

MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: WAECF 20
 DATE: Tuesday, 25 June 2019
 CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Neetika Kapani	AEMO (Chair)
Laura Tomkins	AEMO (Secretariat)
Cameron Parrotte	AEMO
Stuart Featham	AEMO
Robin Parsons	AEMO
Linda Anderson	AEMO
Linda Worthington	AEMO
Greg Ruthven	AEMO
Rick Dolling	AEMO
Madison Pigliardo	AEMO
Brent Glover	AEMO
Teresa Smit	AEMO
Joachim Tan	AEMO
Nicole Markham	AEMO
Matthew Fairclough	AEMO
Rebecca Petchey	AEMO
Grace Liu	AEMO
Jacinda Papps	Alinta Energy
William Street	Alinta Energy
Michelle Nguyen	Alinta Energy
Michael Puls	APA
Glen Thomsen	APA
Scott Davis	Australian Energy Council
Tim Rosser	Blairfox
Paul Arias	Bluewaters Power
Geoff Gaston	Change Energy
Claire Cooper	Change Energy
Jai Thomas	Department of Treasury
Ignatius Chin	EMCA
Elizabeth Walters	ERA
Jake Flynn	ERA
Jeremy Cross	ERA
Noel Schubert	ERA
Rajat Sarawat	ERA
Wendy Ng	ERM Power
Aden Baker	Energy Transformation Implementation Unit (ETIU)
Aditi Varma	Energy Transformation Implementation Unit (ETIU)
Cheryl Dickson	Jackson McDonald
Daniel Sutherland	Jackson McDonald
Bobby Ditrac	Lantau Group
Vlasta Barac	Metro Power
Sarah Rankin	Moonies Hill Energy
Patrick Peake	Perth Energy
Elizabeth Aitken	Perth Energy
John McLean	PSC
Victor Francisco	PSC
Matthew Martin	PUO
Jenny Laidlaw	Rule Change Panel
Stephen Eliot	Rule Change Panel
Natalie Robins	Rule Change Panel

Richard Cheng	Rule Change Panel
Susanna Floth	SkyFarming
Andrew Woodroffe	SkyFarming
Ian Porter	Sustainable Energy Networks
Jason Froud	Synergy
Kei Sukmadjaja	Western Power
Vincci Cheng	UWA Graduate

1. Welcome and Previous meeting minutes

Neetika Kapani (AEMO) opened the meeting at 1:00pm and welcomed attendees to WAECF No.20.

The minutes from the previous WAECF (9 April 2019) were endorsed. AEMO to publish the minutes from the previous meeting as final on the website (Action Item 2.1).

2. Rule Change update

Steven Eliot (RCP) provided an update on the following:

RC_2013_15 Outage Planning Phase 2 – Outage Process Refinements

- The Draft Rule Change Report was published on 16 May 2019 and a MAC drafting workshop was held on 10 June 2019.
- The Draft Rule Change Report is open for comment to Friday this week, 28 June 2019. The goal is to publish a Final Rule Change Report in mid-August 2019.

RC_2014_03 Administrative improvements to outage process

- We are looking at treatment of Consequential Outages and where costs can be reduced in the proposal. The next step will be a call for further submissions which we are targeting for mid-August 2019. The Rule Change Panel will establish the timeline for processing this proposal following the call for further submissions.

RC_2014_09 Managing Market Information

- We are targeting publishing a Draft Rule Change Report in mid-August 2019.

RC_2015_01 Removal of Market Operations Market Procedures

- The Final Rule Change Report was published on 15 May 2019.
- The Amending Rules included protected provisions and the Minister gave approval to the Amending Rules on 10 June 2019.
- The Amending Rules will commence on 1 August 2019.

RC_2015_03 Formalisation of the Process for Maintenance Applications

- A Final Rule Change Report will be published today (25 June 2019).
- The Amending Rules include protected provisions, so the Amending Rules will be sent to Minister for approval. The Minister's deadline for approval will be 20 July 2019, and pending approval, the Amending Rules will commencement on 1 September 2019.

RC_2017_02 Implementation of a 30-Minute Balancing Gate Closure

- RCP Support is planning a MAC workshop to discuss how to progress this proposal within the next few weeks and will publish a notice seeking registration for the workshop shortly. The Rule Change Panel will establish the timeline for processing this proposal following the workshop.

RC_2018_03 Capacity Credit Allocation Methodology for Intermittent Generators

- This Proposal has been on hold pending ERA completion of its review of the Relevant Level Methodology. The ERA published its Final Report on this review on 31 March 2019 and is now developing a Rule Change Proposal to implement its recommendations.
- The Panel will consider how to progress RC_2018_03 in conjunction with the ERA's forthcoming Proposal.

RC_2018_05 ERA Access to market information and SRMC investigation process

- A Final Rule Change Report will be published on Friday this week, 28 June 2019.
- Since the proposal covers protected provisions, the Amending Rules will be sent to Minister for approval. The Minister's deadline for approval will be 26 July 2019, and pending approval, the commencement date will be 1 August 2019.

RC_2018_06 Full Runway Allocation of Spinning Reserve Costs

- The Final Rule Change Report was published on 30 April 2019 and the Amending Rules will commence on 1 September 2019.

RC_2018_07 Removal of constrained off compensation for Network Outages

- The Final Rule Change Report was published on 30 April 2019 and the Amending Rules will commence on 1 July 2019.

Other Rule Change Panel-related matters:

- Reminder that a new version of the Market Rules will commence on Monday next week, 1 July 2019. This will commence three Rule Change Proposals:

- RC_2014_06: Removal of Resource Plans and Dispatchable Loads;
- RC_2014_07: Omnibus Rule Change; and
- RC_2018_07: Removal of constrained off compensation for Outages of network equipment.
- The next MAC meeting is scheduled for 30 July 2019.
- The Panel conducts an annual stakeholder feedback survey. As usual, this this will be a short (8 question), anonymous online survey. We will be sent out the survey on Friday this week, 28 June 2019, with response due 15 July 2019.

3. Energy Transformation Strategy Update and Proposed Changes to the WEM Regulations and Market Rules

Energy Transformation Strategy Update

Aden Barker (Energy Transformation Implementation Unit (ETIU)) provided an update to the forum, including:

- an overview on the Energy transformation Strategy
- the scope of work to take place across three interrelated areas:
 - Whole of System planning
 - Foundation Regulatory frameworks; and
 - Distributed Energy Resources
- the role of the Taskforce
- key milestones; and
- the approach to and forms of Stakeholder engagement

A discussion amongst the room followed, the below issues and concerns were raised and talked to:

- The objective of affordable energy - how is it measured and how does that help customers. There is no cost benefit to consumers.
- The need for the Minister to assist in explaining fee increases to consumers
- The need for a working group for Constrained Network Access project, there is a lot of detail that has not been discussed and decided upon.
- The need for updates on Constrained Access and consultation from all Market Participants
- The final version of the report – the modelling that underpinned the decision to go to constrained access has yet to be distributed. Aden Barker (ETIU) will take this on notice.
- The cost of additional Spinning reserve, who picks up the cost.

Aden will provide a further update addressing some of these concerns at the next WAECF.

Proposed Changes to the WEM Regulations and Market Rules

Aden Barker (ETIU) also provided a brief overview of the existing arrangements, then outlined proposed changes to WEM Regulations and Market Rules. The proposed changes to the WEM Regulations will be progressed as a priority to assist the Taskforce meet its timeframes.

Feedback and comments to be sent to Rebecca.white@treasury.wa.gov.au

4. Project updates

Stuart Featham (AEMO) provided an update on the status of WA's project portfolio. Stuart noted that this was only the second time this standing item was being presented and asked for stakeholder feedback on whether it met their requirements. AEMO's intended objectives for the segment are:

- Improve understanding of AEMO's overall change program
- Provide regular updates on capital spend and transparency on progress against Allowable Revenue Determinations
- Provide stakeholders with information on key milestones/activities that might impact them

Stuart provided an overall view of AEMO's project portfolio noting the scale of change underway and/or planned and a status update on current projects

Stuart provided further detail on some SMST changes to the dispatch advisories and MPI – noting that unrelated to the project some cosmetic changes to the look and feel of the MPI would be taking place over the next few weeks.

Wendy Ng (Perth Energy) provided feedback on the Resource Plans and Dispatchable Loads project implementation and asked that AEMO plan for additional support and education to Market Participants in advance of making changes to the Market Trial environment.

5. Allowable Revenue and Forecast Expenditure (AR5) - July 2019-June 2022

Stuart Featham (AEMO) provided a summary of the ERA's final determination and noted that overall AEMO felt it was a positive outcome, providing the funding certainty to deal with the challenges facing the industry and meeting the needs of market participants.

Stuart outlined that not all of the CAPEX requirement was approved so AEMO now must make some decisions around how best to allocate funds and sought feedback from stakeholders on relative priorities. One example was

the PASA Improvement project which the ERA determined was not justified yet AEMO still felt it was an important project that meet industry requirements.

Matthew Fairclough (AEMO) provided further details on the proposed project with some stakeholders seeking clarity on and/or suggesting that AEMO consider cheaper, more tactical options.

Stuart provided an overview of provisional market fee impacts noting that the ERA had provided AEMO with its actual fee for 2019-20 and that AEMO would publish the actual fee by Friday, 30 June 2019. Stuart also noted that as per stakeholder requests AEMO had made a reasonable estimate of the fee impacts in AR6 based on expected depreciation and potential operational requirements following WEM Reform.

Stuart also noted that fees would be calculated on an annual basis to reflect actuals and any over or under recovery.

6. 2019 Wholesale Electricity Market Electricity Statement of Opportunities (WEM ES00)

Grace Liu and Rebecca Petchey (AEMO) presented the key findings of the 2019 Wholesale Electricity Market Electricity Statement of Opportunities (WEM ES00), which was published on 14 June 2019 and set the Reserve Capacity Requirement for the 2021-22 Capacity Year as 4,482 MW. Peak demand growth is expected to remain subdued, while operational consumption is expected to decline. The Demand Side Management Reserve Capacity Price for the 2019-20 Capacity Year is \$16,990 per MW. The 2019 WEM ES00 and supporting documents can be downloaded at <http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Planning-and-forecasting/WEM-Electricity-Statement-of-Opportunities>.

Liz Aitken (Perth Energy) queried whether the winter peak is specifically weather related or are there other underlying factors? *This question was taken on notice (Action item 6.1)*

Neetika Kapani (AEMO) added that AEMO will be bringing the forecasting activity associated with the WEM ES00 and WEM GS00 inhouse. At the next forum a member of the forecasting team will talk through some of the methodology they will be using for next year's ES00.

7. Quarterly Energy Dynamics (QED) Report

Madison Pigliardo (AEMO) provided an overview of the trends discussed in the Q1 2019 report and an insight to the trends that may be discussed for Q2 2019, stating the below:

- A main observation in the QED for Q1 2019 was downwards demand trends, in terms of both average operational demand and summer peak demand. The main contributors to this trend are the continual uptake of rooftop PV and mild temperatures.
- Price trends were also discussed, particularly the convergence of LFAS Up and Down prices for the first time since LFAS market start.
- The maximum interval of grid-scale non-scheduled generation was reached this year. It was requested that GIA constraint analysis be included in the next QED report.

Liz Aitken (Perth Energy) suggested the next QED report include the number of intervals that have been affected by GIA actions undertaken in Western Power.

8. 2019-2020 Ancillary Services Report

Teresa Smit (AEMO) provided the following update on the 2019-2020 Ancillary Services (AS) Report

- The AS report was provided to the Economic Regulation Authority (ERA) at the end of May. It has not yet been approved and hence not yet published.
- It covered what AS were provided during the last financial year and the costs of these. The overall costs increased by about \$3.2 million, predominantly driven by Load Following Ancillary Service (LFAS) upwards provision, but offset by a reduction in SR and, Load Rejection Reserve (LRR) costs.
- From a spinning reserve, LRR and System Restart perspective there are no significant changes. There is no DSS required for the next financial year. The Spinning Reserve contracts for non-Synergy provided spinning reserve are being finalised.
- From a LFAS perspective, a change was proposed to enable slightly additional quantities during daylight periods, with reduced requirements during night time periods. This was based on analysis which indicated the level of uncertainty expected to occur was higher during daylight hours. It is important to note, that because these numbers are based on average quantities, with increasing variability from intermittent generation and rooftop PVs, there will be an increasing number of occasions when this may be inadequate for short periods of time.
 - Due to the complexity in how LFAS is utilised and implemented within the WEM, the impact of these changes on system security will be monitored to ensure no adverse impacts.
 - Backcasting modelling has indicated that with the new requirements, assuming no change in bidding behaviour, the total cost of LFAS would reduce.
 - Although a requirement is determined a year ahead, there is opportunity for different requirements to be set if system conditions require it.
 - There are currently three providers of LFAS, some with multiple units, and a further one planning certification in the short term.

- As soon as the report has been approved, it will be published.

9. Bad Friday – The challenges faced with the low load and variable weather on Good Friday

Brent Glover (AEMO) presented on the challenges the AEMO Control Room faced with the low load and variable weather experienced on Good Friday (19 April 2019). Items discussed were the variable weather conditions, load profiles in the South West Interconnected System (SWIS), solar generation throughout the SWIS and wind generation. The new normal of operating the power system continues to be a challenge now and will become more challenging in the future.

Cameron Parrotte (AEMO) further talked to utility-scale renewables and their variability in the case of rooftop solar also having limited visibility and no control, they are resulting in challenges to power system operations (and market implications) such as those that occurred on Good Friday 2019.

10. Operational Updates

Changes to WEM & GBB (WA) Participant Market Operations Support Guide

Rick Dolling (AEMO) provided an update on the changes to participant support arrangements. The WA Market Operations team provide 24/7 support for the Wholesale Electricity Market Systems (WEMS), support arrangements are summarised in the [Participant Support Guide](#). The arrangements are designed to provide participant support during the strict STEM timeframes and based on the requirement for AEMO to identify and manage a STEM delay or suspension under short timeframes.

Due to WEM Rule Change RC_2014_06 – Removal of Resource Plans and Dispatchable Loads, AEMO is reviewing the office hours on weekends and public holidays. From 1 July 2019 the proposed office hours on weekend and public holidays are:

- Start Time: 6:30AM (no change)
- End Time: 11:30AM

There are no changes to office hours on weekdays.

24/7 support for WEMS is still available to Market Participants through the on call arrangements (unchanged)

PV Forecast (Action item 11.1)

Neetika Kapani (AEMO) suggested that as Dean Sharafi is taking the lead on this action, and he is not in attendance, the matter be discussed at the next WAECF.

11. Other Business

Neetika Kapani (AEMO) mentioned on 12 April 2019 AEMO released a report on Technical Integration of Distributed Energy Resources, this can be found on [AEMO's website](#).

Liz Aiken (Perth Energy) enquired whether the forecast currently shown on AEMO's website has started utilising the wind forecasting system from the east coast that is now being incorporated into the load forecast. There seems to be a disconnect between the BMO and that load forecast, because they are not conjoined, which means the price forecasts are out of whack with the load forecasts. Could AEMO provide some feedback whether there has been any change as there has been a decrease in the amount of error in the load from the website data in the last 6-8 weeks, but there is no corresponding change in the level of error that's underpinning the BMO?

AEMO has taken this question on notice (Action item 11.2)

12. Next meeting

Neetika Kapani (AEMO) outlined dates for upcoming forums. The next WAECF meeting is scheduled for 13 August 2019. The meeting was closed at 2.59 pm.

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	Completed
11.1	PV Forecast	AEMO to further investigate the suggestion of publishing PV generation AEMO has accounted for in generating the Load Forecast for each Trading Interval.	AEMO	August WAECF
6.1	Electricity Statement Of Opportunity	AEMO to follow up on the query - whether the winter peak is specifically weather related or are there other underlying factors? This question was taken on notice (Action item 6.1)	AEMO	August WAECF
11.2	AEMO's Website forecasting	AEMO to investigate why the load forecast on AEMO's website had gotten better but the Price forecast had gotten worse from about 8 weeks ago	AEMO	August WAECF