

## MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: 6  
 DATE: Tuesday, 7 February 2017  
 CONTACT: WAelectricityforum@aemo.com.au

### ATTENDEES:

NAME	COMPANY
Andrew Winter (Chair)	AEMO
Courtney Roberts (Secretariat)	AEMO
Cameron Parrotte	AEMO
Dean Sharafi	AEMO
Martin Maticka	AEMO
Andrew Thornbury	AEMO
Greg Ruthven	AEMO
Shaun Pethick	AEMO
Stuart MacDougall	AEMO
Mark Katsikandarakis	AEMO
Neetika Kapani	AEMO
Katelyn Rigden	AEMO
Alex Driscoll	AEMO (dial-in)
Mark Lee	AEMO (dial-in)
Phil Hayes	AEMO (dial-in)
Mark Riley	AGL (dial-in)
William Street	Alinta Energy
Jacinda Papps	Alinta Energy
Tim McLeod	Amanda Energy
Nick Govier	ATCO Australia
Tim Rosser	Blairfox
Ignatius Chin	Bluewaters Power
Paul Arias	Bluewaters Power
Gemma O'Reilly	Collgar Wind Farm (dial-in)
Zhang Fan	Collgar Wind Farm (dial-in)
Gina Dodd	Collgar Wind Farm (dial-in)
Chris Armstrong	CleanTech Energy
Caroline Cherry	Chamber of Minerals and Energy of WA
Elizabeth Walters	Economic Regulation Authority
Todd Gordon	EDL
Wendy Ng	ERM Power
Kristian Myhre	Future Effect
Jenni Conroy	Future Effect
Denise Ooi	Kleenheat
Iulian Sirbu	Kleenheat
Sarah Rankin	Moonies Hill Energy
Ian Devenish	Moonies Hill Energy
David Calder	Origin Energy (dial-in)
Patrick Peake	Perth Energy
Erin Stone	Point
John McLean	PSC
Ben Williams	Public Utilities Office

Bobby Ditric	Public Utilities Office
Jenny Laidlaw	Public Utilities Office
Mike Reid	Public Utilities Office
Ray Challen	Public Utilities Office
Simon Middleton	Public Utilities Office
Andrew Woodroffe	Skyfarming
Adam Stephen	Summit Southern Cross Power
Ben Hammer	Synergy
Neil Duffy	Transalta
Peter Huxtable	Water Corporation
Dean Frost	Western Power
Doug Thomson	Western Power
Margaret Pырchla	Western Power
Shane Duryea	Western Power

## 1. Welcome

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

Andrew Winter noted that all actions from the previous meeting had been completed. AEMO sought stakeholder's endorsement on the minutes from the previous meeting (24 November 2016). No comments were raised. AEMO to publish the minutes from the previous meeting as final on the website (action item 1.1).

## 2. Electricity Market Review Update – Public Utilities Office

Simon Middleton (Public Utilities Office (PUO)) noted that no decisions would be made on the Electricity Market Review (EMR) until after the March election. However, working groups will continue to work through technical matters, and the PUO is open to meeting with participants. Once determined the PUO will brief the new Minister post the election.

AEMO advised it is happy to assist the PUO to progress reforms where appropriate.

## 3. WEM Prudentials - Capacity Liability

Stuart MacDougall (AEMO) presented on WEM prudentials and noted that, in the process of an exploration of opportunities to improve the Outstanding Amount calculation, AEMO identified that the prudential parameters as defined in the WEM rules may underestimate the Reserve Capacity exposure in a number of situations. Refer to agenda item 3.0 in the meeting pack for further information. The following points were raised:

- AEMO has met with the PUO to discuss the rule issues and explore possible options. The PUO invited AEMO to present on this issue in its working groups.
- AEMO will consult with stakeholders to find a solution that reduces the prudential risk to the WEM. AEMO will develop a rule change proposal for consideration by the rule change panel.
- A number of stakeholders supported changes that would not result in prudentials increasing.
- A stakeholder noted a number of prudential rule issues were identified in 2012. AEMO noted it's focus in this rule change proposal is to address the Reserve Capacity exposure issue given the significance of the risk, with other considerations a secondary priority. A number of these considerations will be addressed through the broader market reform program.

## 4. Update on AEMO's revised Allowable Revenue 4 submission to the ERA

Cameron Parrotte (AEMO) provided stakeholders with an update on AEMO's Allowable Revenue 4 (AR4) submission to the Economic Regulation Authority (ERA). Refer to agenda item 4.0 in the meeting pack for further information.

A stakeholder asked if the constrained dispatch system would be deployed. This work is being considered by Western Power and there is unlikely to be immediate changes to existing generator dispatch arrangements. A NEMDE type system will be required in the future to address other issues in the WEM and for the WA Market Reform Program.

AEMO sought feedback on a scaled-back approach to the WA Market Reform Program in its supplementary submission to the ERA in February. Stakeholders provided no view on the approach. It was advised market fees are unlikely to change based on the revised scope.

## **5. WA Market Reform Program Update**

Shaun Pethick (AEMO) provided an update on the WA Market Reform Program. Refer to agenda item 5.0 in the meeting pack for further information.

It was noted that the go-live date would be pushed back around a year and that the rules needed to be finalised prior to AEMO building new systems.

## **6. RCM3 Project Update**

Andrew Thornbury (AEMO) updated stakeholders on the progress of the Reserve Capacity Mechanism 3 (RCM3) project. Refer to agenda item 6.0 in the meeting pack for further information.

It was noted that an RCM Forum is scheduled for 22 February 2017 and AEMO is currently seeking feedback on the Application Programming Interface (API). Stakeholders were requested to provide any feedback on the API to [WAMRPWholesale@aemo.com.au](mailto:WAMRPWholesale@aemo.com.au) (action item 6.1).

## **7. Feedback from WA Market Reform Stakeholder Survey**

Andrew Winter provided a summary of the feedback received from the WA Market Reform Stakeholder Survey that was distributed at the previous WAECF and thanked stakeholders for their contribution. It was advised that AEMO will aim to conduct these short surveys every 6 months to track progress. AEMO advised it is keen to seek feedback from stakeholders throughout the program.

## **8. Market Procedure Development for 2017**

Greg Ruthven (AEMO) presented an overview of the Market Procedures being amended in 2017 and noted the drivers for those changes. The following points were noted:

- The procedure changes related to RCM rule changes, changes to institutional responsibilities, and the formalisation of AEMO / Western Power interfaces following the transfer of System Management functions.
- AEMO will publish both clean and marked up copies of Market Procedures on its website, even when the amendment does not require the Procedure Change Process due to the limited waiver in the WEM Rules. To allow participants to double-check the applicability of the waiver, it was proposed to publish these versions a week prior to commencement of the amended procedures.
- A stakeholder requested AEMO consider how best to communicate WEM procedure changes as it is difficult to find relevant information in the existing AEMO Communications newsletter. A publication similar to the IMO's Rules Watch would be beneficial. AEMO to explore options on how best to communicate WEM procedure changes to WA stakeholders (action item 8.1).
- The operation of the Market Advisory Committee (MAC) is uncertain until the Rule Change Panel is operational. In the interim, AEMO proposes to discuss RCM procedure changes through the RCM forum. For other matters, AEMO could convene ad-hoc meetings.

- It was noted the MAC would still like to see some form of communication. MAC members need to be aware of the RCM changes. AEMO agreed to ensure that notifications are issued to MAC members in respect of procedure changes, as is required by the WEM Rules.

## **9. 2017 Benchmark Reserve Capacity Price Update**

Katelyn Ridgen (AEMO) provided an update on the 2017 Benchmark Reserve Capacity Price (BRCP) draft report that was published on 21 November 2016. The following points were noted:

- AEMO received two submissions during the consultation process. Following this, stakeholder feedback was considered and the final BRCP was updated based on the latest financial information.
- The ERA approved the final BRCP in January 2017.
- The BRCP for the 2019-20 Capacity Year is \$149,800 per MW/per year.
- The main contributing factors for the lower BRCP are lower escalation factors, a reduction in weighted average cost of capital, and a reduction in Margin M.

All information relating to this process is available on AEMO's website.

## **10. System Management Update**

Dean Sharafi (AEMO) provided an update on the System Management function in the WEM. The following points were raised:

- System Management staff would be trained on the existing Western Power system. Staff will be trained on new systems when implemented.
- AEMO will schedule its first Generators Forum in March and issue an invitation to stakeholders to register to attend the forum and to identify relevant topics (action item 10.1).
- Stakeholders were invited to contact AEMO to advise any topics they'd like discussed at the forum (action item 10.2).

## **11. Other business**

Cameron Parrotte (AEMO) noted that feedback had been received from a stakeholder who identified useability and accuracy issues in information on the AEMO website. AEMO sought feedback from stakeholders on the current website. Stakeholders advised:

- Some links on the website do not work.
- AEMO domain does not take you to WA specific matters.
- A search filter on WEM vs NEM would be very helpful.
- Contact details for the WA office are hard to find, only have a 1800 number.
- Search functionality comes up with a number of tags that go nowhere.
- Resorting to google to try and find information.
- AEMO to consider and rectify issues identified (action item 11.1).
- Stakeholders to advise AEMO of other accuracy and useability concerns with the website (action item 11.2).

AEMO also noted the WA department of AEMO was being restructured to align with the national approach.

## **12. 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.

### **13. Next meeting**

The next WAECF meeting is scheduled for 4 April. Andrew Winter thanked stakeholders for their attendance and closed the meeting at 2.50pm.

**Action items raised at meeting - WA Electricity Stakeholder Consultation Forum**

<b>Item</b>	<b>Topic</b>	<b>Action required</b>	<b>Responsible</b>	<b>By</b>
1.1	Welcome	AEMO to publish minutes from the previous meeting as final on the website.	AEMO	February 2017
6.1	RCM3 Project Update	Stakeholders were requested to provide feedback on the RCM3 API to <a href="mailto:WAMRPWholesale@aemo.com.au">WAMRPWholesale@aemo.com.au</a> .	Stakeholders	February 2017
8.1	Market Procedure Development for 2017	AEMO to explore options on how best to communicate WEM procedure changes to WA stakeholders.	AEMO	April 2017
10.1	System Management Update	AEMO to issue invitation to stakeholders to register to attend the first Generators Forum in March.	AEMO	February 2017
10.2	System Management Update	Generators of the WAECF to identify topics for the Generator Forums in 2017.	WAECF	February 2017
11.1	Other Business	AEMO to consider and address issues identified in relation to information published on the website.	AEMO	April 2017
11.2	Other Business	Stakeholders to advise AEMO of other accuracy and useability concerns with the website.	WAECF	April 2017