Israelsohn Matthew Warren John Bradley
Adelaide	AEMO AEMO Australian Gas Networks Limited SA Power Networks	David Swift Jess Hunt Andrew Staniford Sean Kelly
Brisbane	AEMO CS Energy Limited Stanwell Corporation Limited QGC Sales Qld Pty Ltd	Frank Montiel David Scott Steve Quilter Erin Bledsoe
Perth	AEMO Perth Energy Pty Ltd BHP Billiton (Perth) ATCO Gas Australia Retail Energy Market Company Limited (REMCo)	Cameron Parrotte Andrew Rowe Ian Mumford Pat Donovan Stephen Eliot
Sydney	AEMO Origin Energy (VIC) Pty Limited APA Group Pty Ltd Energy Consumers Australia Australian Energy Market Commission (AEMC) AEMC Infigen	Geoff Erder Keith Robinson Rob Wheals David Havyatt Suzanne Falvi Andrew Truswell John McDonald

2. APOLOGIES

Trevor Armstrong, Alex Keisser, Ben Wilson, Greg Jarvis, John Pierce, Lance Balcombe, Mark Collette, Michelle Groves, Nino Ficca, Rachel Watson, Richard Van Breda, Rosemary Sinclair, Shaun Reardon, Gavin Dufty, Jason Waters, Merryn York, Tom Watters, Tony Narvaez.

3. INTRODUCTION

Members attended the meeting in person at AEMO's offices in Melbourne, Brisbane, Adelaide, Sydney and Perth. The Chair noted the tragic passing of Matt Zema since the previous meeting.

4. OUTCOMES OF PREVIOUS MEETING

The draft communique circulated previously to members in respect of meeting 10 (April 2016) has been finalised and published on the AEMO website.

5. DISCUSSION

The group discussed the key features of the Western Australian electricity market and the reforms that are currently underway. The group discussed a range of issues including:

- The timing of the reforms and the importance of ensuring that market participants are given enough time to implement changes to their systems,
- the prospects for effective competition following the introduction of full retail competition;
- the likely impact of excess generation capacity in future capacity auctions; and
- the extent to which the Western Australian retail market design will align with that of the National Electricity Market (NEM).

The group also discussed the causes of recent market activity in the NEM. It was suggested that there is a role for the market institutions, including AEMO, to become more involved in communicating the causes of price volatility. AEMO and the AER both publish relevant information in the course of their functions, however, the format and timing of this information means that it is not always available when public debates are occurring. The group discussed the extent to which independent statutory authorities should engage in public debates. It was noted that volatility is a key design feature of the NEM, and there is merit in ensuring that relevant stakeholders, including policy makers, understand how the market works. There was also a discussion about the ability of market participants to respond to events in frequency control ancillary services (FCAS) markets.

AEMO provided an update on the key findings of its Future Power System Security program and the AEMC told the group about their review of system security. The AEMC's review will address emerging gaps in the regulatory framework and examine the adaptability of current mechanisms given changing market conditions, with a consultation paper due out in September. AEMO and the AEMC have signed a collaboration agreement with respect to system security whereby AEMO will have a technical advisory role. The group discussed the importance of considering the full range of solutions in order to secure the greatest long term value for consumers.

6. NEXT MEETING

To be held on **23 February 2017** at AEMO's offices.