

MINUTES – WA Electricity Consultative Forum (WAE-CF)

MEETING: 4
 DATE: Thursday, 29 September 2016
 TIME: 1:00 pm to 3:10 pm
 LOCATION: AEMO WA Office; 197 St Georges Tce, Perth
 CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Andrew Winter	AEMO
Andrew van de Werve	AEMO
Courtney Roberts	AEMO
Martin Maticka	AEMO
Clayton James	AEMO
Greg Ruthven	AEMO
Mike Amato	AEMO
Nicole Markham	AEMO
Marc Hettler	AEMO
Allicia Volvricht (via video conference)	AEMO
Phil Hayes (via video conference)	AEMO
Fiona Wiseman	Alinta Energy
Nick Govier	ATCO Australia
Ignatius Chin	Bluewaters Power
Zhang Fan	Collgar Wind Farm
Steve Gould	Community Electricity
Elizabeth Walters	Economic Regulation Authority
Rajat Sarawat	Economic Regulation Authority
Mark de Laeter	EMC Associates
Wendy Ng	ERM Power
Kristian Myhre	Future Effect
Jenny Laidlaw	IMO
Denise Ooi	Kleenheat
Michael Harris	Oakeswell Consulting
Patrick Peake	Perth Energy
Erin Stone	Point
Mike Reid	Public Utilities Office
Andrew Woodroffe	Skyfarming
Susanna Floth	Skyfarming
Murray Sullivan	South32 Worsley Alumina
Adam Stephen	Summit Southern Cross Power
Jason Froud	Synergy
Jacinda Papps	Synergy
Peter Huxtable	Water Corporation
Geoff Down	Water Corporation



1. Welcome

Andrew Winter (Australian Energy Market Operator (AEMO)) opened the meeting at 1:00pm and welcomed attendees to the fourth AEMO WA Electricity Consultative Forum (WAE-CF).

Andrew Winter provided an update on the actions from the previous meeting and noted that one action was outstanding around issuing an expression of interest to stakeholders to arrange a further session on security-constrained market models. It was advised that this would be addressed in the upcoming (WA Market Reform Program) WAMRP forums.

AEMO sought stakeholder's endorsement on the minutes from the previous meeting (28 July 2016). No further comments were raised. AEMO to publish minutes from the previous meeting as final on the website (action item 1.1).

A hard copy of the latest Media Statement on the South Australia state-wide power outage was distributed at the forum for stakeholder information.

2. WA Market Reform Update

Mike Amato provided stakeholders with an outline of the matrix delivery model and noted the budget for the WAMRP was \$39.7 million. Mike Amato advised that development of the market readiness strategy is underway and further information to be presented later in the forum. The governance framework was also presented which detailed the direct and open communication for issue resolution and decision-making.

Stakeholders questioned if AEMO was still working to 1 July 2018 and what would happen if this was delayed. It was advised that if this was the case, the WAMRP would be reassessed to determine the most efficient way to deliver the project.

It was questioned who AEMO is accountable to for delivering the Electricity Market Review (EMR) reforms and what the overall governance arrangements are for the reform programme. Greg Ruthven (AEMO) responded that as the main driver is to comply with the rules, this would sit with the compliance monitor, being the Economic Regulation Authority (ERA).

Stakeholders asked when would information be available for market participants to enable them to start preparing their systems for the changes. Mike Amato responded that timelines and requirements will be provided to market participants in the forums scheduled to commence in October 2016.

3. WA Market Reform - Stakeholder Engagement Overview

Andrew Winter presented AEMO's proposed approach to stakeholder engagement throughout the WAMRP.

It was advised that forums would be held for the retail, wholesale and system operations workstreams to engage with stakeholders on procedures, processes and systems. The forums would involve broader industry participation. The wholesale workstream will also run two working groups (real time markets, and settlements) which would involve subject matter experts to consider specific issues, with participation limited to relevant organisations.

Andrew Winter noted the structure presented in the meeting papers and advised stakeholders that a call for nominations for these forums would be sent by 30 September 2016. Stakeholders were advised that all information in relation to the forums and working groups is now available on AEMO's website under 'Stakeholder Consultation'.

Stakeholder feedback was sought on the proposed engagement structure. Stakeholders noted the number of meetings scheduled from October to December and highlighted that advanced notice of the agenda and meeting papers is preferred as that would determine who would be most suitable to attend which forum. It was requested that some flexibility be given to representation on the forums/working groups dependent on the meeting content.

It was questioned why a working group for Reserve Capacity Mechanism (RCM) was not proposed. It was advised that the RCM project was expected to involve less procedure and lower-level design work and that a forum-based information sharing approach was the best approach.

The Public Utilities Office (PUO) acknowledged that its Market Competition workstream has been running a working group which is now idle given the impending resolution of the retail market rules, but that future meetings may be held for any additional policy decisions required. The PUO noted that this working group is not intended to disrupt or second-guess the implementation decisions of AEMO.

It was questioned whether AEMO and the PUO could co-ordinate their respective working group meetings as they would involve many of the same people (action item 3.1).

4. WA Market Reform Update - Workstreams

Wholesale

Greg Ruthven provided an overview of the work packages and key dates within the wholesale workstream. It was noted that the wholesale workstream has been broken up into projects in accordance with the IT systems:

- Energy and Ancillary Services Markets – ‘Real Time Markets’ and ‘Day Ahead Market’
- Settlements and Prudentials
- Reserve Capacity Mechanism Phase 3 (changes coming into effect 2017)
- Reserve Capacity Auction (which AEMO is planning to have ready by 2019)

Stakeholders were presented with the proposed content for the upcoming forums. It was advised that AEMO intends to use the National Electricity Market (NEM) procedures as a starting point for the procedure development in the Wholesale Electricity Market (WEM).

It was questioned whether there can be different consultation timelines on wholesale and retail procedures. It was advised that retail market procedure consultation can occur earlier as the retail market rules have been developed earlier and are closely aligned with those of the NEM. Wholesale market rule development is underway, with the PUO prioritising the development of the packages of rules that are most critical for AEMO’s and market participants’ system development activities.

Retail

Alicia Volvricht (AEMO) provided an overview of the work packages and key dates within the retail workstream via video-conference.

It was noted that the retail workstream has been broken up into work packages:

- Work Package 1 – Metrology, service level procedures, meter data file format, NMI standing data schedule, MSATS meter data management and meter data provision procedures
- Work Package 2A – MSATS and WIGS procedures
- Work Package 2B – Glossary/framework, various accreditation/deregistration procedures
- Work Package 2C – B2B procedures
- Work Package 3 – Various accreditation guidelines, checklists, application forms, metering coordinator registration guidelines
- Work Package 4 – Various technical and interface guidelines for MSATS

Stakeholders were presented with the proposed content for the upcoming forums.

Stakeholders requested clarification on MSATS and if there were links into the system from the wholesale side. Phil Hayes (AEMO) advised that MSATS has wholesale energy settlement functionality, passing aggregated energy settlement data to the wholesale settlement system.

System Operations

Clayton James (AEMO) provided an overview of the components of the system operations workstream including the milestones concerning the processes and systems required by AEMO to ensure the secure and reliable operation of the South-West Interconnected System (SWIS).

Stakeholders were presented with the proposed content for the upcoming forums.

Clarification was requested on which projects would be examining the introduction of Frequency Control Ancillary Services (FCAS) markets and specifications. It was advised that the market structures and service definitions would fall under the wholesale workstream, whereas the dispatch of the service would fall under the system operations workstream.

It was questioned whether Demand Side Management (DSM) SCADA requirements would be a part of the system operations workstream. Clayton James responded that DSM will be covered off in both the system operations workstream and RCM Phase 3.

IT

Phil Hayes (AEMO) provided an overview of the systems and key dates within the IT workstream via video-conference

Stakeholders questioned if AEMO will continue to use WEMS. Phil Hayes advised that WEMS will be retained for a period of time but will eventually be retired. The existing systems will need to be retained for performance of settlement adjustments through to mid-2019.

It was questioned why there would be significant costs to modify NEM systems to run using 8am-8am day boundaries, as are used currently in the WEM. Phil Hayes explained that the architectures and database structures of various NEM systems have been developed on the assumption of registration transfers occurring at midnight, and do not support the concept of generation transfers occurring at a time other than midnight. A shift from midnight transfers would be a very large IT change that would be unlikely to be achievable within the required project timeframe.

Phil Hayes advised stakeholders that further discussion around these issues will take place at the IT forum scheduled on 26 October.

Market Readiness

Mike Amato outlined the market readiness approach for market participants and noted that further details will be provided at the workstream forums.

It was noted that there will be WAMRP specific training available to market participants in early 2017. This training will consist of both online and face-to-face sessions. The NEM e-learning course is available to participants now and AEMO will provide details of how to enrol over the next week (action item 4.1).

All details on training will be communicated to stakeholders as soon as it becomes available.

5. AEMO's Allowable Revenue 4 submission to the Economic Regulation Authority

Andrew Van de Werve (AEMO) presented AEMO's Allowable Revenue 4 submission to the ERA.

Stakeholders sought clarification on the \$39.7 million expenditure for the Market Reform Program. It was advised that this was a split between capital and expenditure with \$36.2 million related to capital expenditure and \$3.5 million related to operational expenditure. Most of the capital project expenditure will be depreciated over 10 years. It was noted that \$36.2 million of the \$40 million capital relates to the WEM projects.

Stakeholders questioned when visibility of ERA's component of the market fee rate would be available. The ERA advised that they are working on the change in the Regulatory fee but that this was dependent on the rule changes and the transfer of the Rule Change process to the Rule Change Panel. AEMO to circulate the presentation on the Allowable Revenue 4 submission to the ERA (action item 5.1).

6. Other business

Andrew Winter noted the contact card circulated in the meeting papers was now available on AEMO's website. The card provides stakeholders with the contact details of AEMO staff for specific issues.

No other business was raised.

7. Future agenda items

No further items were suggested by stakeholders. Andrew Winter invited stakeholders to email AEMO with any agenda items to be discussed at the next meeting.

8. Next meeting

Andrew Winter thanked stakeholders for their attendance and closed the meeting at 3.10pm. The next WAE-CF is scheduled on 24th November 2016.

Action items raised at meeting - WA Electricity Stakeholder Consultation Forum

Item	Topic	Action required	Responsible	By
1.1	Welcome	AEMO to publish minutes from the previous meeting as final on the website.	AEMO	October
3.1	WAMRP – Stakeholder Engagement Overview	AEMO and the PUO to work together to ensure forum meetings don't overlap as they would involve similar stakeholder participation.	AEMO/PUO	October
4.1	WAMRP Update – Market Readiness	AEMO to circulate details of the e-learning course available to participants.	AEMO	October
5.1	AEMO's Allowable Revenue 4 Submission to the ERA	AEMO to circulate the presentation on the Allowable Revenue 4 submission to the ERA.	AEMO	September