

MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: WAECF 22
 DATE: Tuesday, 8 October 2019
 CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Dean Sharafi	AEMO (Chair)
Laura Tomkins	AEMO (Secretariat)
Robin Parsons	AEMO
Greg Ruthven	AEMO
Paul Elliott	AEMO
Nicole Markham	AEMO
Neetika Kapani	AEMO
Trevor Griffiths	AEMO
Mark Katsikandarakis	AEMO
Gwen Huynh	AEMO
Todd Duckworth	AEMO
Lisa Laurie	AEMO
Rick Dolling	AEMO
Sam Lei	Alinta Energy
Michael Puls	APA
Scott Davis	Australian Energy Council
Paul Arias	Bluewaters Power
Kailei McCrea	Bluewaters Power
Cherie Cooper	Change Energy
Zhang Fan	Collgar Wind farm
Ignatius Chin	EMCA
Steven Kane	ERA
Noel Schubert	ERA
Sara O'Connor	ERA
Julian Fairhall	ERA
Wendy Ng	ERM Power
Jai Thomas	ETIU
Ashwin Raj	ETIU
Peter Kolf	KPK Specialist Advisory Services Pty Ltd
Bobby Ditric	Lantau Group
Jayesh Halai	Perth Energy
Victor Francisco	PSC
Jenny Laidlaw	Rule Change Panel
Stephen Eliot	Rule Change Panel
Richard Cheng	Rule Change Panel
Andrew Woodroffe	SkyFarming
Susanna Floth	SkyFarming
Ian Porter	SEN
Rod Littlejohn	Tersum Energy
Peter Huxtable	Water Corporation

1. Welcome and Previous meeting minutes

Dean Sharafi (AEMO) opened the meeting at 1:00pm, welcomed attendees to WAECF No.22 and gave an Acknowledgement of Country.

The minutes from the previous WAECF (13 August 2019) were endorsed. AEMO to publish the minutes as final on the website (Action Item 1.1).

2. Responding to PV and cold front weather events

Todd Duckworth (AEMO) presented to stakeholders some of the challenges the Control Room has been facing with recent severe weather events and how system security is maintained during these events. Todd explained in depth what took place when the severe weather/storm front crossed over the metropolitan area on 5 August 2019 at approximately 11am.

Dean Sharafi (AEMO) added that these challenging situations are likely to increase, and the State Government's Market Reform, DER Roadmap and Whole of System Plan (WoSP) workstreams will look into how these events can be managed and provide appropriate solutions.

The following points were raised and discussed:

- The cost of running the additional Spinning Reserve Units
- The combined effect of wind and PV
- What happens when Spinning Reserve and LFAS have been depleted
- Contingency plans and updates to include weather
- Increasing the LFAS requirement ahead of a cloudy day
- Forecasting technology
- Behind-the-meter consumption of solar energy

3. Managing Low Load Days

Paul Elliott (AEMO) talked to the challenges faced on low demand days and shared some of the likely actions to be taken due to low loads being experienced, and likely to be experienced more frequently, over the spring season.

Wendy Ng (ERM Power) asked about low system inertia and how will AEMO be looking at this as a general rule for X amount of generators running, and whether this is the sort of thinking AEMO is having?

Paul Elliot (AEMO) confirmed this is the case and Dean Sharafi (AEMO) added that AEMO have developed a tool that provides situational awareness to controllers about inertia and where the system might end up after a contingency. This is a real time tool that captures the output of all the generators in terms of inertia and calculates the amount of inertia available to the system and also flags if the system ends up in an insecure zone following a contingency event so controllers can take action. This has been in place from 1 October 2019.

4. Draft 2020 Benchmark Reserve Capacity Pricing report findings

Trevor Griffiths (AEMO) provided an update from the draft 2020 Benchmark Reserve Capacity Pricing report, noting:

- The draft 2020 Benchmark Reserve Capacity Price (BRCP) of \$142,500.00 per MW per year has been released for public consultation, with the feedback window closing at 5:00 pm on Friday, 11 October 2019.
- The draft BRCP is 7.6% lower than the final 2019 BRCP of \$154,200.00, mostly due to a lower weighted average cost of capital (WACC) of 3.60%. The WACC has been spurred by historically low Commonwealth Treasury Bond yields of 1.03%.

The feedback obtained during the consultation period will be considered in the final BRCP report, which will be provided to the ERA to seek approval for a release by 31 January, 2020.

5. Forecasting Accuracy in the Balancing Market

Gwen Huynh (AEMO) presented on forecasting accuracy in the balancing market in response to a Market Participant query and surmised that AEMO's analysis shows that load forecast error is improving as a result of the five minute load forecast delivery to WEMs, while NSG forecasting error is increasing due to an increase in NSG capacity. The error introduced by the GIA constraint is difficult to separate from the NSG forecasting error. In combination, this results in a flat and consistent trend in the Forecast Balancing Price Error.

Discussion amongst the room took place and touched on the following points:

- GIA impact versus the normal forecasting error.
- Information available to Market Participants in regards to GIA constraints that is not reflected in the Forecast BMO would be helpful.
- Forecast BMO, including forecast load, is published every 30 minutes. However more frequent publication would provide more reflective information to Market Participants.

6. AEMO Corporate Plan update

Dean Sharafi (AEMO) provided a brief update on the release of AEMO's Corporate Plan. The corporate plan can be found on [AEMO's website](#).

7. AEMO Operational Updates

7.1 AEMO Project Updates

Dean Sharafi (AEMO) provided an update on the current AEMO projects, noting:

- There will be a small delay to 'Go Live' of Reduction of Prudential Exposure (RoPE), the target now being March 2020.
- WEM Reform:
 - A number of core design principals have been approved by the Energy Transformation Taskforce.
 - Rule drafting process has commenced for first project areas.
 - RFP for SME support for Technical Implementation Plan completed.
- Malaga Datacentre:
 - Final transfer of remaining test environments has been completed and decommissioning has started.
- RC_2018_06 Spinning Reserve Cost Allocation:
 - Testing completed and AEMO's auditor has agreed to the certification carve out for the existing production issues.

Nicole Markham (AEMO) provided a more detailed update on two key projects - Power System Operations (PSO) Project (eTerra EMS) and System Management System Transition (SMST) noting:

- Delays to PSO and SMST:
 - Four-month delay in PSO delivery, due to resourcing issues. 'Go Live' target date revised to end of February 2020.

- SMST will be delayed as a result and new revised date for cut-over is March 2020.
- Lowest risk option will be to continue with the current delivery schedule.

Wendy Ng (ERM Power) asked that given the current level of development and changes from both East Coast and here, will there be a resourcing issue going forward and what is being done to fix this?

Nicole Markham (AEMO) responded, there were a lot of lessons learnt from this project and going forward resourcing will be a key area to look at in ensuring the right resources are in the right areas to be able to deliver on timeframes.

- Changes to Market Participant Interface (MPI):
 - SMST project will bring SM MPI in-house into AEMO environment at end of March 2020.
 - Information sessions will take place in November/December 2019, invitations will be sent to participants in the next few weeks.
 - Update to the MPI user guide published end January 2020.

7.2 2019 Certification process outcomes

Neetika Kapani (AEMO) provided an update on the 2019 cycle. 4924.847 MW of Capacity Credits were assigned for the 2019 Reserve Capacity Cycle, effective for the 2021-22 Capacity Year. There have been queries around when the Reserve Capacity Price for the 2019 Reserve Capacity Cycle will be published. AEMO can publish the price post the gazettal of the Reserve Capacity Pricing rules, effective for 2019 RC cycle onwards.

7.3 Constrained Access Entitlement methodology

Neetika Kapani (AEMO) provided an update on the Constrained Access Entitlement methodology review. AEMO must carry out a review of Appendix 11, the Constrained Access Entitlement methodology under clause 4.1.34 of the WEM rules. The review was deferred last year, due to uncertainty around the Constrained Access arrangement. AEMO proposes to defer this review until January 2021, given the continued uncertainty around constrained design arrangements, as part of the Energy Transformation Strategy.

7.4 Load Rejection Requirement (LRR) trial

Dean Sharafi (AEMO) informed stakeholders, System Management has been operating the system in real time with a dynamic LRR requirement while still planning for 120MW of LRR since this was announced early this year. System Management will now take a step further to reduce the LRR requirement in planning timeframe from 120MW to 90MW beginning from the start of the Trading Day on 8 October 2019. During the trial period, System Management will continue to monitor performance of the system with a reduced LRR and further action will be announced in due course.

7.5 Settlement Calculations Update

Mark Katsikandarakis (AEMO) made mention that the release notes for WEMS 3.33 have recently been issued. WEMS 3.33 will be released into Market Trail on 9 October 2019. One of the changes in the release notes is in relation to a bug in the Market Fee calculations that was discovered in the last audit period.

When calculating the load component, WEM Rule 9.13.1 requires that the calculation should sum the absolute value of all metered schedules for dispatchable, non-dispatchable and interruptible loads for a given participant for all trading intervals in a given month. Due to a system defect, the settlement calculation was summing the metered schedules and then taking the absolute values.

The system bug was identified in a routine verification processes. AEMO has implemented the system fix. These changes will apply for the September 2019 Non-STEM Settlement Statements that will be issued in November 2019 onwards. These changes will also apply for the Settlement Adjustment Process for Trade Months November 2018 to August 2019 in accordance with clause 9.19.4 of the WEM Rules.

8. Stakeholder Updates

8.1 Energy Transformation Implementation Unit (ETIU) - Energy Transformation Strategy (ETS) high level update

Jai Thomas (ETIU) provided a high-level update on the activities involved with the Energy Transformation Strategy and touched on the following:

- Next Taskforce meeting scheduled for Friday 18 October 2019.
- Presentation slides can be found at: <https://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WA-Electricity-Consultative-Forum-WAECF>
- Project progress is on track.
- Stakeholder Engagement activities:
 - Newsletter update due this month.
 - TDOWG scheduled for 22 October 2019.
 - Encourage stakeholders who are interested in discussing any aspect of the Reform to schedule a 1:1 meeting via energytransformation@energy.wa.gov.au
 - Strategic Consultative Group meeting 2 scheduled for 29 October 2019.

Wendy Ng (ERM Power) asked if the Capacity Allocation proposal is a proposal for approval by the Taskforce. Jai Thomas (ETIU) took this question on notice and subsequently provided the following: The October Taskforce meeting will be an update on the progress to date – the Taskforce has already given its in-principle support for the new capacity allocation process. ETIU will develop the final design with industry through the TDOWG over the next couple of months. The final design of the capacity allocation process is subject to Taskforce endorsement - expected in December.

8.2 Energy Policy WA Update

Jai Thomas (ETIU) provided an update on Energy Policy WA's recent activities including:

- EPWA was formerly Public Utilities Office.
- EPWA is a standalone sub-department of the Department of Mines, Industry Regulation and Safety.
- Kate Ryan has been named the Executive Director.

8.3 Rule Change update

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

RC_2013_15 Outage Planning Phase 2 – Outage Process Refinements:

- The Final Rule Change Report which was published on 26 August 2019. The Amending Rules will commence on 1 February 2020.

RC_2014_03 Administrative improvements to outage process:

- A MAC workshop is being planned for 25 September 2019 and a call for further submissions will be issued in December 2019.

RC_2014_09 Managing Market Information:

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

RC_2017_02 Implementation of a 30-Minute Balancing Gate Closure:

- A MAC workshop was held on 6 September 2019 and a second workshop is scheduled for 18 October 2019.

RC_2018_05 ERA Access to market information and SRMC investigation process:

- The Final Rule Change Report was published on 28 June 2019.
- The Amending Rules contain protected provisions, so the Amending Rules have been sent to the Minister for approval. The Minister has extended his deadline for his decision to 21 October 2019.
- The Amending Rules will commence 1 November 2019, pending Ministerial approval.

Other Rule Change Panel-related matters:

- North Country Spinning Reserve Issue:
 - The MAC discussed this issue on 29 July and 3 September 2019, where AEMO has presented three options for feedback from the MAC. AEMO will further discuss this issue at the MAC on 15 October 2019 and is planning to submit a Pre-Rule Change Proposal for discussion by the MAC on 26 November 2019.
- The next MAC meeting is scheduled for 15 October 2019.

9. Other Business

No other business was raised

12. Next meeting

Dean Sharafi (AEMO) outlined dates for upcoming forums. The next WAECF meeting is scheduled for 3 December 2019. The meeting was closed at 2.42 pm.

Action items raised at meeting – WA Electricity Consultation Forum

Item	Topic	Action required	Responsible	By
1.1	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	Ongoing