

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

MEETING: WAECF 12 / WAGF 5  
 DATE: Tuesday, 20 February 2018  
 CONTACT: [WAelectricityforum@aemo.com.au](mailto:WAelectricityforum@aemo.com.au) / [WAgeneratorforum@aemo.com.au](mailto:WAgeneratorforum@aemo.com.au)

### ATTENDEES:

NAME	COMPANY
Andrew Winter	AEMO (Chair)
Naz Rowney	AEMO (Secretariat)
Adrian Giles	AEMO
Amanda Niklaus	AEMO
Dean Sharafi	AEMO
Greg Ruthven	AEMO
Idris Shamsi	AEMO (VC)
Khadijah Hansia	AEMO
Luke Dowling	AEMO
Martin Maticka	AEMO
Matthew Fairclough	AEMO
Natalia Kostecki	AEMO
Neetika Kapani	AEMO
Nicole Markham	AEMO
Stuart Featham	AEMO
Teresa Smit	AEMO
Michael Pawle	AEMO
Ben Skinner	Australian Energy Council (VC)
Duncan MacKinnon	Australian Energy Council (VC)
Mark Riley	AGL (VC)
Sarah Silbert	AGL
Dianne Nicotra	Alinta
Gareth Williams	Alinta
Jacinda Papps	Alinta
Steve Altschwager	Alinta
Will Street	Alinta
Ignatius Chin	Bluewaters Power
Ken Chong	Bluewaters Power
Lize Combrinck	Bluewaters Power
Paul Arias	Bluewaters Power
Simon Scott	Bluewaters Power
Andy Stevens	Carnegie Clean Energy
Gina Dodd	Collgar Wind Farm
Steve Gould	Community Electricity
Chad Murphy	Energetics
Sara O'Connor	Economic Regulation Authority
Michelle Thomas	Energy Development Limited
Wendy Ng	ERM Power
Hugh Webster	Infrastructure Capital

Elizabeth Aitken	Perth Energy
John Nguyen	Perth Energy
Marc Hettler	Perth Energy
Patrick Peake	Perth Energy
John McLean	PSC Consulting
Aditi Varma	Public Utilities Office
Ashwin Raj	Public Utilities Office
Matthew Martin	Public Utilities Office
Rosh Ireland	Public Utilities Office
Steve Edwell	Public Utilities Office
Jenny Laidlaw	Rule Change Panel
Peter Kolf	Rule Change Panel
Stephen Eliot	Rule Change Panel
Andrew Woodroffe	SkyFarming
Angelina Cox	Synergy
Benjamin Hammer	Synergy
Peter Huxtable	Water Corporation
Dean Frost	Western Power

## 1. Welcome

Andrew Winter (AEMO) opened the meeting at 1:00pm and welcomed attendees to the combined WAECF and WAGF.

## 2. Previous meeting minutes

All actions from the previous WAECF/WAGF (14 December 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

The Public Utilities Office (PUO) provided an update on its market reform activities and noted:

- It will release three consultation papers:
  - Improving access to Western Power's network.
  - Allocation of capacity credits in a constrained network.
  - Modelling the impacts of constrained access methodology and assumptions.
- It is seeking submissions from stakeholders on the improving access to the Western Power network paper by 23 March.
- A workshop with stakeholders will be held on 16 March to provide more information on the reform agenda, including scope and timeframes.
- It is continuing to work with AEMO to scope work programs.
- External consultants will be engaged to assist with ensuring reforms to Ancillary Services are fit-for-purpose.
- External consultants will be engaged to assist with spot market reforms.
- It will engage with stakeholders through the Market Advisory Committee (MAC), and the WAECF.

AEMO noted it has been supporting the PUO (and will continue to do so) on scoping and planning and has agreed in-principle to a phased implementation approach. This approach should manage delivery risk and enable the program to be delivered with a lower resource profile.

#### **4. Rule change update**

Stephen Eliot (Rule Change Panel (RCP)) provided an update on upcoming rule changes which are available on the Economic Regulation Authority website. The RCP is currently working to clear a backlog of rule change proposals.

Greg Ruthven (AEMO) indicated that AEMO had formally submitted a Rule Change Proposal (RC\_2018\_02) on 19 February to address a manifest error that would prevent the assignment of Capacity Credits to intermittent generators in the 2018 Reserve Capacity Cycle. Prior to developing this proposal, AEMO consulted with the MAC as is required by the final report for rule change RC\_2017\_05 (Role of AEMO in market development), even though this requirement is still pending Ministerial approval.

Mark Katsikandarakis (AEMO) noted AEMO will provide a submission to the RCP outlining timing and costs associated with rule change RC\_2017\_06, regarding a reduction in prudential exposure for the Reserve Capacity Mechanism. Given AEMO is commissioning a consultant to undertake the relevant work to implement the rule change, it will not publish its timing and cost submission. AEMO will cover the costs to implement the rule change through its existing budget, and there are no obligations to undertake a cost/benefit analysis. It is expected the rule change will be implemented in Q1 2019.

#### **5. PUO project – modelling future generation mix in the WEM**

Rosh Ireland and Steve Edwell (PUO) presented on the PUO's project to model future generation mix in the WEM:

- Baseline modelling on the generation mix will be undertaken over the next 20 years. It was noted modelling over a 20-year horizon will be challenging given energy policy changes.
- The project will explore the optimal path for the generation mix, considering issues such as security, reliability, affordability and greenhouse gas policies.
- Consultation with stakeholders will be undertaken on the outcomes of the modelling and policy implications. Forum participants noted they are keen to be engaged throughout the project.
- Triggers to re-run the model have been considered and allowed for in the project scope. The overarching modelling approach and software will be considered as part of consultant proposals.
- The PUO is seeking preliminary results in preparation for the COAG Energy Council meeting in April 2018. The Minister will decide how the outcomes of the project are shared externally.

#### **6. System operational matters – SWIS Renewable Energy Penetration Study**

Dean Sharafi (AEMO) presented the preliminary results on the SWIS renewable energy penetration study as per the presentation pack. A number of issues were discussed/noted:

- The study considers single and double contingencies in the SWIS.
- The ratio of synchronous and non-synchronous generation.
- The study will be an input into the Ancillary Services work by the PUO.
- AEMO will use existing mechanisms should there be a need to constrain-off generation in the upcoming shoulder period.
- AEMO will validate the result of the study through a peer review process, internally or by an external consultant.

#### **7. Margin Values and Spinning Reserve EOI Update**

Matthew Fairclough (AEMO) provided an overview of the current procurement process for spinning reserve and potential improvement as per the presentation pack. Feedback can be provided either through the next MAC meeting in mid-March or directly to AEMO.

Mark Katsikandarakis (AEMO) noted there was a modelling error which has impacted margin values. AEMO has revised its submission to the Economic Regulation Authority to correct this error, reducing values. A third party has been commissioned to provide an assurance letter, to be published on the AEMO website, regarding the modelling approach.

## **8. Proposed new trial environment**

Based on stakeholder feedback, AEMO proposes to establish an environment with more up-to-date data in order to conduct end-to-end testing at any time. Forum participants to provide endorsement to AEMO to establish a new environment by 23 February (action item 8.1).

## **9. IT Update**

### ***Future IT engagement***

Forum participants supported AEMO hosting future technical IT meetings. AEMO propose to present on it's technology strategy and roadmap, and is keen for stakeholders to provide topics for discussion. Bluewaters suggested that the meeting consider web services versus B2B File Transfer as a topic for discussion. AEMO to circulate meeting details to the WAECF/WAGF in March (action item 9.1). WAECF/WAGF to forward contact details of company representatives interested in attending a future IT meeting (action item 9.2)

### ***Data Centre migration***

Michael Pawle (AEMO) provided an update on the migration of WEM and GBB systems from the Belmont data centre to the Brisbane data centre as per the presentation pack. The Belmont data centre is closing in July.

New and improved infrastructure in Brisbane is replacing end-of-life infrastructure in Belmont resulting in improved systems reliability, and performance (at least the same) but likely improved. Similar migrations in the eastern states have shown improved systems reliability and performance. High availability of WEM and GBB systems will continue to be provided by maintaining failover capability between Brisbane and Malaga data centres (which will be exercised quarterly).

Market participants are invited to become involved in a trial of the Brisbane data centre planned for March through April.

Given Belmont is closing, moving to AEMO's Brisbane data centre is the most practical approach. Operational risks are reduced through data centres being separated geographically and systems management capability increased by including eastern states' teams. Rationalising data centres from four to three also reduces overall costs.

### ***Webservices interruption***

Adrian Giles (AEMO) presented on the WEMS web services incident as per the presentation pack.

## **10. Refund Factor Change**

Amanda Niklaus (AEMO) noted AEMO has developed a guideline to support Market Participants in estimating a preliminary Refund Factor, in particular the global spare capacity value. A Balancing Forecast and a Provisional value for Spare Capacity will be provided in WEMS by mid-April 2018.

## **11. Certification Cycle**

Neetika Kapani (AEMO) provided an update on the Certified Reserve Capacity (CRC) assessment process for the 2017 Reserve Capacity Cycle:

- Market Participants were advised of their CRC quantities on 19 February 2018.
- The Bilateral Trade Declaration window opened on 20 February 2018 and closes at 5:00 pm, 2 March 2018.
- New facilities must provide the applicable Reserve Capacity Security prior to this window closure, in the absence of which their Bilateral Trade Declaration values will be invalidated.

- AEMO will assign Capacity Credits by 5:00 pm, 7 March and will publish these values on the website along with the Reserve Capacity Price for the 2019-20 Capacity Year.

## 12. Other Business

### ***Market Operation – Decision Interpretations***

It was requested that AEMO engage with Market Participants to discuss changes in the decisions and interpretation in how the market operates (action item 12.1). Forum participants to provide examples of where interpretations and decisions in market operations have changed (action item 12.2).

### ***Benchmark Reserve Capacity Price***

Luke Dowling (AEMO) provided an update on the 2018 Benchmark Reserve Capacity Price (BRCP):

- The final 2018 BRCP, for the 2020-21 Capacity Year, is \$153,600. This was published in the Request for Expressions of Interest, along with supporting documentation at the end of January.
- The final BRCP is 0.6% less than the draft proposed BRCP due to revised November CPI forecasts published by the RBA, and updates to the Weighted Average Cost of Capital.
- One submission was received during the draft proposed BRCP consultation period. The final BRCP report includes responses to this submission.
- The Final report: BRCP for the 2020-21 Capacity Year, and associated documents, has been loaded onto AEMO's website: <http://www.aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Reserve-capacity-mechanism/Benchmark-Reserve-Capacity-Price>

## 13. Future agenda items

AEMO will present on utility-scale storage and issues in global markets at a future forum. No other future agenda items were raised.

## 14. Next meeting

The next WAECF meeting is scheduled for 17 April 2018 and WAGF on 17 July. The meeting was closed at 3.30pm.

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

<b>Item</b>	<b>Topic</b>	<b>Action required</b>	<b>Responsible</b>	<b>By</b>
1.1	Welcome – Previous minutes	AEMO to publish the minutes from the previous WAECF and WAGF as final on the website.	AEMO	April 2018
8.1	Proposed new trial environment	Forum participants to provide endorsement to AEMO to establish a new trial environment.	WAECF/WAGF	23 February 2018
9.1	Future IT engagement	AEMO to circulate meeting details for an IT technical meeting to the WAECF/WAGF.	AEMO	March 2018
9.2	Future IT engagement	Forum participants to forward contact details of company representatives interested in attending a future IT meeting.	WAECF/WAGF	Mid March
12.1	Other Business – market operation – decision interpretations	AEMO to engage with Participants to discuss changes in the decisions and interpretation in how the market operates.	AEMO	April 2018
12.2	Other Business – market operation – decision interpretations	Forum Participants to provide examples of where interpretations and decisions in market operations have changed.	WAECF/WAGF	March 2018