

MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: WAECF 14
 DATE: Tuesday, 19 June 2018
 CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Dean Sharafi	AEMO (Chair)
Naz Rowney	AEMO (Secretariat)
Amanda Niklaus	AEMO
Nicole Markham	AEMO
Grace Liu	AEMO
Stuart Featham	AEMO
Luke Dowling	AEMO
Mehdi Toufan	AEMO
Michael Pawle	AEMO
Rebecca Petchey	AEMO
Greg Ruthven	AEMO
Nina Mohseni	AEMO
Clayton James	AEMO
Martin Maticka	AEMO
Audelle Hong	Alinta
William Street	Alinta
Richard Beverley	Alinta
Michael Puls	APA
Glen Thomsen	APA
Duncan MacKinnon	Australian Energy Council
Tim Roser	Blair Fox
Paul Arias	Bluewater Power
Ken Chong	Bluewater Power
Michael Karpinski	Bluewater Power
Geoff Gaston	Change Energy
Cherie Cooper	Change Energy
Bindi Shah	Collgar Wind Farm
Kynan Smith	Commonwealth Bank
Jack Yates	CQ Partners
Andrew Stevens	Energy Made Clean
Ignatius Chin	Energy Market Consulting Associates
Julian Fairhall	Economic Regulation Authority
Wendy Ng	ERM Power
Kristian Myhre	Future Effect
Matthew Bowen	Jackson McDonald
Chloe D'Souza	Jackson McDonald
Peter Kolf	KPK Specialist Advisory Services
Liz Aitken	Perth Energy
Patrick Peake	Perth Energy
Marc Hettler	Perth Energy
Erin Stone	Point Global
John McLean	PSC Consulting

Arthur Panggabean	PSC Consulting
Matthew Martin	Public Utilities Office
Kate Ryan	Public Utilities Office
Jenny Laidlaw	Rule Change Panel
Stephen Eliot	Rule Change Panel
Laura Koziol	Rule Change Panel
Noel Shubert	Shoobs
Andrew Woodroffe	SkyFarming
Susanna Floth	SkyFarming
Neil Canby	Sunrise Energy
Angelina Cox	Synergy
Peter Huxtable	Water Corp

1. Welcome

Dean Sharafi (AEMO) opened the meeting at 1:00pm and welcomed attendees to WAECF.

2. Previous meeting minutes

All actions from the previous WAECF (17 April 2018) had been completed including:

- Revised WAECF Terms of Reference publication on AEMO's website.
- AEMO to investigate the correlation between negative pricing and gate closure.
- Market trial for the Belmont data centre migration.

No further comments were raised and the minutes were endorsed.

AEMO to publish the minutes from the previous meeting as final on the website (Action Item 2.1).

3. Wholesale Electricity Market and Network Reform Program Update

Matthew Martin (Public Utilities Office (PUO)) provided an update on its network and market reform activities and noted:

- The PUO has engaged with stakeholders through the Market Advisory Committee (MAC), to discuss the formation of two (MAC) working groups; Power System Operations – chaired by AEMO and Market Design matters – chaired by PUO, their operation and the two phases of work. All relating information can be found on the Rule Change Panel website.
- Draft Market Rule Changes papers relating to 2018 Reserve Capacity Cycle are published for comments. This extends the application period for capacity to end February 2019.
- Draft Market Rule Changes relating to AEMO functions and funding are published for comments. These proposals clarify functions related to AEMO undertaking activities to support design and implementation of Network Access and Market Reform.

4. Rule change update

Stephen Eliot (Rule Change Panel(RCP)) provided an update on Rule change processes, as follows:

- Two rule changes have been recently approved by the Panel:
 - RC_2017_06 – Reduction of prudential exposure in the Reserve Capacity Mechanism (awaiting Ministerial approval); and
 - RC_2018_01 – New notional wholesale meter manifest error (will commence 1 September 2018).
- Two rule changes are currently being actively progressed:

- RC_2014_03 – Removal of resource plans and dispatchable loads; and
- RC_2014_10 – Provision of network information for System Management.
- The next three priority rule changes will be:
 - RC_2013_15 – Outage Planning Phase 2 – Outage Process Refinements;
 - RC_2014_03 – Administrative Improvements to the Outage Process; and
 - RC_2017_02 – Implementation of 30-Minute Balancing Gate Closure.
- There are six other rule changes in the backlog, and the RCP is aware of at least two more proposals that are forthcoming.

Information on all Rule Change Proposals is available on the Rule Change Panel website.

5. Market Development

Stuart Featham (AEMO) informed stakeholders on the role of the WA Market Development team at AEMO. The team is primarily responsible for managing AEMO's program of work in relation to Network and Market Reform and rule changes, ensuring there is a structure, resources, and an agreed work program.

Andrew Stevens (EMC) raised a question on who should be drafting a rule change when it is a clear improvement to the market, why should someone draft an informal rule change when there should be an appointed body that already does this.

Matthew Martin (PUO) advised that PUO is focusing on the market reform program. Once the program is completed rule change drafting can be revisited and will fall under the PUO.

6. Allowable Revenue 4 (AR4) submission

Stuart Featham and Nicole Markham (AEMO) provided an overview of the proposed submission to the ERA for supplementary Allowable Revenue and Forecast Capital Expenditure in the AR4 period (2016-17, 2017-18 and 2018-19). The submission is principally linked to CAPEX requirements driven by recent decisions on scope and timing of the WEM Reform Program and recently approved rule changes. AEMO plans to submit its proposal to the ERA in July 2018.

7. The Load Following Ancillary Services (LFAS)

Mehdi Toufan (AEMO) presented on LFAS review update. AEMO engaged external consultant, GHD to review the LFAS requirement for the SWIS. AEMO has proposed to stay at current LFAS level of +/-72 MW.

8. Update on Extended Load Forecast

Mehdi Toufan (AEMO) went through the steps on how to find and extract information from AEMO website on the Load Forecast (1 week).

William Street (Alinta) asked for availability of the Load Forecast to be accessed automatically (Action Item 8.1).

Liz Aitken (Perth Energy) noted a formal thank you to AEMO for the initiative.

9. 2018 WEM Electricity Statement of Opportunities (ESOO)

Grace Liu and Luke Dowling (AEMO) presented on key findings of the ESOO report. The 2018 WEM ESOO has been published on 15 June 2018, as part of the 2018 Reserve Capacity Cycle, which related to capacity required in the SWIS for the 2020-21 Capacity Year (1 Oct 2020 – 1 Oct 2021).

The Reserve Capacity Target has been determined as 4,581 megawatts (MW) for the 2020-21 Capacity Year, and the Demand Side Management Reserve Capacity Price for the 2018-19 Capacity Year is \$23,631 per MW.

The WEM ESOC and supporting documents can be found on AEMO's website: <http://www.aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Planning-and-forecasting/WEM-Electricity-Statement-of-Opportunities>.

10. Belmont Migration Update

Michael Pawle (AEMO) provided an update on the migration of WEM and Gas Bulletin Board (GBB) systems from the Belmont data centre to the Brisbane data centre.

Project schedule going forward:

- March – June 2018: Migrate non- critical systems from Belmont to Malaga – 80% complete.
- May – July 2018: Migrate production DR systems from Belmont to Brisbane, run failover to Brisbane and shutdown Belmont – 70% complete.

11. Other Business

i. Energy Price Limits

Amanda Niklaus (AEMO) provided an overview on the annual review of the Energy Price Limits (Maximum STEM Price and the Alternative maximum STEM Price). AEMO has calculated a Maximum STEM Price of \$302/MWh and an Alternative Maximum STEM Price of \$533/MWh and proposes these apply from 1 July 2018.

ii. 2018 Reserve Capacity Cycle – Certification of Reserve Capacity

Rebecca Petchey (AEMO) provided an update on the CRC window for the 2018 Reserve Capacity Cycle. The minister has decided to extend the 2018 Reserve Capacity Cycle and timelines are available on the Rule Change Panel's website.

iii. Review of the Constrained Access Methodology

Rebecca Petchey (AEMO) clarified Item 10 raised in the last WAECF around the constrained access methodology. Under clause 4.1.34 of the Market Rules, AEMO is required to conduct a constrained access certification review (particularly the methodology described in Appendix 11) by January 2019. Given the transition to a constrained access regime, AEMO intends to defer this review.

iv. WA Function

Dean Sharafi (AEMO) gave an updated-on WA functions. As of March 2018, Cameron Parrotte has been appointed as the Executive General Manager in WA. As EGM, Cameron will provide the necessary policy and institutional leadership to ensure that AEMO is simultaneously focused on and meeting WA's requirements while maintaining integration and close collaboration across AEMO departments. Cameron will have overall leadership of WA system and market operations.

Liz Aitken (Perth Energy) requested the updated AEMO organisational chart (Action Item 11(iv)).

12. Future agenda items

Two set agenda items for the next WAECF forum:

- Issues in the global market
- Ancillary Services

Liz Aitken (Perth Energy) suggested topic: NEG and relevance to WA.

AEMO welcomes any suggestions or feedback on future agenda items.

13. Next meeting

The next WAECF meeting is scheduled for 21 August 2018. The meeting was closed at 3.00pm.

Action items raised at meeting – WA Electricity Consultation Forum

Item	Topic	Action required	Responsible	By
2.1	Previous meeting minutes	AEMO to publish the minutes from the previous WAECF as final on the website.	AEMO	August 2018
8.1	Extended Load Forecast	Availability of Load Forecast to be accessed automatically.	AEMO	August 2018
11 iv	AEMO Organisational Chart	Provide an updated Organisational Chart reflecting new change in WA functions.	AEMO	August 2018
12	Assessment for dispatch system	Assessment for dispatch system which can dispatch in 30 min with highlighting obstacles, time and cost implications.	AEMO	August 2018