

MINUTES – Combined WA Electricity Consultative Forum (WAECF) and WA Generator Forum (WAGF)

MEETING: WAECF 11 / WAGF 4
 DATE: Thursday, 14 December 2017
 CONTACT: WAelectricityforum@aemo.com.au / WAgeneratorforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Andrew Winter	AEMO (Chair)
Courtney Roberts	AEMO (Secretariat)
Drew Clarke	AEMO
Cameron Parrotte	AEMO
Dean Sharafi	AEMO
Greg Ruthven	AEMO
Amanda Niklaus	AEMO
Martin Maticka	AEMO
Neetika Kapani	AEMO
Teresa Smit	AEMO
Khadijah Hansia	AEMO
Stuart Featham	AEMO
Matthew Fairclough	AEMO
Brooke Edwards	AEMO
Luke Dowling	AEMO
Mark Riley	AGL (VC)
Timothy Rosser	Blair Fox
Alan McDonald	Bluewaters Power
Ignatius Chin	Bluewaters Power
Lize Combrinck	Bluewaters Power
Simon Scott	Bluewaters Power
Shannon Hewitt	Clean Tech Energy
Sara O'Connor	ERA
Stephen Eliot	ERA
Wendy Ng	ERM Power
Laurie Findlay	International Engineers
Hugh Webster	Mumbida Wind Farm
Aaron Kerrigan	Perth Energy
Patrick Peake	Perth Energy
Andrew Woodroffe	SkyFarming
Murray Sullivan	South32
Adam Stephen	SSC Power
Andrew Everett	Synergy
Angelina Cox	Synergy
Benjamin Hammer	Synergy
David Willey	Western Power



1. Welcome

Andrew Winter (AEMO) opened the meeting at 1:00pm and welcomed attendees to the combined WAECF and WAGF. Drew Clarke (AEMO's new Chairman) and Cameron Parrotte (AEMO Executive General Manager – Strategy and Innovation) were introduced to stakeholders.

Mr Drew Clarke provided an overview of his experience and reinforced AEMO's commitment to WA. There was a general discussion regarding some of the challenges and opportunities facing energy markets.

2. Previous meeting minutes

All actions from the previous WAECF/WAGF (17 October 2017) had been completed. No further comments were raised and the minutes were endorsed.

AEMO to publish the minutes from the previous meeting as final on the website (action item 1.1).

3. WA market reform update

It was noted that Public Utilities Office (PUO) was not represented to provide an update, however work was progressing in relation to planning and scoping the reforms. The PUO is leading this work with support from AEMO where appropriate.

Stakeholders questioned what areas had been discussed in relation to planning and scoping. It was advised that the context of the reform has changed and discussions around market design recommendations have taken place. Further information on timeframes was not provided.

Stakeholders registered their concerns that there would be inadequate time for proper industry consultation prior to the tabling of legislation in mid-2018. It was advised at the previous meeting (17 October 2017) that the PUO would be releasing a consultation paper in December around the methodology and assumptions underpinning the network access model for industry comment, but it appears that publication has been delayed.

4. Rule change update

Stephen Eliot (Rule Change Panel WA (RCPWA)) provided an update on upcoming rule changes.

It was noted that the RCPWA is prioritising and progressing with the rule changes.

Stakeholders were notified that the annual review of the Market Advisory Committee membership is currently underway with two positions eligible for appointment. Applications close on 29 December 2017.

It was questioned whether the RCPWA will consider expanding once the PUO ramps up its market reform activities. It was advised that as the RCPWA is resourced by the Economic Regulation Authority (ERA) this would depend on its own budget requirements.

5. System operational matters – Emerging operational challenges in the SWIS

Dean Sharafi (AEMO) presented on emerging operational challenges in the SWIS. The following points were discussed:

- Growing rooftop PV capacity is reducing daytime demand, placing pressure on Load Rejection Reserve services.
- AEMO does not have the power, nor the means, to curtail distributed energy resources. There may be opportunities in metering technology to enable future system control capabilities.
- The potential for end customers to be exposed to the Balancing Price was suggested, which would provide signals to customers about the value of their excess generation.

6. System operational matters – Emergency management

Dean Sharafi presented on emergency management now that System Management has been relocated to Central Park. It was noted that East Perth remains the backup facility in an event of an emergency.

It was raised that a market participant's control room received communication via the PAX system and the line was very unclear. It was advised that this system is owned by Western Power and AEMO will investigate (action item 6.1).

7. AEMO Power System Operating Procedures – Indicative Plan

Matthew Fairclough (AEMO) provided an overview of upcoming AEMO Power System Operating Procedures (PSOPs) changes for 2018. It was noted that updates to PSOPs will be progressed in four tranches.

8. IT update – Data centre migration

Khadijah Hansia (AEMO) provided an update on the data centre migration project, which will see one of the WEMS data centres move from Perth to Brisbane as the Belmont data centre will be decommissioned in July 2018. It was advised that as Brisbane has existing infrastructure that is up to date, it made sense to leverage off this. AEMO aims to go to market trial in March 2018.

9. Other Business

Market Participant issues

Perth Energy requested earlier publication of information on the magnitude of capacity refunds that are being incurred through forced outages. With the new dynamic refund approach, this data is not being received for several months. AEMO confirms this information is provided at settlement in accordance with the WEM Rules. AEMO envisages an estimate of the dynamic refund factor can be provided through the consequential changes to outstanding amount that will be delivered through RC_2017_06.

AEMO publishes data that Market Participants may be able to use to develop their own estimate of the dynamic refund factor through their own processes. AEMO will provide an overview of a potential method to do this.

Perth Energy also raised a query regarding the dispatch of its PERTHENERGY_KWINANA_GT1 Facility. It was advised AEMO will continue discussions with Perth Energy in relation to this matter.

Lack of data in the market trial system

Ignatius Chin (Bluewaters) raised that Bluewaters is undertaking internal system improvements that interface with AEMO's systems. Bluewaters advised that end to end system testing is a challenge due to the lack of data available in the market trial environment. Simon Scott (Bluewaters) queried if all Market Participants would benefit if all Market Participants were more active in Market Trial. In lieu of this, Simon Scott suggested that AEMO should provide test environments with production like data in order to support participant testing.

Amanda Niklaus (AEMO) noted that the purpose of Market Trial is to allow Market Participants to test new and improved functionality introduced in updated releases of AEMO's systems. Providing additional test environments and managing the data within these environments will come at a cost that would be shared across all Market Participants.

AEMO noted that the specific requirements for a test environment to support Market Participant scenario or simulation testing need to be better understood. AEMO will discuss further with Bluewaters to understand the specific requirements. AEMO will assess potential options to provide a more dynamic test environment without relying on Market Participants submissions.

Margin Values

AEMO has submitted the Margin Values report to the ERA to apply for the Financial Year 2018/19. The ERA will undertake a public consultation starting mid-January and will make a determination by 31 March 2018.

Certification process

Neetika Kapani (AEMO) noted the below points in relation to the 2016 and 2017 Reserve Capacity cycles:

- Capacity Credits were assigned for the 2016 Reserve Capacity Cycle on 5 December. A total of 4,819.033 MW of Capacity Credits was assigned compared to the Reserve Capacity Requirement of 4,620 MW.
- Excess capacity has reduced from approximately 14% to 4.3% since the 2015 Reserve Capacity Cycle.
- Currently only 58 MW of Demand Side Programmes in the Reserve Capacity Mechanism
- The Reserve Capacity Price (for generators) is \$138,760 per MW for the 2018-19 Capacity Year
- The DSM Reserve Capacity Price is estimated to be \$22,032 per MW for the 2018-19 Capacity Year, based on the values given in the WEM Rules. The final price will be published in the Electricity Statement of Opportunities due to be released by 17 June 2018.
- Stakeholders were reminded that the certification window for the 2017 Reserve Capacity Cycle closes on 29 December 2017.

2018 Benchmark Reserve Capacity Price

The draft report for the 2018 Benchmark Reserve Capacity Price (BRCP) relevant to the 2020-21 Capacity Year was published on 16 November 2017. The preliminary BRCP is \$154,500 per MW which is a 3 per cent increase from last year. AEMO received one submission in the consultation period which is being reflected in the final report. The final BRCP is due to be published by 31 January 2018, after it is approved by the ERA.

7. Future agenda items

No future agenda items were raised.

8. Next meeting

The next WAECF meeting is scheduled for 20 February 2018 and the next WAGF will be scheduled for 13 March 2018. Andrew Winter thanked stakeholders for their attendance and contribution through 2017. The meeting was closed at 2.35pm.

Action items raised at meeting - WA Electricity/WA Generator Stakeholder Consultation Forum

Item	Topic	Action required	Responsible	By
1.1	Welcome - Previous minutes	AEMO to publish the minutes from the previous WAECF and WAGF as final on the website.	AEMO	December 2017
6.1	System operational matters – Emergency management	AEMO follow up with Western Power and investigate quality of communication through PAX system.	AEMO/WP	TBC