

MINUTES – WA Electricity Consultative Forum (WAECF)

MEETING: WAECF 19
 DATE: Tuesday, 9 April 2019
 CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Dean Sharafi	AEMO (Chair)
Laura Tomkins	AEMO (Secretariat)
Cameron Parrotte	AEMO
Stuart Featham	AEMO
Robin Parsons	AEMO
Mike Hales	AEMO
Greg Ruthven	AEMO
Neetika Kapani	AEMO
Martin Maticka	AEMO
Natalia Kostecki	AEMO
Simon Middleton	AEMO
Teresa Smit	AEMO
Joachim Tan	AEMO
Nicole Markham	AEMO
Michelle Nguyen	Alinta Energy
William Street	Alinta Energy
Tim McLeod	Amanda Energy
Michael Puls	APA
Scott Davis	Australian Energy Council
Tim Rosser	Blairfox
Geoff Gaston	Change Energy
Bindi Shah	Collgar
Ignatius Chin	EMCA
Steven Kane	ERA
Irina Stankov	ERA
Natalie Robins	ERA
Jeremy Cross	ERA
Wendy Ng	ERM Power
Chayan Gunendran	Kleenheat
Peter Kolf	KPK Specialist Advisory Services
Bobby Ditric	Lantau Group
Patrick Peake	Perth Energy
Elizabeth Aitken	Perth Energy
John McLean	PSC
Jenny Laidlaw	Rule Change Panel
Stephen Eliot	Rule Change Panel
Richard Cheng	Rule Change Panel
Susanna Floth	SkyFarming
Andrew Woodroffe	SkyFarming
Murray Sullivan	South32
Neil Canby	Sunrise Energy Group
Oscar Carlberg	Synergy
Shane Duryea	Western Power
Michael Glossop	Woodside

1. Welcome and Previous meeting minutes

Dean Sharafi (AEMO) opened the meeting at 1:00pm and welcomed attendees to WAECF No.19.

The minutes from the previous WAECF (26 February 2019) were endorsed. AEMO to publish the minutes from the previous meeting as final on the website (Action Item 2.1).

2. Rule Change update

Steven Elliot (RCP) provided an update on the following:

- RC_2013_15 Outage Planning Phase 2 – Outages Process Refinements
- Targeting mid-May 2019 for publishing a Draft Rule Change Report.
- RC_2014_03 Administrative improvements to outage process
- AEMO has provided RCP Support with some of the implementation questions, but some questions remain and AEMO is yet to provide a quote for costs to implement the Proposal. AEMO is targeting mid-May 2019 for providing the quote.
 - Given delays to progressing this proposal, RCP Support is now considering implementing this proposal after completion of the SMST Project, likely targeting early 2020.
- RC_2014_09 Managing Market Information
- Targeting mid-May 2019 for publishing a Draft Rule Change Report
- RC_2015_01 Removal of Market Operations Market Procedures
- A Draft Rule Change Report was published on 15 March 2019 and submissions are due by 12 April 2019.
- RC_2015_03 Formalisation of the Process for Maintenance Applications
- A Draft Rule Change Report was published on 29 March 2019 and submissions are due by 1 May 2019.
- RC_2017_02 Implementation of a 30-Minute Balancing Gate Closure
- AEMO has provided RCP Support with technical reasons why it cannot implement a ½ hour gate closure, but has not provided reasons for why it cannot implement a 1-hour or 90-minute gate closure, so the Panel will proceed on this basis.
 - RCP Support is considering scheduling a workshop to discuss how to progress this proposal and will discuss further at the MAC meeting on 30 April 2019.
- Dean Sharafi (AEMO) made comment that it is AEMO's position that a 90-Minute gate closure is doable.
- RC_2018_03 Capacity Credit Allocation Methodology for Intermittent Generators
- This Proposal has been on hold pending ERA completion of its review of the Relevant Level Methodology. The ERA published its Final Report on this review on 31 March 2019, and the ERA will next develop a Rule Change Proposal to implement its recommendations.
 - The Panel will consider how to progress RC_2018_03 in conjunction with the ERA's forthcoming Proposal.
- RC_2018_05 ERA Access to market information and SRMC investigation process
- The Panel has extended the deadline for publishing to Draft Rule Change Report until 30 April 2019, but plans to publish the Draft Rule Change Report in advance of that date.
- RC_2018_06 Full Runway Allocation of Spinning Reserve Costs
- The Draft Rule Change Report was published on 27 February 2019, and the submission period for the report closed 28 March 2019.
 - Targeting a full Rule Change Report in late April.
- RC_2018_07 Removal of constrained off compensation for Network Outages
- The Draft Rule Change Report was published on 27 February 2019, and the submission period for the report closed on 28 March 2019.
 - Targeting a full Rule Change Report in late April

Regarding the Market Advisory Committee (MAC):

- The next MAC meeting is scheduled for 30 April 2019.
- A Market Customer Representative on the MAC has resigned and the Panel has commenced a process to fill two Market Customer Representative vacancies on the MAC. Nominations close on 3 May 2019.

3. Wholesale Electricity Market and Network Reform Program Update

Aden Barker (PUO) provided an update on the following:

- Reserve Capacity Mechanism pricing works – Final report and draft exposure rules on PUO website. The Consultation period closed on Friday (5 April 2019), some late feedback received was:
 - A desire for additional clarification around the drafting of the notice of closure period
 - The loss of transitional pricing, when there is a change of control of facility
 - Additional clarity sought around settlement calculations, noting the complexity of using multiple methodologies

Workshops targeting these issues will be held with Market Participants who made submissions over the next few weeks. It is still the intention of the PUO that the changes still be made by the end of the month.

- Market Design Operations Working Group under the MAC – a range of market design features and dispatch and scheduling matters were discussed, feedback was positive.
- MDOWG – There was a discussion around data collection, in the context of fast ramping inflexibility profiles, no data sheets have been sent out yet, as they are still being formulated and there is the possibility of broadening the scope of the data sheets. Approximately two weeks until the data sheets will be sent out to participants of the meeting, they will also be published on the MDOWG webpage.
- Constrained Access – the PUO is providing additional information to the Minister around options for implementation and explain how that relates to the WEM reform program and, the Security constrained economic dispatch model for the market system.
- Papers – the discussion covering scheduling and dispatch matters will be combined with the content of the market design features discussed at the very first MDOWG meeting into a single paper

4. Project updates

Stuart Featham (AEMO) provided an update on the following projects:

Malaga Datacentre (move to Norwest)

- Progressing well, the proof of concept environment is open for testing until 18 April 2019. The target is still to carry over the production environment switch from Malaga to Norwest in June 2019, however some of the environments AEMO is using for development may not free up before June, so may go into the 3rd quarter for completion.

Reduction of Prudential Exposure (RoPE)

Phase 1 (Rule Change implementation 2017_06)

- Progressing well, planned to be delivered on time and under budget.
- The IT release is currently in market trial and procedures are out for consultation.
- Production deployment is scheduled for 9 May 2019.

Phase 2 (Procedure Change)

- Solution design is complete, ready for when phase 1 is complete.

There will be a Rule Change working group on 11 April 2019 where this will be discussed in further detail.

Removal of resource plans and dispatchable load (RC_2014_06)

- Design and scope have been agreed and signed off from a system prospective and the development work has commenced.
- A market trial has been scheduled for 11 June 2019, with deployment scheduled for 26 June 2019.

Power Systems Operations Project

- Continues to progress relatively well although there are some delays. Positive news is there has been an internal decision to carry out the upgrade from version 2.5 of the eterra software to 3.2, and to combine the two projects which will be completed in the same timeframes (e.g. October/November 2019), but does not require the additional cost proposed in AEMO's AR5 submission (c. \$690k)

System Management Systems Transition Project

- Underway and progressing well, tracking on budget and on time for completion at this stage.

WEM Reform

- AEMO continues to work with the PUO in on the analysis of Reform scope (as set out by Minister for Energy), with work continuing to focus on Ancillary Service framework review, PSSR arrangements, and Tranche 1 Registration (enabling large scale energy storage to participate in WEM).

Project Pipeline

What AEMO expects to commence within the next three months:

- Implementation of the two rule changes – RC_2018_06 (Spinning Reserve Cost Allocation, and RC_2018_07 (Removal of Constrained Off Payments)
 - Design elaboration is underway and getting ready in anticipation for the rule changes to be approved so they can be delivered on the proposed commencement dates, being 1 September 2019 for RC_2018_06, and 1 July for RC_2018_07.
- Preparing to implement the changes in RCM Pricing to enable AEMO to make the year 1 changes to support the 2019 CRC. There may be some changes to the timeframes, AEMO is working with the PUO to let them know what the impacts might be. At this stage AEMO is working on not deferring the cycle, but potentially extending some of the timeframes on some of the decisions AEMO would make normally in August/September, which may need to be moved back a couple of months to allow for relevant system changes.
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Stuart Featham noted this will be a new standing item on the agenda, to provide more information around what AEMO is doing within certain projects. This was received as useful by participants.

5. Allowable Revenue and Forecast Expenditure (AR5) - July 2019-June 2022

Stuart Featham (AEMO) provided an update on AEMO's AR5 process and highlighted changes between the WAECF special presentation on 31 January 2019, and the formal submission to the ERA on 15 March 2019. Key points were reductions in OPEX/Allowable Revenue (c. \$10m) and CAPEX (c. \$3m), which together with a revised approach to asset lives results in a much lower increase in market fees than originally forecast.

In response to a query from the AEC, Stuart noted that a determination to provide only the first year of WEM Reform CAPEX requirements would result in higher direct costs to the market as AEMO, the ERA and market participants would all need to engage in a further submission and review. It would also likely lead to reduced efficiency as reduced funding certainty would prevent AEMO from attracting the best recruitment candidates or striking the most competitive contracts with potential vendors. Stuart also noted that AEMO's performance in AR4 demonstrates it can be trusted to work with a 3-year allowance and only incur costs that that are prudent and valid

In response to a query from Perth Energy, Stuart noted that AEMO does not believe it is efficient/possible to deliver selective elements of WEM Reform, due to their interrelated nature and cross-dependencies. Stuart also noted that the total scope of WEM Reform is defined by the Minister for Energy and AEMO is obliged under the WEM Rules to deliver the entire scope.

Stuart noted AEMO continues to engage with ERA and provide them with additional information to support their review. The ERA's Issue Paper consultation closes 15 April with a draft determination due early May and a final determination in mid-June.

Concerns were raised from Perth Energy regarding the sizable increase of costs to consumers with no definable benefits and nothing has been articulated, stating It is a government messaging issue.

6. Integrating Utility-scale Renewables and DER in the SWIS

Simon Middleton (AEMO) and Natalia Kostecki (AEMO) presented on the paper - Integrating Utility-scale Renewables and DER in the SWIS. An overview follows:

- The AEMO paper entitled "Integrating Utility scale Renewables and DER in the SWIS" is a call to action to reform the regulatory framework to ensure the effective integration of renewables and DER to maintain system security.
- The paper is not a forecast of the future but an indication of outcomes that will occur in the absence of reform. In the absence of reform security is anticipated to be compromised.
- AEMO determined the SWIS required 700 MW of synchronous generation to absorb reactive power to maintain system voltage with prescribed limits
- Operational demand in the SWIS is expected to breach 700 MW between 2022 and 2024.
- AEMO recommends
 1. Reform to inverter standard are implemented to enhance functionality
 2. Remove barriers to energy storage
 3. Evaluate system security technologies
 4. Advance the WEM Reform Program
 5. Develop an Integrated System Plan
 6. Develop a DER Roadmap
 7. Implement Distribution System Operator and Distribution Market Operator functions

A discussion amongst the room took place with many comments and views from various participants. The following queries were raised:

- What is the expectation of current inverters, and what is the standard for new inverters? Dean Sharafi (AEMO) explained the latest industry standard is IEEE 1547, and the equivalent is AS4777. AEMO is working with Western Power (the Chair of this standard works at Western Power) towards making an amendment to this standard, such that it reflects all the features of IEEE 1547 and whatever is needed in addition to that, including grid support for under and over voltage. It is expected that this amendment will be in place by the end of 2019.
- How long will it be before there is sufficient stock in the system? Will consumers be recompensed? Dean Sharafi (AEMO) responded: Some manufacturers already have this sort of setting that will just need to be enabled. The first phase will be to freeze the situation for current inverters and ensure all new inverters have the grid support functions. The standard will be the minimum connection requirement, and the Western Power connection guideline will also need to be followed by consumers to ensure network security.
- It sounds like consumers will be asked to pay more in a time where they are offered less. Dean Sharafi (AEMO) responded; There needs to be some sort of reform in place to adopt the right tariff structure, it's in the mix of solutions going forward.

Cameron Parrotte (AEMO) made comment that there are lots of potential solutions, not all of them are going to be the right answer and AEMO will be releasing a DER Standards paper to address this. There are still conversations that need to be had as an industry to explore these solutions.

7. PV Forecast (Action item 11.1)

Dean Sharafi (AEMO) provided an update on Action item 11.1. Bluewaters asked AEMO to publish PV forecast, AEMO has been liaising with the two providers, Weather Zone and BOM and it seems it may be possible. With BOM it will only cover 48 hours of PV forecast and with Weather Zone it will be a 7-day forecast. The discussion/ negotiation needs to be continued with these providers, as they would prefer for this information to only be released to Market Participants and not be made public. An update will be provided in the next WAECF.

8. Operational Updates

2018 WEM ESOO inhouse forecasting progress

Joachim Tan (AEMO) provided an update on the 2018 WEM ESOO inhouse forecasting progress:

- WA attendees were thanked for their questions, comments and contributions to the Economics and Distributed Energy Resources (PV, Battery and EV) forecast presentations at the Forecasting Reference Group Meeting on 27 March 2019, for the National Electricity Market and the Wholesale Electricity Market. Any stakeholders that had any additional questions or comments relating to these forecasts or the WEM ESOO in-housed forecast project can contact him directly, or if they required a copy of the presentation slides, to email WAECF@aemo.com.au
- The 2018 WEM ESOO in-house forecasting project is progressing as planned with the onboarding of data into Forecasting databases, and the automation of the WEM forecast models. The outputs of this project are expected to be presented to stakeholders at a later WAECF meeting.

RCM Update

Neetika Kapani (AEMO) provided an update on:

The development of 2019 WEM ESOO:

- Draft forecasts are expected next week, and preliminary key messages will be presented to the Technical and Regulatory Committee in the first week of May.
- Report development is underway with the intention to publish on 17 June 2019, in line with the WEM Rules.

Certification Process

- The team is in the final throes of finalising the assessments of the Applications for Certified Reserve Capacity (CRC) for the 2018 Reserve Capacity Cycle. Market Participants will be advised of the CRC levels associated with their Facilities on 29 April 2019, in line with the WEM Rules.
- The window for the 2019 Reserve Capacity Cycle will open on the 1 May 2019
- Details of the CRC workshop related to the 2019 Reserve Capacity Cycle will be provided to the Market Participants, when a date is set.

System Restart Test 11-12 May 2019

Dean Sharafi provided information on a System Restart test, which will be an extensive exercise involving Western Power, Synergy, and AEMO. There is a new system restart facility in Kemerton, previously this system had been tested and is in operation. This restart test will test the facility with parts of the network up to Muja, and energising Muja axillaries. A test like this has never been done before in the SWIS.

9. Other Business

No other business was raised

10. Next meeting

Dean Sharafi (AEMO) outlined dates for upcoming forums. The next WAECF meeting is scheduled for 25 June 2019. The meeting was closed at 2:59pm.

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	Completed
11.1	PV Forecast	<p>AEMO to further investigate the suggestion of publishing PV generation AEMO has accounted for in generating the Load Forecast for each Trading Interval.</p> <p>Response:</p> <p>Dean Sharafi provided an update on item 7. A further update will be provided in the next WAECF – 25 June 2019</p>	AEMO	25 June 2019