

MINUTES – WA Generator Forum (WAGF)

MEETING: 1
 DATE: Wednesday, 5 April 2017
 CONTACT: WAgeneratorforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Dean Sharafi (Chair)	AEMO
Courtney Roberts (Secretariat)	AEMO
Cameron Parrotte	AEMO
Paul Elliott	AEMO
Martin Maticka	AEMO
Andrew Winter	AEMO
Nicole Markham	AEMO
Mehdi Toufan	AEMO
Teresa Smit	AEMO
Matt Pember	AEMO
Brian Anthony	Alcoa
Steve Altschwager	Alinta
Jacinda Papps	Alinta
Amanda Rudd	Alinta
Shaun Mclagan	APA
Tim Rosser	Blair Fox
Ignatius Chin	Bluewaters
Aidan Flynn	Carnegie Clean Energy
Thomas Scott-Morey	Collgar Wind Farm
Zhang Fan	Collgar Wind Farm (dial-in)
Steve Gould	Community Electricity
Geoff Hobleby	EDL
Adrian Theseira	ERA
Elizabeth Walters	ERA
Wendy Ng	ERM
Mark Rayner	Lacour Energy
Antoine Le-Ray	Mumbida Windfarm
Adam Stephen	NewGen Kwinana
Erin Stone	Point
Peter Kolf	Rule Change Panel
Susanna Floth	Skyfarming
Andrew Woodroffe	Skyfarming
Andrew Everett	Synergy
Andy Wearmouth	Synergy
Brad Huppatz	Synergy
Dario Peagno	Synergy
John Lorenti	Synergy
Angela Cox	Synergy
Troy Forward	Transalta
Liz Aitken	Western Energy
Ross Davies	Western Power
Wayne Traill	Western Power
Sean McGoldrick	Western Power

David Willey	Western Power
Luke Robinson	Western Power

1. Welcome

Dean Sharafi (Australian Energy Market Operator (AEMO)) opened the meeting at 1:00pm and welcomed attendees to the first WA Generator Forum (WAGF) held by AEMO.

2. Terms of Reference – WA Generator Forum

The draft Terms of Reference was tabled at the meeting. No comments were raised. AEMO to publish the Terms of Reference for the WAGF on the website (action item 2.1).

3. Introducing new System Management leaders

Dean Sharafi introduced stakeholders to the new leadership team at System Management:

- Mehdi Toufan – Manager, Power System and Market Planning
- Nicole Markham – Manager, Market Operations, Governance and Integration
- Paul Elliot – Manager, Power System Operations

4. Power system security and resilience – Do we have a problem in the SWIS?

Dean Sharafi presented an overview of the changes to the power system, the challenges and opportunities faced by AEMO and AEMO's view on power system security and resilience. The following points were noted:

- AEMO proposing through a rule change to AEMC that an inertia market be implemented in the NEM.
- What does AEMO see the assistance in black start looking like for renewables? It was responded that it will provide reactive power to help with voltage recovery.
- Stakeholders questioned the timeframe for rolling this out for the NEM/WEM? It was advised that AEMO are currently working with Western Power to get this underway.
- Stakeholders questioned whether this would be a burden on other non-synchronised machines given that the largest non-synchronised machines are "mums and dads" PV? It was advised that a strategy is being looked at into the penetration of PV. This would not be seen as a burden as this service is provided by synchronised generators.

5. Generator Interim Access

Sean McGoldrick (Western Power) presented the proposed Generator Interim Access (GIA) solution that will support the connection of new generators on a constrained access basis. The following points were noted:

- A query was raised regarding whether the Economic Regulation Authority (ERA) approves all Network Control Service (NCS) contracts, and will this still be the case for the GIA contracts? It was confirmed that the ERA does not have an approval role under the Market rules for NCS contracts.
- What prerequisites are there for the GIA solution to be available to new generators? It was advised that as part of the application process, new constrained generators must be registered as a facility in the WEM.
- Do Constrained Access Generators (CAGs) have to agree to not receive constrained off-payments? In accordance with the current WEM Rules, as they have an NCS contract they will

not receive constrained off payments. It is expected that this would also be acknowledged in the access contract.

- GIA tool will constrain the new generator automatically by issuing an operating instruction overriding any previous dispatch instruction.
- The access contracts would specify the particular constraints applying to a connection (as Western Power has done previously for post contingent runback schemes). The access offer would state a general right to curtail the GIA generator. The constraint equations implemented in the GIA tool would evolve over time and apply to all GIA generators. Further information on the access contracts is expected to be provided to applicants by the end of June.
- What is the reasoning behind not allowing any splitting of the maximum sent out capacity (part constrained / part unconstrained)? The tool is a basic interim solution that is not practically capable of supporting that functionality.
- The intention is to implement the GIA solution by quarter 3 of 2018 with an estimated cost of \$2.5 million which will be recovered from CAGs that connect under the GIA solution.
- The proposed GIA solution may require minor changes to the WEM Rules.
- It was noted that this is an interim solution and it is anticipated that if the market reforms proceed it will be replaced with AEMO's market systems – NEMDE.
- In terms of certification in the Reserve Capacity market - Does AEMO have flexibility under the current WEM Rules to certify CAGs? The current WEM Rules only allow for capacity credits to be awarded based on the level of unconstrained access. At this stage any generators with constrained access will be awarded zero capacity credits, however AEMO is seeking advice on their interpretation of the Market Rules.
- Stakeholders commented that this does not appear to be a good outcome that a new connection is awarded zero capacity credits given that they can provide useful capacity in the future.
- Stakeholders noted that Market Participants are approaching the 2016 and 2017 Reserve Capacity Cycles which will certify generators for the 2018/19 Capacity Year and the 2019/20 Capacity Year. With 2 years at risk, stakeholders requested that further information around this be provided as soon as possible (action item 5.1).
- How will this affect the Market Participants with run back schemes/shared DSOC arrangements currently in place? These Market Participants can still be certified based on the level of unconstrained access as well as any constraints that may occur.
- What is Western Power proposing to do to address the conflict that the GIA solution has with the Wholesale Market objectives? It was responded that the GIA solution supports the connection of renewables and efficient technology to the grid while still ensuring the market operates efficiently.
- Stakeholder concerns were noted on the potential blind pre-dispatch process with no opportunity to respond under the current WEM Rules as well as concerns around transparency and economic value. This was acknowledged, with the GIA solution intended to be an interim solution that would not cause material impact to the market.
- It was noted that not knowing what other generators are in the same area would mean that the generator will not know the likelihood of being constrained. This would be a risky project from a developer's perspective.
- Stakeholders requested an estimate be given on how much the GIA tool would cost per Market Participant based on the number of potential CAGs. It was advised that the pricing methodology is that the cost is shared on a pro-rata MW basis, dependant on how many generators join.
- Stakeholders questioned when Western Power will be providing more information on the GIA solution – the GIA tool and what is being proposed? It was advised that Western Power will be providing an update at each WA Generator Forum and also providing further information at the Western Power workshop scheduled early May.

- Stakeholders requested that a workshop be held on the GIA solution and the impacts to certification once AEMO receives legal advice (action item 5.2).

6. System security and constraints in the South-West area

Mehdi Toufan (AEMO) provided an insight into how AEMO manages the security of supply in the South-West Interconnected System during forecast high load periods to minimise involuntary load shedding considering inherent security constraints.

7. Transition to an independent System Operator

Nicole Markham and Paul Elliott (AEMO) provided an update on the transition of System Management becoming an independent System Operator. The following points were discussed:

- Will stability and system management issues be sent direct from AEMO? Yes.
- It was noted that System Management Power System Operation Procedures (PSOPs) are being reviewed and updated where required in a prioritised manner.
- Stakeholders agreed to support System Management through the integration as it's in the best interests of the market.

8. Market Participant matters – Collgar Wind Farm

Thomas Scott-Morey (Collgar Wind Farm) presented on the issues affecting the WA electricity industry from Collgar Wind Farm's perspective.

9. Other business

Teresa Smit (AEMO) presented a summary on the spinning reserve tender and the expiring contracts.

10. Future agenda items

Dean Sharafi noted that there will be a standing agenda item on the GIA solution and a standing timeslot for generator presentations. Dean Sharafi invited generators to contact AEMO should they wish to present on a topic that concerns the market (action item 10.1).

11. Next meeting

The next WAGF meeting will be scheduled in quarter 2. Stakeholders will be advised by email. Dean Sharafi thanked stakeholders for their attendance and closed the meeting at 3.45pm.

Action items raised at meeting - WA Generator Forum

Item	Topic	Action required	Responsible	By
2.1	Terms of Reference – WA Generator Forum	The draft Terms of Reference was tabled at the meeting. No comments were raised. AEMO to publish the Terms of Reference for the WAGF on the website (action item 2.1).	AEMO	April 2017
5.1	Generator Interim Access	AEMO to provide further information to stakeholders around: <ul style="list-style-type: none"> • The process in place for existing generators on firm access contracts; and • How Capacity Credits will be allocated to GIA generators for the 2016 and 2017 Reserve Capacity Cycles and the GIA. 	AEMO	April 2017
5.2	Generator Interim Access	Western Power/AEMO to convene workshop on the GIA solution and the impacts to certification once AEMO receives legal advice.	WP/AEMO	May 2017
10.1	Future agenda items	Generators to contact Dean Sharafi should they wish to present on a topic that concerns the market or with any any suggested agenda items for future forums.	Generators	June 2017