

MINUTES – WA Electricity Stakeholder Consultation Forum

MEETING: 2
 DATE: Tuesday, 24 May 2016
 TIME: 9:05 am to 10:55 pm
 LOCATION: AEMO WA Office; 197 St Georges Tce, Perth
 CONTACT: wa@aemo.com.au

ATTENDEES:

NAME	COMPANY
Cameron Parrotte	AEMO
Sandra McLaren	AEMO
Courtney Roberts	AEMO
Christina Madsen	AEMO
Erin Stone	AEMO
Neetika Kapani	AEMO
Martin Maticka	AEMO
Mike Amato	AEMO
Anoop Nambiar (via video link)	AEMO
Fiona Wiseman	Alinta Energy
Tim McLeod	Amanda Australia Pty Ltd
Timothy Rosser	Blair Fox Pty Ltd
Ignatius Chin	Bluewaters Power
Adam Stephen	Bluewaters Power
Dermot Costello	CEC
Gemma O'Reilly	Collgar Wind Farm
Steve Gould	Community Electricity
Geoff Hobley	EDL LNG (WA) Pty Ltd
Todd Gordon	EDL LNG (WA) Pty Ltd
Phachara (Pat) Niumsawatt	Enernoc
Wendy Ng	ERM Power
Jenny Laidlaw	IMO
Shane Cremin	Infinite
Jodie McDonnell	Kleenheat
Timothy Edwards	Metro Power Company Pty Ltd
Aaron Kerrigan	Perth Energy
Karen Boyce	Phoenix Energy
Bryon McLaughlin	Public Utilities Office
Simon Middleton	Public Utilities Office
Stephen Eliot	REMCo
Emily Alford	South32 Worsley Alumina Pty Ltd
Jason Froud	Synergy
Jacinda Papps	Synergy
Chi Hong	Tesla Corporation Pty Ltd
Warren McEvoy	Tesla Corporation Pty Ltd
Geoff Down	Water Corporation
Geoff Down	Water Corporation
Margaret Pyrchla	Western Power

1. Welcome

Sandra McLaren (Australian Energy Market Operator (AEMO)) opened the meeting at 9:05am and welcomed attendees to the second AEMO WA electricity stakeholder consultation forum.

Cameron Parrotte (AEMO) thanked stakeholders for their attendance and the valuable input provided at the previous stakeholder consultation forum, which AEMO has used to develop the first 'Stakeholder Engagement Promise for WA'.

Sandra McLaren provided an update on the actions from the previous meeting and noted all actions had been completed which included some to be addressed at the meeting and sought stakeholders endorsement on the minutes from the 12 April stakeholder consultation forum. No further comments were raised and the minutes of the previous meeting were accepted as a true record.

2. Energy Reform update

Sandra McLaren invited Simon Middleton (Public Utilities Office (PUO)) and Cameron Parrotte to present an update on the Electricity Market Review (EMR).

The following update on the progress of the EMR was noted:

Workstream 1 – Network Regulation

- The National Electricity Rules for network connection and access that will be adopted is expected to be approved by the COAG Energy Council early next week, which will represent the precursor for the application acts to then enter WA parliament for enactment in November 2016.

Workstream 2 – Market Competition

- A package of retail sector reforms will be prepared for the steering committee for consideration, a date for this is yet to be determined.

Workstream 3 – Institutional Arrangements

- Progress has been made on the transformation of institutional arrangements in the market with AEMO now being the wholesale market operator and preparing to take on the role of the retail market operator.
- Still advancing regulations on the WA Reliability Panel, due to be delivered next year.

Workstream 4 – WEM Improvements

Reserve Capacity Mechanism (RCM)

- Work is due to commence on the design of the Reserve Capacity auction which is expected to be completed early 2017 inclusive of industry consultation;
- Transition period reforms for the Reserve Capacity Mechanism will take effect on 1 June 2016 with pricing on capacity taking effect on 1 October 2016;
- No further substantial policy or design changes to the Wholesale Electricity Market (WEM) Rules have been made since the previous version was released.

Transfer of functions

- Transfer of System Management functions to AEMO are due to be gazetted and will take effect from 1 July 2016.
- The PUO has been engaging with AEMO and understands the intent is to leverage of National Electricity Market systems as well as repurpose existing WA specific systems.

A question was raised what the governance framework of the EMR going forward and the role of the steering committee will be. It was advised that the steering committee's ongoing existence and role is yet to be determined. The steering committee will continue to exist while the minister still requires it to provide recommendations on policy issues. At this stage the PUO will continue to brief the minister and it was further noted that the steering committee's role is ultimately a decision for the Minister.

It was questioned whether the WEM will be adopting the National Electricity Market (NEM) settlement system. Stakeholders were advised that this will be the case for cost effective reasons and noted that modifications will be required to accommodate the WEM. It was noted that AEMO's submission on the IT systems proposal is available on the website. AEMO to circulate to the link to stakeholders (action item 2.1).

It was questioned when AEMO would be in a position to provide stakeholders with draft implementation dates. Simon Middleton advised that the implementation plan is due to be signed off by the Minister in late June. Following this, the plan will be provided to AEMO. It was agreed that AEMO will communicate the proposed implementation dates to stakeholders by end of July (action item 2.2).

3. AEMO's retail role

Sandra McLaren invited Anoop Nambiar (AEMO) to present an overview on AEMO's retail role in the WEM.

It was indicated that from 1 July 2018 AEMO as the retail market operator will operate the market as it currently stands, with systems and regulatory arrangements implemented that are consistent with the NEM. Full Retail Contestability (FRC) will be undertaken as a separate component with a future commencement date to be advised.

The assumption is that retail arrangements will be consistent with the NEM where possible, with flexibility given to guiding principles around the cost benefit for WA. Derogations will be considered where there is strong business case to do so such as the perception of significant costs being incurred by WA.

There are a number of retail related documents available on AEMO's website which detail how the NEM currently operates. AEMO will provide links to these documents along with the minutes (action item 3.1). The intent is to work through these documents with stakeholders and identify where there is need to deviate from the NEM. Deviations will be kept to a minimum with the underlying principle where deviations are justified, a sunset arrangement will be introduced to align it with the NEM for consistency. Anoop Nambiar highlighted that stakeholder consultation will ramp up in the coming months as AEMO acknowledges the level of detail that is required.

Adopting the same Market Settlement and Transfer System (MSATS) used currently by participants in the NEM will be a contributor to keeping costs down in the WEM. This is the same reason that other systems used for transfers and meter data management will be adopted. It was indicated that these systems will be a base with additional functions required to operate the WEM. Expectations around transactions is that the WA market using the same B2B and B2M transaction methods as the NEM as these are published standards. At this stage the assumption is that the role of Western Power being the meter data provider, will mirror that of the NEM but clarity around this will be provided closer to the date.

AEMO aims to have derogations identified by the end of 2016 with a focus on implementing system changes in 2017. The readiness process will be undertaken in early 2018 with industry testing, market trial, etc. leading up to 1 July 2018.

4. Capacity Cycle workshop information

Sandra McLaren invited Martin Maticka (AEMO) to brief stakeholders on information forums on the upcoming Reserve Capacity cycle.

Stakeholders were informed that AEMO will be running the following sessions:

- IT user group scheduled from 1:30pm – 3:30pm on Wednesday 25 May; and
- CRC workshop scheduled from 10:00am – 12:00pm on Friday 27 May

It was noted that system changes are well underway in preparation for new rules to take effect 1 June 2016. Stakeholders were informed that a production release will occur on Thursday. It was highlighted that there will be a compressed certification window from 1 June to 1 July and that any information provided after 1 July will be not considered without application. Further information around this will be provided at the Certified Reserve Capacity (CRC) workshop with representatives from the PUO in attending to answer any questions. It was also noted that as extensive changes roll out AEMO will schedule forums as required.

5. AEMO website

Sandra McLaren invited Christina Madsen (AEMO) to present on AEMO's website redevelopment project.

Christina Madsen provided a brief background on the project which commenced in August 2015 and was expanded to incorporate WA post November 2015. It was noted that the website has been downsized in order to be user friendly and not content heavy and it will be mobile compatible. The redeveloped website is due to go live end of June.

It was questioned whether the new website would include RSS feed as it would be a valuable tool for stakeholders. It was advised that the website will not include RSS feed at this stage but the feedback will be provided to the team for consideration. AEMO to confirm the capability of incorporating RSS feed into the new website (action item 5.1).

It was raised that the transparent access to transmission data in the NEM is an extremely valuable tool as it assists participants in providing accurate constraint forecasts and there were concerns over if and when the same transparency will be provided in the WEM noting that significant changes currently underway with moving to a constrained network. AEMO will seek confirmation on the access to transmission data (action item 5.2).

It was questioned whether the new website will retain WEMS in particular the market data component and whether there would be more flexibility in the search tool. It was confirmed that WEMs will be retained as it currently stands and that the feedback will be provided to the architecture team to then look into increasing the flexibility in the search tool.

Stakeholders raised some concerns over the accessibility of information with the new website being downsized a significant amount. Christina Madsen advised that the statistic presented was from the overall national website and that all pages were reviewed and condensed where necessary in order for stakeholders to find what they're looking for in a few clicks. It was noted that all information published on the existing website will still be available through the newly developed search tool. Stakeholders were invited to contact AEMO with any questions or comments regarding information on the new website once it goes live.

6. AEMO stakeholder engagement promise for Western Australia

Sandra McLaren presented the 'AEMO Stakeholder Promise for WA' and sought endorsement from stakeholders.

Stakeholders agreed that consultation forums scheduled every 2 months was sufficient and important during the transition.

It was advised that AEMO would revisit 'system requirements' at a later date but would keep it on the agenda for upcoming stakeholder forums and look at planning requirements regarding developing a National Transmission Development Plan for the WEM.

Sandra McLaren advised stakeholders that AEMO will be introducing a Stakeholder Engagement Manager to WA so that participants have that one representative from AEMO that will attend to any issues or enquiries. Stakeholders commented that this was a good initiative and questioned when this role will be filled. It was advised that this would be prioritised and the role will be filled by end June (action item 6.1).

It was questioned whether AEMO scheduling 'Large User Forums' would be incorporated into the 'AEMO Stakeholder Promise for WA' which was raised at the previous meeting as the content of these forums in the past has been very useful to large users.

Stakeholders endorsed the 'AEMO Stakeholder Promise for WA' noting that Sandra McLaren will clarify requirements with stakeholders around holding a 'Large User Forum' (action item 6.2).

7. Other business

Sandra McLaren invited stakeholders to raise any further business that had not been discussed.

It was agreed that AEMO should run a constrained access network course in WA in order for WA stakeholders to gain a better understanding of the basic fundamentals of a constrained market and it was noted that this type of training would be an integral part to the rules development. It was suggested that a brief overview of how the constrained access network operates in the NEM would be included on the next agenda (agenda item 7.1).

8. Future agenda items

Sandra McLaren invited stakeholders to raise any ideas for agenda items in upcoming stakeholder forums.

With the new website due to be rolled out by end of June it was noted that it would be beneficial to have a walkthrough on it so that stakeholders become familiar on where to find necessary information (action item 8.1).

It was raised whether AEMO could provide an indicative timeline on when changes to the market are likely to occur (ie. Potential changes to loss factors, ancillary services reforms, etc.). It was advised that as policy advice comes through AEMO will then be in a position to communicate these dates and deadlines to stakeholders and as mentioned earlier in the meeting, this will be provided to stakeholders by end July.

With a number of industry bodies playing a key part in the reform it was raised whether there could be a central point of information for stakeholders. AEMO to consider including an EMR dedicated webpage on the website that provides stakeholders with links to EMR related information (action item 8.2). It was advised that the PUO are accountable for the delivery dates and setting the structure for this reform. Stakeholders were reminded that the Market Advisory Committee would be a good point to go to at this stage as the representatives are extremely knowledgeable and up to date with the current energy market reforms.

9. Next meeting

Sandra McLaren thanked stakeholders for their contribution and advised that the next meeting will be scheduled for July. The meeting was closed at 10:55 am.

Post meeting: AEMO received requests to omit attributing names to statements in the meeting minutes. AEMO acknowledges this request and will omit names from the minutes going forward.

Action items raised at meeting - WA Electricity Stakeholder Consultation Forum

Item	Topic	Action required	Responsible	By
2.1	Energy reform update	AEMO to circulate to the link to its submission to the IT systems proposal to stakeholders.	AEMO	Complete
2.2	Energy reform update	AEMO to provide stakeholders with proposed implementation dates by end of July.	AEMO	End July
3.1	AEMO's retail role	AEMO to circulate links to retail related documents available on the website.	AEMO	Complete
5.1	AEMO website	AEMO to confirm the capability of incorporating RSS feed into the new website	AEMO	July
5.2	AEMO website	AEMO to seek confirmation on the access to transmission data on the new website.	AEMO	July
6.1	AEMO Stakeholder Engagement Promise for WA	AEMO to appoint Stakeholder Engagement Manager by end of June.	AEMO	End June
6.2	AEMO Stakeholder Engagement Promise for WA	AEMO to consider scheduling 'Large User Forums' and incorporate this into the 'AEMO Stakeholder Promise for WA'.	AEMO	June
7.1	Other business	AEMO to consider facilitating a constrained access network course for WA stakeholders which includes an overview on the basic fundamentals of a constrained market and how it currently operates in the NEM.	AEMO	TBA
8.1	Future agenda items	AEMO to provide a walkthrough on the new website at the next forum.	AEMO	July
8.2	Future agenda items	AEMO to consider including an EMR dedicated webpage on its website that provides stakeholders with links to EMR related information.	AEMO	July