

MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: 8
 DATE: Tuesday, 27 June 2017
 CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Alex Driscoll	AEMO
Amanda Niklaus	AEMO
Andrew Winter (Chair)	AEMO
Courtney Roberts (Secretariat)	AEMO
Dean Sharafi	AEMO
Fred Dykman	AEMO
Greg Ruthven	AEMO
Luke Dowling	AEMO
Mark Katsikandarakis	AEMO
Martin Maticka	AEMO
Neetika Kapani	AEMO
Paula Welke	AEMO
Shaun Pethick	AEMO
Annette Kelly	AEMO (VC)
Mark Riley	AGL (VC)
Will Street	Alinta
Tim McLeod	Amanda Energy
Tim Rosser	Blair Fox
Adam Stephen	Bluewaters Power
Paul Arias	Bluewaters Power
Ignatius Chin	Bluewaters Power
Kynan Smith	CBA
Geoff Gaston	Change Energy
Chris Armstrong	CleanTech Energy
Caroline Cherry	CMEWA
Steve Gould	Community Electricity
Taron Brearley	Department of State Development
Elizabeth Walters	Economic Regulation Authority
Wendy Ng	ERM
David Calder	Origin (VC)
Patrick Peake	Perth Energy
John McLean	PSC
Jenny Laidlaw	RCPWA
Susanna Floth	SkyFarming
Andrew Woodroffe	SkyFarming
Ben Hammer	Synergy
Angelina Cox	Synergy
Ross Glossop	Tesla
Paul Gower	Vinalco
Peter Huxtable	Water Corporation
Dean Frost	Western Power

1. Welcome

Andrew Winter (Australian Energy Market Operator (AEMO)) opened the meeting at 1:00pm and welcomed attendees to the eighth WA Electricity Consultative Forum (WAEFCF).

Andrew Winter noted that all actions from the previous meeting had been addressed. AEMO sought stakeholders' endorsement to the minutes from the previous meeting (4 April 2017). No further comments were raised. AEMO to publish the minutes from the previous meeting as final on the website (action item 1.1).

2. AEMO website – Outcomes of the stakeholder online survey

Annette Kelly (AEMO) presented the feedback received from the stakeholder survey recently undertaken on the user experience of AEMO's website. Recent enhancements and improvements to the website were highlighted.

Stakeholders are invited to provide any further comments or suggestions on the AEMO website to Annette Kelly (Annette.kelly@aemo.com.au).

3. Electricity Statement of Opportunities update

Neetika Kapani and Luke Dowling (AEMO) provided an overview on the analysis and key findings presented in the 2017 Electricity Statement of Opportunities (ESOO) which was published 15 June 2017. It was noted that ACIL Allen was engaged to do this year's peak demand and energy forecasts. The below points were raised:

- Stakeholders questioned the implications for certification based on the shortfalls in 2020/21 and whether there may be a capacity auction. PUO released a position paper for consideration early this year.
- It was noted that there may be a shift in the peak to the morning due to increased battery storage, solar, and IRCR. Further analysis may be done on solar PV and IRCR areas as part of an Insights Paper.
- The forecasting consultant has changed as WA moves into the integrated national framework, and with a view to build in-house modelling capabilities.
- A stakeholder suggested AEMO consider if there are similarities in solar uptake in Queensland.
- There was interest in the capacity trend in the latest Insights paper.
- It was noted the SWIS is not closer to being energy limited.

4. Balancing Price Forecast Accuracy analysis

Amanda Niklaus (AEMO) presented the factors affecting the accuracy of the forecast Balancing Price and forecast accuracy trends. The following points were raised:

- It was queried how the Non-Scheduled Generation forecasts in the SWIS compared against other jurisdictions. Mark Katsikandarakis (AEMO) confirmed that current forecast accuracy of 12-13% is comparable.
- It was queried how these values compare to the Australian Wind Energy Forecasting System (AWEFS¹) used in the NEM. Mark Katsikandarakis noted that this information was not available.
- It was queried if AWEFS would be introduced in the WEM. Greg Ruthven (AEMO) advised AEMO's initial proposal for WA market reform included scope to introduce AWEFS however, this will now

¹ AWEFS was established in response to the growth in intermittent generation in the NEM, and the increasing impact this growth was having on NEM forecasting processes. The system aims to provide better forecasts that will drive improved efficiency of overall NEM dispatch and pricing, and permit better network stability and security management.

depend on final market design and future direction of market reform. A stakeholder noted that the introduction of more Non-Scheduled Generators in the WEM may lead to decreased accuracy and increased price volatility.

- Mark Katsikandarakis noted that the Balancing Forecast Accuracy weekly emails are run as a subscription service for any interested parties. Please contact wa.operations@aemo.com.au to be added to the list.
- It was queried what the impact of a shorter, 30 minute gate closure would be on forecast accuracy. Mark Katsikandarakis noted that current submissions are more accurate than a persistence forecast at 2.5 hours before the interval. Mark Katsikandarakis noted that although allowing Non-Scheduled Generators to update quantities after gate closure provides opportunity for a more accurate forecast price, the current gate closure means that the ability of other Market Participants to respond to this signal is limited.

5. System Management update

Dean Sharafi (AEMO) provided an update on recent System Management transition activity and noted that AEMO will hold its second WA Generator Forum on 5 July 2017.

6. WA Market Reform Program

Shaun Pethick and Paula Welke (AEMO) provided an update on the WA Market Reform Program (WAMRP) and the WA office move. The following points were raised:

- WAMRP forums - Retail forums have been held monthly. The Reserve Capacity Mechanism (RCM) forum has been postponed to 12 July. Mark Riley (AGL) and David Calder (Origin) requested details on the WAMRP forums be circulated (action item 6.1).
- It was questioned whether Full Retail Contestability (FRC) would be implemented by 2019. At this stage AEMO is unable to provide a definitive answer, as this depends upon a confirmed mandate (scope and timing) from the new Energy Minister, and a timetable from the Public Utilities Office (PUO). AEMO has invited the PUO to a joint workshop on 19 July to commence planning for this date. As soon as possible thereafter an update on scope and dates will be provided to Market Participants.
- Stakeholders queried if the recent emergency database failover and corresponding STEM delay was related to the datacentre work outlined by Shaun Pethick. Martin Maticka (AEMO) advised that they were not related. It was advised that AEMO has executed a number of database failovers in recent weeks to install a number of critical cyber security patches. On 16 June there was an unrelated fault of a switch at AEMO's Malaga datacentre which caused performance issues with the WEMS. Accordingly, AEMO instigated an emergency failover and had to delay the STEM.
- It was advised that the implementation of Market to Business Web Services is part of the AEMO Work Plan (Market Solutions Design) for 2017 and 2018.
- It was noted that AEMO's phone numbers will change and this would be communicated to Market Participants in the weeks leading up to the office relocation.
- Stakeholders noted that the IMO/AEMO has had 3 different office locations over the past 10 years. Stakeholders questioned what AEMO's contingency was for expansion and accommodation going forward given that AEMO is signing a 10 year lease and what costs would Market Participants bare. Shaun Pethick advised that AEMO has signed a 10 year lease, with the option of extending for another 5 years if desired. It is currently AEMO's intention to remain at the new location for this full period. Any changes to lease arrangements, and impact on market fees post that time will be shared with Market Participants.

7. Procedure proposal update

Greg Ruthven (AEMO) provided an update on WEM Procedure Changes. It was noted that the Market Advisory Committee (MAC) endorsed the Terms of Reference for AEMO to establish the WEM AEMO Procedure Change Working Group (WEM APCWG). AEMO to issue communication around first working group meeting (action item 7.1).

In response to a query, it was noted that the Facility Outages and Power System Security PSOPs would require amendments to reflect the expiry of the current operating service agreement between Western Power and AEMO. The timeframes for consultation on these amendments have not yet been set.

8. Other business

Certification process update

Neetika Kapani (AEMO) noted that the Market Rules associated with constrained access entitlement for Generator Interim Access were gazetted on 23 June 2017. Market Rules associated with the deferral of the 2016 and 2017 Reserve Capacity Cycles were provided to the Minister of Energy on 23 June 2017 and expected to be gazetted by 28 June 2017. Market Participants will be notified and the AEMO website will be updated with revised timeframes once the Rules commence.

It was highlighted that under the current Rules, the application window for the 2016 and 2017 Reserve Capacity Cycles close on 30 June 2017.

2017 Energy Price Limits Review

Amanda Niklaus noted AEMO submitted its proposal for the 2017 Energy Price Limits to the Economic Regulation Authority (ERA) on 15 June 2017 in accordance with clause 6.20.6 of the Market Rules. The ERA has raised a query regarding the methodology used to estimate the present value for variable O&M costs in the report. AEMO is currently investigating this query and the impacts to the proposed Energy Price Limits. AEMO expects this will have a material change to the Energy Price Limits and will perform a second consultation with Market Participants.

Since a determination of the 2017 Energy Price Limits has not been made, the 2016 Energy Price Limits will continue to apply as follows:

- The Maximum STEM price of \$240 / MWh will continue to apply.
- The Minimum STEM price of - \$1000 / MWh will continue to apply.
- The Alternative Maximum STEM price to apply from 1 July 2017 is set at \$404 / MWh. This has been calculated using the most recently approved variables.

9. Future agenda items

Stakeholders requested a future agenda item on how the Generator Interim Access solution is being implemented.

10. Next meeting

The next WAECF meeting is scheduled for 22 August 2017 and scheduled from 9.00am - 11.00am. Andrew Winter thanked stakeholders for their attendance and closed the meeting at 3.35pm.

Action items raised at meeting - WA Electricity Stakeholder Consultation Forum

Item	Topic	Action required	Responsible	By
1.1	Welcome	AEMO to publish minutes from the previous meeting as final on the website.	AEMO	June 2017
4.1	Balancing Price Forecast Accuracy analysis	Stakeholders to contact wa.operations@aemo.com.au if they wish to subscribe to the Balancing Forecast Accuracy weekly emails.	Stakeholders	June 2017
6.1	Other business	Mark Riley (AGL) and David Calder (Origin) to be issued details on the WAMRP forums.	AEMO	June 2017
7.1	Procedure proposal update	AEMO to issue communication around first working group meeting.	AEMO	July 2017