

## MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: 7  
 DATE: Tuesday, 4 April 2017  
 CONTACT: WAelectricityforum@aemo.com.au

### ATTENDEES:

NAME	COMPANY
Andrew Winter (Chair)	AEMO
Courtney Roberts (Secretariat)	AEMO
Cameron Parrotte	AEMO
Dean Sharafi	AEMO
Martin Maticka	AEMO
Stuart MacDougall	AEMO
Shaun Pethick	AEMO
Neetika Kapani	AEMO
Greg Ruthven	AEMO
Andrew Thornbury	AEMO
Amanda Niklaus	AEMO
Kang Chew	AEMO
Rebecca Petchey	AEMO
Matt Pember	AEMO
Mark Riley	AGL
Nick Eaton	Alcoa
Jacinda Papps	Alinta Energy
Tim McLeod	Amanda Energy
Tim Rosser	Blair Fox
Adam Stephen	Bluewaters Power
Ignatius Chin	Bluewaters Power
Paul Arias	Bluewaters Power
Aidan Flynn	Carnegie Clean Energy
Geoff Gaston	Change Energy
Caroline Cherry	CMEWA
Gemma O'Reilly	Collgar
Zhang Fan	Collgar
Steve Gould	Community Electricity
Geoff Hobleby	EDL
Rajat Sarawat	ERA
Elizabeth Walters	ERA
Wendy Ng	ERM
Alex Penter	Kleenheat
Iulian Sirbu	Kleenheat
David Calder	Origin Energy
John Nguyen	Perth Energy
Patrick Peake	Perth Energy
Erin Stone	Point
Jenny Laidlaw	PUO
Ray Challen	PUO
Stephen Eliot	Stakeholder
Andrew Woodroffe	Skyfarming

Susanna Floth	Skyfarming
Ben Hammer	Synergy
Jason Froud	Synergy
Ross Glossop	Tesla
Peter Huxtable	Water Corporation
Dean Frost	Western Power
Luke Robinson	Western Power

## 1. Welcome

Andrew Winter (Australian Energy Market Operator (AEMO)) opened the meeting at 1:00pm and welcomed attendees to the seventh 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 (7 February 2017). No comments were raised. AEMO to publish the minutes from the previous meeting as final on the website (action item 1.1).

## 2. Website review

Andrew Winter provided an update on the progress addressing website issues raised at the previous WAEFCF. It was noted that a review on the search functionality of the AEMO website is underway which will assist users in finding relevant information.

Stakeholders were reminded to complete the website online survey available on the AEMO homepage ([www.aemo.com.au](http://www.aemo.com.au)). AEMO aims to share the outcomes of the online survey at a future WAEFCF (action item 2.1).

## 3. Peak demand in the SWIS

Rebecca Petchey (AEMO) presented an overview of the 2016/17 summer peak demand, the factors that contributed to it, and the potential impacts on the Reserve Capacity Mechanism (RCM). No questions were raised.

## 4. Market trends

Amanda Niklaus (AEMO) presented a summary of the analysis undertaken on recent changes to registration, price trends in the WEM, and expected outcomes for the initial 2017/18 IRCR. The following points were noted:

- It was questioned whether AEMO had looked at what the Balancing Price would have been had the load been the same as last year. It was advised that this had not been considered as using last year's load would not capture any significant information. The significant jump in Balancing Price observed in January was due to a large baseload facility coming into outage.
- Stakeholders suggested that an analysis on Forecast Load vs Actual Load, Gate closure vs Actual Load, price forecast and wind forecast be presented at the next WAEFCF (action item 4.1)

## 5. WEM Prudentials - Capacity Liability

Stuart MacDougall (AEMO) provided an update on the capacity costs prudentials rule change proposal. The following points were noted:

- A stakeholder workshop was held on 3 March where feedback was sought on AEMO's proposed rule change. AEMO intends to submit the Rule Change Proposal by end of April.
- It was noted that the Rule Change Panel advised its intention to keep the informal process of taking a Pre-Rule Change Proposal to the Market Advisory Committee (MAC) prior to submitting

it into the formal process at the ERA stakeholder workshop on 31 March. It was questioned whether AEMO would be following this process. It was advised that AEMO would be using the formal rule change process.

## **6. System Management update**

Dean Sharafi (AEMO) provided an update on the System Management function in the WEM. The following points were noted:

- AEMO will hold the first WA Generator Forum on 5 April.
- It was questioned when AEMO intends to undertake consultation on changes to the Power System Operation Procedures (PSOP). It was advised that consultation would not be undertaken for PSOP changes resulting from institutional changes and to maintain consistency with the WEM Rules, as AEMO has transitional power to do so.
- Stakeholders questioned what is beyond the service agreement with AEMO systems being brought over to the west – eg. NOS. It was advised that some of the changes have past the legislation which means they will need to proceed but other changes will depend on how the reform proceeds.

## **7. WA Market Reform Program update**

### **PUO update**

Ray Challen (Public Utilities Office (PUO)) provided stakeholders with an update on the Electricity Market Review (EMR) including:

- New Minister is building his knowledge of energy policy and market reform aspects.
- All matters that had previously been worked on in the EMR are open for discussion and consideration by the new government. This includes:
  - Network regulation
  - Wholesale market reforms
- Retail market
- Ray Challen advised that the new Government is still considering matters of reforms in the electricity sector.

The PUO continues to meet with stakeholders and any market reforms are likely to become more transparent mid-year. Stakeholders questioned the Minister's position on various issues. The below comments were noted:

- Minister's position on market concentration issues in the WEM - It was advised that conversations are currently taking place regarding wholesale and retail competition.
- Does the Minister have a position on the transition to constrained access and a view on potential retirement of Synergy plant? It was advised that Western Power will be pursuing interim arrangements for constrained access and it is too early to comment on the retirement of Synergy plant.
- The PUO is trying to recruit to assist in delivering any market reforms.
- Does the Minister see the reform as a vehicle for cost reflective pricing? All reform aspects will be considered.
- The Minister currently has power to make rules, is there any view on whether this will be extended? This is yet to be discussed with the Minister.

### **AEMO update/AEMO's revised Allowable Revenue 4 submission**

Shaun Pethick (AEMO) provided an update on the WA Market Reform Program and AEMO's revised Allowable Revenue 4 (AR4) submission. The following points were noted:

- The ERA's decision on AEMO's revision AR4 submission is expected mid-May.
- Stakeholders sought clarity on what work AEMO is proposing in respect of the RCM Auction. The PUO's latest report on the RCM Auction (published 31 January 2017) indicated that it aims to finalise the design and rule drafting for the auction by the end of 2017. AEMO has included a small budget in its AR4 submission to contribute to the design process and assess feasibility of implementation.

### **RCM3 project update**

Andrew Thornbury (AEMO) updated stakeholders on the progress of the Reserve Capacity Mechanism 3 (RCM3) project. No questions were raised.

## **8. Learnings from South Australia power incidents**

Cameron Parrotte (AEMO) presented the learnings from events that occurred in South Australia in September 2016 and over February/March 2017. The following points were noted:

- All AEMO reports are available on [AEMO's website](#).
- Stakeholders noted that the reports from events that occurred on 8 and 10 February are very useful and requested the report from 9 February be also made available. AEMO to advise stakeholders when this report will be available (action item 8.1).

## **9. Other business**

### **Review of the WAECF Terms of Reference**

The WAECF Terms of Reference was tabled at the meeting. Stakeholders confirmed that no changes to the timeframes for circulating documents are required.

### **Certification related items**

Neetika Kapani (AEMO) provided stakeholders with an update on the 2016 and 2017 certification cycles. The following points were noted:

- AEMO will be holding a pre-certification workshop for relevant Market Participants on 19 April. Stakeholders to RSVP by 12 April. The intended audience is representatives from organisations that will be uploading the supporting documentation in WEMS (action item 9.1).
- Generator Interim Access (GIA) – New generators may not be eligible for capacity credits as capacity credits can only be assigned based on the level of unconstrained access under the current WEM Rules. Further information will be provided at the WA Generator Forum on 5 April.
- Stakeholders questioned whether current generators with similar run back schemes would be affected. AEMO advised these generators are on a post contingent run back scheme, therefore they are eligible for capacity credits.
- It was questioned whether AEMO considers that the principles for setting Certified Reserve Capacity in the current rules are sufficient to support new facilities under the proposed GIA solution. It was advised that under the current rules, certified reserve capacity is assigned based on the level of unconstrained access. While AEMO is seeking legal opinion on this interpretation that may be provided in 2 weeks, at this stage the default would be zero if generators have constrained access (action item 9.2).

### **2017 Energy Price Limits review**

Amanda Niklaus updated stakeholders on the 2017 Energy Price Limits review and noted that AEMO will hold a stakeholder workshop on 20 April. Stakeholders to RSVP by 13 April (action item 9.3).

### **Determination of expected DSM dispatch quantity and DSM activation price**

Greg Ruthven updated stakeholders on the program to progress changes to the current Market Procedures and the new Market Procedure on Determination of Expected DSM Dispatch Quantity and DSM Activation Price.

### **Other**

AEMO's new CEO Audrey Zibelman has commenced and is due in Perth at the end of April. For an insight into Audrey Zibelman's views and plans for the energy market see the ABC interview at <https://radio.abc.net.au/programitem/pgPG9LeZ27?play=true>

### **10. Future agenda items**

Andrew Winter invited stakeholders to email AEMO with any agenda items to be discussed at the next meeting.

### **11. Next meeting**

The next WAECF meeting is scheduled for 27 June. Andrew Winter thanked stakeholders for their attendance and closed the meeting at 3.00pm.

**Action items raised at meeting - WA Electricity Stakeholder Consultation Forum**

<b>Item</b>	<b>Topic</b>	<b>Action required</b>	<b>Responsible</b>	<b>By</b>
1.1	Welcome	AEMO to publish minutes from the previous meeting as final on the website.	AEMO	April 2017
2.1	Website review	Outcomes of the online survey to presented at a future WAECF.	AEMO	June 2017
4.1	Market trends	AEMO to present analysis on Forecast Load vs Actual Load, Gate closure vs Actual Load, price forecast and wind forecast at next WAECF.	AEMO	June 2017
8.1	Learnings from South Australia power incidents	AEMO to advise stakeholders when the report from the event that occurred on 9 February will be available.	AEMO	April 2017
9.1	Other business	Pre-certification workshop - 19 April. Stakeholders to RSVP by 12 April.	Stakeholders	12 April 2017
9.2	Other business	AEMO to provide further information around the principles for setting certified Reserve Capacity in the current rules and the implications on Generators applying for Capacity Credits under the proposed GIA solution.	AEMO	Within 2 weeks
9.3	Other business	2017 Energy Price Limits workshop - 20 April. Stakeholders to RSVP by 13 April.	Stakeholders	13 April 2017