

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

MEETING: WAECF 10 / WAGF 3
 DATE: Tuesday, 17 October 2017
 CONTACT: WAelectricityforum@aemo.com.au / WAgeneratorforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Andrew Winter	AEMO (Chair)
Courtney Roberts	AEMO (Secretariat)
Dean Sharafi	AEMO
Greg Ruthven	AEMO
Mark Katsikandarakis	AEMO
Martin Maticka	AEMO
Neetika Kapani	AEMO
Teresa Smit	AEMO
Khadijah Hansia	AEMO
Chris Wilson	AEMO
Kang Chew	AEMO
Anne-Marie Foo	AEMO
Paula Welke	AEMO
Mark Riley	AGL (VC)
Gareth Williams	Alinta
Jacinda Papps	Alinta
Steve Altschwager	Alinta
William Street	Alinta
Timothy Rosser	Blair Fox
Ignatius Chin	Bluewaters Power
Geoff Gaston	Change Energy
Caroline Cherry	Chamber of Minerals and Energy of WA
Fan Zhang	Collgar Wind Farm
Steve Gould	Community Electricity
Michael Buzzard	Energy Developments (EDL)
Michelle Thomas	Energy Developments (EDL)
Elizabeth Walters	Economic Regulation Authority (ERA)
Stephen Eliot	Economic Regulation Authority (ERA)
Sara O'Connor	Economic Regulation Authority (ERA)
Wendy Ng	ERM Power
Jenni Conroy	Future Effect
Kristian Myhre	Future Effect
Laurie Findlay	International Engineers
Matthew Bowen	Jackson McDonald
Chloe D'Souza	Jackson McDonald
Anu Kothapalli	Jackson McDonald
Paul Arias	NewGen
Aaron Kerrigan	Perth Energy
Patrick Peake	Perth Energy
John McLean	PSC Consulting

Matthew Martin	Public Utilities Office (PUO)
Ashwin Raj	Public Utilities Office (PUO)
Aditi Varma	Public Utilities Office (PUO)
Jenny Laidlaw	Rule Change Panel WA (RCPWA)
Peter Kolf	Rule Change Panel WA (RCPWA)
Andrew Woodroffe	SkyFarming
Susanna Floth	SkyFarming
Angelo Dagostino	South32
Adam Stephen	SSC Power
Dilawar Singh	Sun Brilliance
Kalwant Dhillon	Sun Brilliance
Neil Canby	Sunrise Energy Group
Benjamin Hammer	Synergy
Dario Peagno	Synergy
David Willey	Western Power
Dean Frost	Western Power
Lekshmi Jayamohan	Western Power
Ross Davies	Western Power

1. Welcome

Andrew Winter (AEMO) opened the meeting at 1:00pm and welcomed attendees to the combined WAECF and WAGF. The agenda was confirmed and it was noted that a short forum feedback survey will be sent to attendees via email after the forum.

Previous meeting minutes - WAECF

All actions from the previous WAECF (22 August 2017) had been completed. No further comments were raised and the minutes were endorsed.

Previous meeting minutes - WAGF

It was noted that actions 2.1 (update on generator requirements) and 10.2 (battery issues in relation to system security and peak demand) from the previous WAGF (5 July 2017) will be addressed at the meeting and the other actions will be addressed in upcoming forums. No further comments were raised and the minutes were endorsed.

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

2. WA market reform update

RCM3

Martin Maticka (AEMO) presented the following update:

- Release notes for all RCM3 releases to date are available on AEMO's website (www.aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Dispatch-and-market-notices). If market participants have any questions they should contact Market Operations.
- There will be two further releases by the end of 2017:
 - Release 1.3 which enables functionality relating to the Capacity Credit Allocation process (market trial to commence on 12 October 2017 and production on 26 October 2017).
 - Release 1.4 which primarily supports settlements for the trade month October 2017 (market trial to tentatively commence on 16 November 2017 and production 29 November 2017).

- It was questioned whether Release 1.3 will be delayed if there are any issues identified by participants with the Capacity Credit Allocation functionality. AEMO triages all issues, both raised internally and externally, and prioritise fixes based on impact and severity. No issues have been raised with Release 1.3 by participants. It was noted that the Capacity Credit Allocation window for October 2017 opens on 1 November. Any issues should be raised with Market Operations.
- Participants queried when supporting documentation such as the calculation specification and example artefacts (e.g. Invoices, Statements) will be made available for Release 1.4. AEMO advised that a technical RCM forum is being scheduled for 25 October in which AEMO will provide the current draft version of the calculation specification, discuss the anticipated changes to settlement artefacts, and seek feedback on the approach for the market participant trial period. AEMO will issue the invite for the next RCM forum (action item 2.1).

WA Market Reform Program

Martin Maticka (AEMO) presented the following update:

- Technical components of the data centre for the office move have been completed with System Management now operating from Central Park.
- E-Terra (EMS) schedule will be relooked at now that the office move is near completion. The go live date of late 2018 remains unchanged at this stage.
- Work on the retail workstream has slowed down. Resources will be reallocated to this work once AEMO has more clarity on the way forward.
- AEMO and the PUO continue to workshop the potential sequencing and approach for the delivery of market design changes required to support constrained network access.

Ashwin Raj (PUO) presented the following update on network access:

- The PUO is currently working to understand the legislative changes required which would be introduced into Parliament in mid-2018.
- To inform the strategy to transition existing market participants to constrained access, an external consultant is expected to be appointed by early November for modelling of potential impacts. A consultation paper setting out the methodologies and assumptions underpinning the model will be released in December for industry comment until late January.
- The PUO also intends to release a consultation paper describing the proposed policy framework for the constrained access regime in December 2017 or January 2018.
- The PUO will concurrently investigate the required amendments to the regulatory framework, with consultation to commence in mid-2018 on changes to the Access Code, Technical Rules, etc.
- Consultation will also occur on the method to account for constraints in the Reserve Capacity Mechanism.
- The constrained access model implementation expected from 2019.

Jenni Conroy (Future Effect) presented the following update on the scope of the project:

- Future Effect has been working with the PUO and AEMO on the scope and sequencing of the required market reforms.
- At this stage, the scope is only considering the Market Rules that require amendments to support a constrained access model. These changes will be submitted via the rule change process governed by the Rule Change Panel.
- The scope will exclude some matters that aren't necessary at this point in time for a constrained access model. Timeframes are being looked at and steps such as market trials, testing, any new or changes to Market Procedures are being considered. These will then be divided into work packages.

Matthew Martin (PUO) presented the following update on industry consultation throughout the delivery of the program:

- The PUO has a strong focus on stakeholder consultation. The rule change discussions will be considered by the Market Advisory Committee (MAC). Regular updates will be provided to the WAECF.
- The rule change process will be utilised rather than the Minister's powers. Where feasible, the pre-rule change process will be used. Rules that require amendments will be presented at the next MAC meeting.
- It was questioned whether the PUO has taken into account the stakeholder feedback provided to the ERA in the 2016/17 WEM report to the Minister. It was noted that feedback will be considered where possible.
- It was questioned whether other IT systems in the market and not just AEMO systems, will be considered. It was confirmed that other systems will be considered and AEMO will look at what is the best fit for the WEM.
- It was noted that the original intent of market reform was to align with the National Electricity Rules (NER). It was advised that the current intent is to see what is fit-for-purpose for the WEM.
- It was questioned how the new dispatch engine will fit into the program as this will be needed to implement a constrained network model. It was advised that this is being looked at.
- It was questioned how a constrained access model will impact the regulatory environment around the next lot of access arrangements. It was noted that this will depend on timing and when it is introduced.

3. The role of batteries in modern power systems

Dean Sharafi (AEMO) presented on the role of energy storage in modern power systems as detailed in the meeting pack. It was noted that rules and regulation would need to evolve to support power trading from battery owners, as well as registering to participate in the capacity market. It was advised that this would need to be discussed with the ERA.

4. IT update

Khadijah Hansia (AEMO) provided an update on upcoming Wholesale Electricity Market System (WEMS) and Gas Bulletin Board (GBB) releases as detailed in the meeting pack.

With regard to the RCM system, it was questioned whether AEMO could run structured market participant testing scenarios in the trial environment so that market participants can test certain aspects and see the outcomes. It was noted that AEMO will endeavour to consult with market participants on timing and structure of market participant trials in future.

AEMO has assessed all components of the RCM systems and identified that the capacity credit allocation process was the change with the biggest impact and is currently running a structured market participant trial on this item. Market participants are welcome to contact the Market Operations team if they would like specific scenarios simulated or functionality tested. It was highlighted that the market trial environment will remain active beyond the go live date so this can still be utilised.

AEMO is holding a forum on 25 October to discuss the next release of the RCM system which covers settlements functionality and welcomes market participant input on the structure, style and timing of the participant trial for this component.

5. Standing data – Maximum sent out capacity

Chris Wilson and Kang Chew (AEMO) presented on a required clarification to Standing Data for market generators. Market generators must provide the "sent out capacity of the generator" in Standing Data as part of the Appendix 1 (b) iii requirements. This clarification is required as an outcome from the market

audit. These proposed clarifications will ensure consistency of interpretation of the sent out capacity value across various aspects of the market.

The following points were raised:

- It was questioned whether market generators have interpreted the Appendix 1 (b) iii value as the maximum value at 15 degrees celsius. It was confirmed this is generally the case from the data analysed but not in all cases.
- It was raised by stakeholders that a facility's maximum sent out generation capacity could exceed its capacity at 15 degrees and limit the available capacity for trading.
- It was questioned whether bids can still be made above the maximum sent out capacity. It was advised that bids could not be made above this quantity.
- The Rule Change Panel WA (RCPWA) noted that this matter related to a rule change proposal it currently has in process. AEMO and the RCPWA will meet to discuss the proposed operational approach and how this relates to the rule change proposal. (action item 5.1)
- It was asked if other clarifications are required to other fields in Standing Data, particularly around the reference temperature. AEMO advised that this would be a valuable exercise however, the focus of this discussion was explicitly on the Appendix 1 (b) iii requirement.

Stakeholders were invited to provide submissions on this by 3 November to wa.operations@aemo.com.au.

6. Proposed administrative improvements to instruments for WEM credit support

Anne-Marie Foo (AEMO) presented on the proposed administrative improvements to the instruments for WEM credit support. It was highlighted that AEMO has undertaken a review of the current WEM prudential instruments with the intention of streamlining the administrative process associated with these documents, and to align templates across AEMO. The administrative improvements include:

- Simplifying the format with all information fields to be populated on the front page.
- For Security Deposits, having a one-off deed with variations to the amount managed via a prescribed email form from an appropriate representative.
- For pre-payments, having a prescribed email form from an appropriate representative.

The proposed templates and subsequent process changes aim to decrease the administrative burdens for market participants, such as reducing the number of times director signatures are required, and improve efficiency during Credit Limit reviews. The proposed updated instruments aim to be implemented by late October.

Market participants raised concerns regarding the Credit Limit review methodology. AEMO noted that it follows the methodology outlined in the Market Rules but supported a review of this methodology. AEMO noted that this would require a rule change and it would be most appropriate to raise this matter for discussion at the MAC.

Stakeholders sought clarity on who can sign the proposed "Pre-payment Direction" and "Security Deposit Direction". The term authorised representative is deliberately not intended to be a reference to the rule defined term "Authorised Officer". It is a matter for the market participant to determine who has authority to provide these documents however, in some situations AEMO may ask the market participant to confirm the authority.

It was noted that the templates would be circulated to market participants after the meeting and any feedback is to be provided to wa.operations@aemo.com.au.

6. Other Business

Energy Price Limits and Margin Values

Mark Katsikandarakis (AEMO) noted the ERA's determination on the new Energy Price Limit was published in late September. The new Energy Price Limits became effective on 1 October. The Maximum STEM price increased from \$240/MWh to \$351/MWh. The Alternative Maximum STEM Price increased from \$391/MWh in September to \$528/MWh in October.

The Margin Values report is due to the ERA on 30 November. AEMO published the draft assumptions report and received one submission. AEMO provided market generators with the confidential assumptions and received feedback from the majority of impacted generators.

Certification process

Neetika Kapani (AEMO) noted the application window for the 2016 certification cycle closed on 29 September. It was noted that around 70 applications were received which are currently being assessed. If required the Reserve Capacity team will liaise with market participants for clarification on their supporting documentation. Certified Reserve Capacity will be assigned on 17 November and Capacity Credits will be assigned on 5 December.

The application window for the 2017 certification cycle is currently open and closes on 29 December. Stakeholders were reminded to contact wa.capacity@aemo.com.au if there are any questions around the certification application in particular, the supporting documentation required for a valid application.

It was confirmed that the Reserve Capacity Price for the 2018 Capacity Year will be calculated after the assignment of Capacity Credits on 5 December.

Spinning Reserve Ancillary Service (SRAS) and Generator Connection Requirements

Teresa Smit (AEMO) noted AEMO has released an Expression of Interest for Spinning Reserve Ancillary Services which closes on 20 October.

Since the last Generator Forum, AEMO and Western Power have commenced informal discussions with generators regarding generator connection requirements. These will be consolidated and presented at a future WAGF.

ERA's review on Western Powers Access Arrangement (AA4)

Elizabeth Walters (ERA) advised stakeholders that the ERA invites submissions on Western Power's access arrangement (AA4). Submissions close on 20 November and a public workshop will be held on 2 November. Interested stakeholders are invited to contact Elizabeth Walters (elizabeth.walters@erawa.com.au).

System Management office move

Paula Welke (AEMO) advised stakeholders that phone numbers for System Management will be changing and an email will be circulated by end of the week with further details.

7. Future agenda items

No future agenda items were raised.

8. Next meeting

The next WAECF meeting is scheduled for 14 December 2017 and the next WAGF will be scheduled around early December. Andrew Winter thanked stakeholders for their attendance and closed the meeting at 3.00pm.

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	October 2017
2.1	WA market reform update – RCM3	AEMO to issue invite for the next RCM forum.	AEMO	20 October 2017
5.1	Standing data – Maximum sent out capacity	AEMO and RCPWA to meet and to discuss rule change on the 15 degrees.	AEMO/RCPWA	TBC