

MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: WAECF 16
 DATE: Tuesday, 16 October 2018
 CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Mehdi Toufan	AEMO (Chair)
Naz Rowney	AEMO (Secretariat)
Nicola Falcon	AEMO
Magnus Hindsberger	AEMO
Stuart Featham	AEMO
Katelyn Rigden	AEMO
Teresa Smit	AEMO
Mark Katsikandarakis	AEMO
Mike Hales	AEMO
Greg Ruthven	AEMO
Karen Brown	AEMO
Jason Smith	AEMO
Tim Daly	AEMO
Pearse Courtney	AEMO
Simon Middleton	AEMO
Tessa Pittendrigh	AEMO
Joel Lee	AEMO
Sarjit Singh	AEMO
Kwok Wai Lau	AEMO
Sarah Silbert	AGL
William Street	Alinta
Glen Thomsen	APA Group
Devan Sabapathy	Bluewaters Power
Dimitri Lorenzo	Bluewaters Power
Ken Chong	Bluewater Power
Steven Gould	Community Electricity
Geoff Gaston	Change Energy
Cherie Cooper	Change Energy
Bindi Shah	Collgar
Elizabeth Walters	ERA
Irina Stankov	ERA
Peter Kolf	KPK Specialist Advisory Services
Yuka Nokami	Osaka Gas Australia
Masashi Tabata	Osaka Gas Australia
Patrick Peake	Perth Energy
Aaron Kerrigan	Perth Energy
Erin Stone	Point Global
Matthew Martin	Public Utilities Office
Aden Barker	Public Utilities Office
Jenny Laidlaw	Rule Change Panel
Stephen Eliot	Rule Change Panel
Richard Cheng	Rule Change Panel

Susanna Floth	SkyFarming
Andrew Woodroffe	SkyFarming
Noel Shubert	-
John Gunawan	South32
Andrew Walker	South32
Murray Sullivan	South32
Neil Canby	Sunrise Energy Group
Ben Hammer	Synergy
Rodney Littlejohn	Tersum Energy
Peter Huxtable	Water Corporation

1. Welcome

Mehdi Toufan (AEMO) opened the meeting at 1:05pm and welcomed attendees to WAECF No.16.

2. Previous meeting minutes

All actions from the previous WAECF (21 August 2018) had been completed. 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. Rule change update

Stephen Eliot (Rule Change Panel (RCP)) provided an update on upcoming rule changes which are available on the Economic Regulation Authority website.

The Panel currently has 11 open proposals for changes to the Market Rules.

AEMO and the PUO are considering priorities and allocation of resources for the Minister's WEM Reform Program, which will impact AEMO's ability to support the rule change process and the Panel's ability to progress the other 9 Rule Change Proposals.

The Panel is meeting later this week, where it will consider its work program for these 9 Rule Change Proposals. The preliminary work program is as follows

- RC_2013_15 (Outage Planning Phase 2 - Outage Process Refinements):
 - Workshop was held on 17 September with another planned for week of 5-9 November.
- RC_2014_03 (Administrative Improvements to the Outage Processes):
 - RCP Support is awaiting AEMO's feedback to progress due to resources and consider feasibility and cost options.
- RC_2014_06 (Removal of Resource Plans and Dispatchable Loads):
 - Final Rule Change Report to be published this month, (October 2018).
- RC_2014_07 (Omnibus Rule Change):
 - Call for Further Submissions (CFFS) published 12 October 2018, submissions due 9 November 2018.
- RC_2014_09 (Managing Market Information):
 - RCP Support will target publishing a CFFS in December 2018.
- RC_2015_01 (Removal of Market Operations Market Procedures):

- RCP Support will target publishing a CFFS in October 2018.
- RC_2015_03 (Formalisation for Process of Maintenance Requests):
 - RCP Support will target publishing a CFFS in October 2018.
- RC_2017_02 (Implementation of a 30-minute Balancing Gate Closure):
 - AEMO presented at last WAECF indicating that it can go to 90-minute gate closure.
 - Panel requires more info on why 30-minute and 60-minute options are not feasible.
 - RCP Support will recommence looking at this once outage-related proposals have progressed.
- RC_2018_05 (ERA access to Market Information and SRMC Investigation Process):
 - RCP Support has published proposal on 3 October with submissions due on 14 November.

RCP Support is aware of two other forthcoming Rule Change Proposals:

- Constrained Off Payments
 - Issue was raised at the last MAC meeting. MAC has asked for a workshop to discuss resolution of issues – workshop scheduled for Wednesday, 24 October 2018, 1:30pm to 3:30pm, invitations will go out later today (16 October 2018).
 - Slide pack to aid discussion targeting COB Friday, 19 October 2018
 - Next step will be to look for a market participant to develop and submit a Rule Change Proposal, expect this will be high urgency.
- Full Runway Model Allocation of Spinning Reserve Costs
 - RCP Support is aware that the PUO is intending to submit a Pre-Rule Change Proposal to the MAC in about two weeks' time. Expected this will be medium urgency.

4. Wholesale Electricity Market and Network Reform Program Update

Matthew Martin (Public Utilities Office (PUO)) advised going forward Ashwin Raj (PUO) will be providing updates on network activities.

Matthew Martin (PUO) noted:

- PUO has received 17 submissions to the EY paper published on the modelled benefits of a constrained network access framework.
- PUO is placing a priority on drafting instructions and going to Cabinet next month for approval to draft legislation associated with constrained network access. Targeting legislation to introduce into Parliament in March 2019.
- Following the Cabinet process, there will be further papers prepared and consultation on changes to the RCM processes resulting from the introduction of constrained network access, and how capacity is allocated.

Aden Barker (PUO) noted the next major consultation paper from the WEM Reform Program will be around key market design decisions that will underpin future work and the development of a cost-benefits analysis for WEM reform. The paper will present the core rationale for the foundational assumptions, presenting on some of the views that were put forward in past consultation as part of the

Electricity Market Review. The paper will also include discussion on a revised WEM Objective for consultation.

PUO held a workshop last week with AEMO and Western Power, in relation to Power System Security and Reliability standards, and approach to their reform. Changes to PSSR standards relate to other work being carried-out by AEMO and the PUO on ancillary services.

Final report to RCM paper will shortly be submitted to the Minister of Energy for his consideration. This will be followed by its publication.

5. AR4 and AR5 Submission Update

Stuart Featham (AEMO) advised ERA's consultation closes on Tuesday, 16 October.

AR5 submission is due by 15 March 2019 and AEMO will continue to engage with stakeholders via WAECF on content and approach.

6. Reduction of Prudential Exposure (RoPE)

Mike Hales (AEMO) provided a brief overview and progress of RoPE. On 27 June 2018 the Minister for Energy approved Rule Change RC_2017_06: Reduction of Prudential Exposure in the RCM. AEMO has established the Reduction of Prudential Exposure (RoPE) project to deliver the IT changes and Market Procedure changes required as part of this Rule Change.

Project is progressing on time and on schedule. AEMO will hold a Working Group to discuss the operation and technical implementation of the project on 16 November.

7. Bringing Electricity Forecasting In-house

Nicola Falcon (AEMO) provided a background on AEMO's plan for bringing electricity forecasting in-house. It has been AEMO's strategic objective to bring forecasting for WA in-house rather than rely on consultants, once the forecasting system developed for the National Electricity Market (NEM) was completed. Using the system will allow better forecasts to be produced at lower cost to industry and help to ensure consistency in assumptions across all AEMO's forecasting publications, where appropriate.

She emphasised that AEMO is committed to producing quality forecasts that support informed decision making. For decision-makers to act upon our forecasts, they must be credible, and dependable. To achieve this, AEMO's forecasting team has three main objectives:

- **Transparency:** to ensure our inputs and forecast methodologies are well understood.
- **Accountability:** to measure forecasting performance, refine and improve where biases are detected.
- **Accuracy:** to adopt best-practice methodologies and monitor lead indicators of change.

We continually seek to improve our forecasts and rely heavily on industry expertise, insights, and critique to help address the challenges of forecasting in a rapidly changing energy industry. She also indicated that, while national consistency in forecasting approaches is desirable to a point, it is important to recognise differences between the WEM and NEM that may warrant slightly different treatment.

Magnus Hindsberger (AEMO) went through details of the project including strategic objectives which were to:

- Identify and automate input data streams, to allow forecasts to be rerun at any point in time should there be changes to key input assumptions.
- Adapt existing modelling tools where required to reflect specific WA system characteristics.

- Deliver annual operational consumption forecast for the WEM by mid-2019
- Deliver 1-in-10-year (10% POE) and 1-in-2-year (50% POE) peak demand forecasts for the WEM by mid-2019
- Establish a framework for forecast accuracy assessment and reporting.

Time permitting, Magnus also highlighted that minimum demand forecasts for the WEM may also be produced.

The forecasting team seeks feedback on the proposed demand forecasting approach. An issues paper will be published shortly, and a WA Forecast workshop will be held to discuss methods in detail. Further engagement to update industry will be through WAECF.

8. 2019 Benchmark Reserve Capacity Price (BRCP) Update

Katelyn Rigden (AEMO) provided an update on 2019 Benchmark Reserve Capacity Price (BRCP). AEMO published the draft report for the 2019 BRCP for the 2021 – 22 Capacity Year on 10 October 2018. Market Participants are encouraged to review the report and provide any feedback by 24 October 2018, 5pm. The final report will be submitted to the ERA for approval by the end of November.

The Reserve Capacity team has shifted to using a new email server, Mail Chimp. An email was sent out regarding the report a week prior, participants can subscribe to the distribution list via AEMO's website or contact the Reserve Capacity team.

9. Framework to Improve the Cyber Security Resilience of the Grid

Tim Daly, Jason Smith and Pearse Courtney (AEMO) presented on the Australian Energy Sector Cyber Security Framework (AESCSF) for which AEMO as market operator is taking a leading role. Due to the increasingly hostile cyber threat environment, there's now an increasing level of concern of a material impact as a result of malicious cyber activity. AEMO has been working with federal security agencies such as the Department of Home Affairs and Australian Signals Directorate to develop and implement a framework where the current level of maturity is identified, can be reported on and to help drive industry uplift.

Addressing cyber security challenges, the framework helps to understand our current cyber posture and inform the target state. The most critical organisations (approximately 17) are undertaking facilitated assessments against the framework; at the same time lower criticality organisations are undertaking guided self-assessments. Criticality is determined by market subsectors and size - for example, the transmission network service providers have been identified with a high criticality level as has AEMO in its capacity as the market operator. Assessments against this framework will be done on an annual basis going forward. AEMO is working with PwC as a service provider on the framework.

10. Issues in the Global Market

Julius Susanto (AEMO) presented findings taken from a survey, the GO15, an organisation of electricity system operators from all over the world with 19 members. The survey asked the members questions relating to their experiences with the growing penetration in solar and wind and the problem of demand stagnation and intermittent generation oversupply. The so-called "duck curve" shows how demand is being hollowed out in the middle of the day by solar penetration, while as the sun goes down, there is higher ramping required to cover the evening peaks.

System operators are managing these issues operationally by carrying necessary reserves from conventional generation, constraining intermittent generation at time of oversupply, increasing demand side participation, under- and over-frequency shedding schemes and by allowing intermittent generators to provide ancillary services.

Intermittent generation is also leading to over-voltage problems on the network. System operators are managing these issues by ensuring mandatory local voltage control on generation, switching out

lightly loaded HV transmission lines, implementing central reactive power dispatch and increased installation of reactors and dynamic reactive plant.

11. Other Business

- **Quarterly Energy Dynamics (QED)**

Mark Katsikandarakis (AEMO) advised participants that AEMO is now producing the QED report each quarter as part of its regular market monitoring and reporting activities, which can be found on AEMO website, with the next update due to be published mid/end November. This report provides summaries of the gas and electricity market dynamics, trends and outcomes. The report covers NEM, east coast gas markets and incorporates analysis on the energy markets in WA for the first time.

- **Load Forecasting**

Mark Katsikandarakis (AEMO) noted prior discussions at WAECF about the rule change relating to gate closure in the WEM. The balancing market Load Forecast is currently delivered to the WEMS half hourly. AEMO is investigating the system impacts of increasing the frequency of delivery of the forecast by undertaking testing in the market trial WEMS environment. AEMO advised testing will be undertaken from Monday 22 October 2018 to Monday 29 October 2018. An update of the testing outcomes and changes will be provided at a future WAECF.

- **Malaga Data Migration**

Karen Brown (AEMO) advised participants on the Malaga Data Centre move. The life cycle refresh of infrastructure at Malaga has triggered a Data Centre migration from Malaga to move the systems to AEMO Sydney cloud infrastructure starting November 2018 to July 2019.

Rationalisation of AEMO's data centres by consolidating systems into the higher performing Sydney data centre:

- Reduced operational costs, maintain supportability across Network, server and storage
- Improved service resilience utilising automatic Internet Network site transfer features
- Improve service availability by utilising AEMO cloud infrastructure

13. Next meeting

Mehdi Toufan (AEMO) outlined dates for upcoming forums and asked all stakeholders to send suggested future forum agenda topics via the survey. The last WAECF meeting for 2018 is scheduled for 11 December 2018. Afternoon tea will be provided after the meeting to close the year off. The meeting was closed at 2.35pm.

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	Complete