

MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: WAECF 15
 DATE: Tuesday, 21 August 2018
 CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Dean Sharafi	AEMO (Chair)
Naz Rowney	AEMO (Secretariat)
Nicole Markham	AEMO
Martin Maticka	AEMO
Stuart Featham	AEMO
Matthew Fairclough	AEMO
Teresa Smit	AEMO
Mark Katsikandarakis	AEMO
Khadijah Hansia	AEMO
Greg Ruthven	AEMO
Neetika Kapani	AEMO
Clayton James	AEMO
Simon Middleton	AEMO
Tessa Pittendrigh	AEMO
Audelle Hong	Alinta
William Street	Alinta
Richard Beverley	Alinta
Jacinda Papps	Alinta
Adam Stephen	Alinta
Jeff Ey	Alinta
Ben Sinner	Australian Energy Council
Duncan MacKinnon	Australian Energy Council
Tim Roser	Blair Fox
Paul Arias	Bluewaters Power
Ken Chong	Bluewaters Power
Michael Karpinski	Bluewaters Power
Andrew Stevens	Energy Made Clean
Ignatius Chin	Energy Market Consulting Associates
Sara O'Connor	Economic Regulation Authority
Wendy Ng	ERM Power
Hugh Webster	Infrastructure Capital
Matthew Bowen	Jackson McDonald
Peter Kolf	KPK Specialist Advisory Services
Patrick Peake	Perth Energy
John Nguyen	Perth Energy
Matthew Martin	Public Utilities Office
Jenny Laidlaw	Rule Change Panel
Stephen Eliot	Rule Change Panel
Richard Cheng	Rule Change Panel
Laura Koziol	Rule Change Panel
Noel Shubert	-
Rodney Littlejohn	Tersum Energy

Andrew Smith	Western Power
Dean Frost	Western Power

1. Welcome

Dean Sharafi (AEMO) opened the meeting at 1:05pm and welcomed attendees to WAECF No.15.

2. Previous meeting minutes

No comments were raised and the minutes for 19 June 2018 were endorsed.

All actions from previous forum have completed apart from Action 8.1, for which AEMO is engaging with Alinta directly.

AEMO to publish the minutes from the previous meeting as final on the website (Action Item 2.1).

3. Rule change update

Stephen Eliot (Rule Change Panel(RCP)) provided an update on Rule change processes, as follows:

- The Rule Change Panel (Panel) rejected Rule Change Proposal RC_2014_10 (Provision of Network Information to System Management) on 28 July 2018.
- The Panel approved two Rule Change Proposals since the last WAECF meeting:
 - RC2017_06 (Reduction of Prudential Exposure in the Reserve Capacity Mechanism):
 - This was approved by the Panel on 31 May 2018 and by the Minister on 27 June 2018, transitional provisions commenced on 1 August 2018, and the remaining provisions will commence on 1 June 2019.
 - RC_2018_01 (New Notional Wholesale Meter Manifest Error).
 - This was approved by the Panel on 21 May 2018 and will commence on 1 September 2018.
- There is one new Rule Change Proposal since the last WAECF meeting:
 - RC_2018_04 (Manifest Error in the Deferral Dates for the 2018 Reserve Capacity Cycle) is currently out for consultation until 7 September 2018 under the Fast Track Rule Change Process. The Panel is targeting a Final Rule Change Report for this proposal by 17 September 2018.
- The next Rule Change Proposals that will be processed by the Panel are:
 - RC_2014_06 (Removal of Resource Plans and Dispatchable Loads):
 - The Panel is currently considering a Draft Rule Change Report and intends to publish the report for consultation in August 2018, which will put the Panel on track for publishing a Final Rule Change Report in October 2018. This proposal will then need to be submitted to the Minister for approval.
 - RC_2013_15 (Outage Process Refinements) and RC_2014_03 (Administrative Improvements to the Outage Process):
 - RCP Support is awaiting feedback from AEMO on the elements of these two proposals that can be pursued prior to the WEM Reform Program, and on the availability of AEMO resources to work on and implement these proposals. RCP Support and AEMO will then work out a plan to move forward with processing these two proposals as a priority.

- RC_2017_02 (Implementation of a 30-Minute Balancing Gate Closure):
 - RCP Support is awaiting AEMO's views on its ability to progress this proposal.
- RC_2014_07 (Omnibus Rule Change):
 - RCP Support will turn to this proposal while awaiting responses on other proposals.

Information on all Rule Change Proposals is available on the Rule Change Panel website.

4. Wholesale Electricity Market and Network Reform Program Update

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

- PUO's Networks team has commenced one-on-one consultation with participants.
- Planning an industry forum on WEM Reform, mid-September, working with AEMO.
- Waiting for Minister's office to ratify RCM papers.

5. Market Change and Reform Approach

Stuart Featham and Martin Maticka (AEMO) presented an overview of AEMO's work program and how it aims to manage the implementation of rule changes in parallel to design and implementation of the WEM Reform Program as well as high level views of some of the challenges/constraints of systems and resources.

Wendy Ng (ERM Power) expressed concern about processes by which changes will be proposed/aired (e.g. via MAC/WGs), rules amended, occur; and how AEMO IT specifications can be provided to participants to engage their own IT teams for their own implementations. Stuart Featham (AEMO) agreed on importance of AEMO and Market Participant IT teams being engaged early and having the necessary input into design/rules.

Wendy Ng (ERM Power) noted a recent NEM discussion about AEMO adopting 'web methods', which caused some surprise/alarm, and would appreciate upfront discussion. Stuart Featham (AEMO) advised that anything that impacts on market participants will be flagged. Aditi Varma (PUO) responded that practicality of implementation is a guiding principle for the reform program.

Patrick Peake (Perth Energy) expressed the need for all participants to get behind the program to ensure we can collectively meet the timeline.

Matt Bowen (Jackson McDonald) noted that the process looks very different to a few years ago. The engagement and consultation with the industry is fantastic. The timeline is tight, so maintaining consultative/collaborative processes will be challenging as deadlines approach.

William Street (Alinta) requested that future information about system impacts explicitly call out the likely participant touch points.

6. Dispatch Process and Gate Closure Options

Matthew Fairclough (AEMO) presented on the hybrid market design of the WEM and manual dispatch processes in relation to improving market efficiency through load forecast and Balancing Gate Closure options.

Patrick Peake (Perth Energy) asked if any effort had been made to translate the price errors into benefits? Matthew Fairclough (AEMO) answered that no investigation has been made.

Paul Arias (Bluewaters) questioned if forecasting frequency is increased, would this also support recalculation of BMOs at the same increased frequency to support participant decision-making? Matthew Fairclough (AEMO) acknowledged that various options may be available with the increased forecasting frequency and that they may be progressed in stages.

Jenny Laidlaw (RCP) asked could AEMO publish persistence forecasts more frequently? Matthew Fairclough (AEMO) replied that AEMO already publishes the current Non-Scheduled Generation level.

Jenny Laidlaw (RCP) queried challenges with 'positioning' the portfolio – is this code for moving coal plant? Matthew Fairclough (AEMO) confirmed this is the case.

Wendy Ng (ERM Power) asked whether changing the portfolio gate closure (including potential alignment with IPP gate closure) would help or hinder AEMO's ability to 'position' the portfolio between the point of gate closure and the start of the trading interval. Matthew Fairclough (AEMO) replied, that it may both help and hinder.

Jenny Laidlaw (RCP) questioned how any early implementation of constraints could enable earlier gate closure? Matthew Fairclough (AEMO) advised this was uncertain. Automated constraints may add capability to reduce the manual contingency analysis.

William Street (Alinta) mentioned we still need to do the work on what the value is for the market – an updated Balancing Price Forecast increases the value to the market. Matthew Fairclough (AEMO) indicated that AEMO is investigating.

7. Impacts from System Management IT Outage – 30-31 July 2018

Mark Katsikandarakis and Nicole Markham (AEMO) presented an overview of the impacts to AEMO and Market participants on 30-31 July 2018 from a Western Power unplanned IT outage which impacted AEMO's market systems, data flows and supporting processes. The outage led to the STEM Suspension (Trade Date 31/07/2018) and STEM Delay (01/08/2018).

Andrew Smith (Western Power) provided an overview of the incident from a Western Power perspective, including information on the root cause.

8. AR4 Submission Update

Stuart Featham and Nicole Markham (AEMO) gave an update on final numbers, fee impacts and next steps to the AR4 since June WAECF.

9. Other Business

9.1 Belmont Data Migration update

Dean Sharafi (AEMO) provided a brief update on the Belmont Data Migration. Mid-June, Brisbane data centre was brought online. End-June, Belmont data centre was decommissioned. There will be no further updates to this item in upcoming WAECF forums.

9.2 State Hazard Plan for Energy Supply Distribution

Bryon McLaughlin (PUO) provided a verbal overview of the Public Utilities Office Consultation – State Hazard Plan for Energy Supply Disruption. In 2016 the Office of Emergency Management undertook a rationalisation program of the State's emergency management arrangements. An aspect of this was the development of a "State Hazard Plan" which documents the State's common approach to emergency management, and subsequent hazard specific appendices.

The PUO, representing the Coordinator of Energy as the hazard management agency for liquid fuel, electricity and gas supply disruption, was requested to amalgamate the existing Westplans into a single Energy Hazards Plan. One of the key differences is the inclusion of a subsection called "notifiable incident". Other variations in the Plan are the amalgamated Alert Warning System and the removal of reference to the PUO's energy related committees.

9.3 On the Day Opportunistic Maintenance

Matthew Fairclough (AEMO) gave an update on On-the-Day Opportunistic Maintenance (ODOM). AEMO reviewed the WEM Rules around ODOM and concluded that the previous interpretation that ODOM can commence at 9am is in error. The new policy of 9.30am will be enforced from Monday 10th September.

9.4 Margin Values & Load Rejection Reserve Cost Update

Mark Katsikandarakis (AEMO) provided a brief update on the annual Margin Values Review (for 2019/20 financial year) and three yearly Load Rejection Reserve Cost Review (for 2019/20 – 2021/22 financial years).

AEMO has contracted Ernst & Young (EY) as the consultant to undertake both reviews. The following is the indicative schedule for the assumptions consultation process with Market Participants:

- i. **Week Commencing 27/08/2018:** AEMO will publish the WEM Modelling and Back casting Report which provides an overview of the model that will be used to simulate the WEM, including key inputs and outputs used. The report also outlines the results of the back casting exercise.
- ii. **Week Commencing 10/09/2018:** AEMO will publish the Draft Assumptions Report which will outline the assumptions that will be used in the modelling. There will be a two week consultation period in which AEMO will accept formal submissions. During this period AEMO will also approach individual market generators with their confidential assumptions and seek feedback.
- iii. **Week Commencing 17/09/2018:** AEMO will host a workshop for Market Participants and other stakeholders where EY will present on the WEM Modelling and Back casting Report and Draft Assumptions Report.

9.5 Bringing forecasting in-house

Neetika Kapani (AEMO) presented a brief update on the forecasting integration project. One of AEMO's key initiatives is to bring the forecasting activities associated with the Electricity Statement Of Opportunities (ESOO) and Gas Statement Of Opportunities (GSOO) in-house. Work has now commenced to meet this strategic initiative. For the 2019 ESOO, AEMO will be internally developing the Electricity Demand Forecast in parallel to what the external consultants will produce. A more detailed update will be provided at the October WAECF by the forecasting team.

10. Future agenda items

Two possible agenda items for the next WAECF forum:

- 2019 Benchmark Reserve Capacity Price (BRCP) Update – procurement activities have been completed.
- Issues in the global market

AEMO welcomes any suggestions or feedback on future agenda items.

11. Next meeting

Prior to conclusion Aditi Varma (PUO) noted the Independent Market Operator (IMO) has been abolished through review and regulations. A small amount of IMO surplus has been deposited back to AEMO to refund back to Market Participants in due course.

Dean Sharafi (AEMO) outlined dates for upcoming forums. The next WAECF meeting is scheduled for 16 October 2018. The meeting was closed at 3.00pm.

Action items raised at meeting – WA Electricity Consultation Forum

Item	Topic	Action required	Responsible	By
2.1	Previous meeting minutes	AEMO to publish the minutes from the previous WAECF as final on the website.	AEMO	October 2018
8.1	Extended Forecast Load	Availability of Load Forecast to be accessed automatically.	AEMO	Complete