

MINUTES

MEETING: WA Electricity Consultative Forum (WAECF)
DATE: Wednesday, 16 September 2020
TIME: 1:00 PM (AWST)
LOCATION: Microsoft Teams
CONTACT: WAelectricityforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Teresa Smit (Chair)	AEMO
Laura Tomkins (Secretariat)	AEMO
Liz Aitken	Aitken Energy
Mark Riley	AGL
Audelle Hong	Alinta
Oscar Carlberg	Alinta
Sam Lei	Alinta
Michelle Nguyen	Alinta
Luisa Thorburn	APA Group
Naomi Donohue	APA Group
Dimitri Lorenzo	Bluewaters
Geoff Gaston	Change Energy
Fiona Laing	Collgar
Michelle Thomas	EDL
Neil Duffy	EDL
Aditi Varma	EPWA
Rachelle Gill	EPWA
Graham Pearson	Energy Council
Ignatius Chin	Energy Market Consulting associates
Rajat Sarawat	ERA
Shibli Khan	ERA
Sara O'Connor	ERA
Erdem Oz	ERA
Julian Fairhall	ERA
Adrian Theseira	ERA
Aden Barker	ETIU
Bobby Ditric	Lantau Group
Timothy Edwards	Metro Power Company
Stephen Archer	Pearl
Jayesh Halai	Perth Energy
Erin Stone	Point Global
Victor Francisco	PSC
Laura Koziol	RCPWA
Ian Porter	SEN
Jo-Anne Chan	Synergy
Geoff Down	Water Corporation
Dean Frost	Western Power
Jo Pownall	
Oye Akindele Obe	

Emily Ho	
Kyle Auret	
Dan Mascarenas	
Neetika Kapani	AEMO
Grace Liu	AEMO
Nicole Markham	AEMO
Mark Katsikandarakis	AEMO
James Harris	AEMO
Tom Butler	AEMO
Greg Ruthven	AEMO
Graham Miller	AEMO
Matthew Fairclough	AEMO
Rick Dolling	AEMO
Andy Kondola	AEMO
Allicia Volvricht	AEMO
Kang Chew	AEMO
Simon Middleton	AEMO
Nicholas Nielson	AEMO
Joachim Tan	AEMO
Julius Susanto	AEMO
Robin Parsons	AEMO
Eliana Zurhaar	AEMO

1. Welcome and Previous meeting minutes

Teresa Smit (AEMO) opened the meeting at 1:02 pm, welcomed attendees to WAECF No.27

The minutes from the previous WAECF (24 June 2020) were endorsed. AEMO to publish the minutes as final on the website (Action Item 1.1).

2. AEMO Power System Update

Julius Susanto (AEMO) presented an overview of the recent event on the Power System noting:

- The connection of several major wind and solar farms into the SWIS, as well as increased rooftop PV capacity since the start of the year, has led to a number of records being broken over the last few weeks: i) minimum operational demand of 992 MW, ii) rooftop PV output of 1,189 MW, and iii) aggregate wind output of 809 MW.
- AEMO have developed a contingency limit signal that is sent to Western Power to advise of the largest potential network contingency that the SWIS can bear in real-time.
- The ERA has approved AEMO's proposal to increase the Load Following Ancillary Service (LFAS) requirements, which will be implemented in a staged fashion. In the first stage, the new LFAS requirements are 95 MW during the day (5:30am to 7:30pm) and 70 MW overnight (7:30pm to 5:30am).

Julius took questions and discussed, Spinning Reserve limits and LFAS requirements.

3. AEMO Operational and Project Updates

3.1. Quarterly Energy Dynamic (QED) Report

Nicholas Neilson (AEMO) presented the findings from the Q2 2020 QED report noting key themes as follows:

- Warm temperatures and rooftop PV drive decreases in demand.
- A decline in coal-fired generation was met by increased gas powered generation whilst Rooftop PV uptake continues
- Lower coal availability led to higher STEM & Balancing Prices despite lower demand compared to 2019
- There was minimal overall impact on overall demand due to COVID-19 restrictions, however a change in consumption patterns was observed. Consumption by larger users decreased whilst smaller users increased.

Nicolas presented some preliminary observations for Q3 2020, and requested feedback from Market Participants on any other matters that may be included in the analysis:

- Continued impact of COVID-19 restrictions with a partial recovery observed
- Price floor events that have occurred over the quarter.

A question was raised in relation to whether additional smart meter data would assist in improving AEMO's analysis. A follow up question was raised in relation to Western Power's Advanced Metering Infrastructure (AMI) deployment and the impacts to wholesale market settlement.

Mark Katsikandarakis (AEMO) confirmed that it did not expect AMI meters to be provided for wholesale settlement in the short term due to IT system constraints. Aden Barker (ETIU confirmed amendments to the metering code had been progressed to accommodate this and

that the matter of meter data for wholesale settlement would be addressed as part of the broader WEM reforms.

WEMS Updates

3.1.1. WEM Market Data Website Refresh

Rick Dolling (AEMO) informed stakeholders AEMO is launching the new look WA Market Data website on 24 September 2020, after this date the site will be hosted on the main AEMO website. The changes will not have any impact to Market Participants or the public; URLs, data sets and file structures will remain unchanged

3.1.2. Releases for RC_2017_02

Rick Dolling (AEMO) also informed stakeholders, the changes to WEMS required to implement RC_2017_02 are currently being developed and tested by AEMO. At the request of Market Participants, a one-month Market Trial period will commence on 28 October 2020 and run to 25 November 2020. The Rule Change will become effective in Production on 1 December 2020

3.2. Energy Price Limits

Lisa Laurie (AEMO) provided an update on the Energy Price Limits review.

- AEMO commenced the Energy Price Limits review in February 2020 and Marsden Jacobs Associates Pty Ltd were engaged through a tender process to assist with the modelling.
- A first draft report was published on 9 April 2020 for a consultation period that was scheduled to close 6 weeks later 21 May 2020. In early May, AEMO held a public workshop on the first draft report.
- The initial analysis and modelling were completed in March when the impacts of Covid-19 were minor and not well recognised, therefore Marsden Jacobs was engaged to complete further work to reconsider the impacts of Covid-19, particularly in relation to fuel prices. The revised modelling saw a reduction in the Alternative Maximum STEM Price due to much lower diesel prices. A revised draft report was published on 21 May 2020 and the consultation period was extended to 12 June 2020.
- Three submissions were received from Alinta, Australian Energy Council and Synergy, all of which suggested that AEMO should consider using a different source for the gas price data. With these recommendations taken into account, a revised final report was submitted to the ERA on 21 July 2020 with a proposed Maximum STEM Price of \$267/MWh and an Alternative Maximum STEM Price of \$383/MWh. The liquid fuel cap is significantly lower than previous years, driven by a \$200/MWh drop in diesel price.
- The ERA published their decision on 26 August 2020 where AEMO's values were approved and the new Energy Price Limits have been affective from 1 September 2020.

3.3. 2020 WEM ESOO Supplementary Analysis -Individual Reserve Capacity Requirement (IRCR)

Grace Lui and Rachel Tandy presented a 2020 WEM ESOO Supplementary Analysis for IRCR noting:

- Consistent IRCR responses across all the 12 Peak SWIS Trading Intervals indicates the IRCR mechanism continues to incentivise Customers to reduce consumption during high demand periods.

- Weather attributes and AEMO Load Forecasts could provide some useful information in assisting Customers in their decision making process regarding when to trigger an ICR response

A suggestion was made for future analysis to look wider than the 500 largest users to gain a wider response.

3.4. Reserve Capacity Mechanism (RCM) update

Neetika Kapani (AEMO) provided a general RCM operational update noting:

- The Certified Reserve Capacity (CRC) window for the 2020 Reserve Capacity Cycle closed on 1 September 2020, no other supporting documentation can now be accepted. Applications are currently being assessed. AEMO will assign CRC to facilities on 19 October 2020. Participants are encouraged to take a look at the RCM timeline on the website for dates associated with upcoming CRC updates. Post 19 October, there are certain processes like Trade declaration and the Reserve Capacity Security deposits, the RC Security is applicable to any new capacity participating in the 2020 RC cycle. If there is enough CRC to meet the Reserve Capacity Requirement, AEMO will not be going for an Auction, in which case Capacity Credits will be assigned on 4 November 2020.
- There is a Market Trial for the Reserve Capacity Pricing changes on 23 September 2020. Market Participants, especially those who participate in the RCM are encouraged to participate in the trial process. Instructions on how to participate will be in the release notes.
- The 2021 BRCP Report development is underway, AEMO is liaising with the ERA in terms of timelines of AEMO's public consultation period and ERA's consultation process timeline for their 5-yearly review of the BRCP. AEMO intends on releasing its BRCP draft report in mid-October.
- Market Procedure: Declaration of Bilateral Trade and Reserve Capacity Auction, consultation window closes 18 September.

4. AEMO Project Updates

4.1. AEMO Projects Status update

James Harris (AEMO) presented a status update on the following current AEMO projects:

- Reserve Capacity Mechanism Pricing
- WEM Reform (Foundation Reg Frameworks)
- POMAX Metering Upgrade - Upgrade metering system
- Settlements Enhancements
- PASA Process Improvement – SMST
- Power System Operations (PSO)

4.2. Reduction of Prudential Exposure (RoPE) Final Update

Mark Katsikandarakis (AEMO) provided a final update on RoPE project, talking through the original project scope, key milestones, projection completion and benefits.

4.3. Fortran Replacement – Final Update

Mark Katsikandarakis (AEMO) provided a final update on the Fortran Replacement Project, noting project has been delivered within approved budget.

Any feedback from participants, including project engagement model to incorporate into future projects can be sent to WAelectricityforum@aemo.com.au

4.4. Distributed Energy Resources Roadmap Update

Tom Butler (AEMO) provided a brief update on DER Roadmap noting:

There was a briefing held on 27 August 2020 around AEMO's in period submission to the ERA, which will be submitted in the next few weeks. The ERA are considering a public consultation process.

There are four workstreams:

- Technology and Integration
 - Looking at what data is required for DER going forward and designing a system to capture that data. Working closely with Western Power and Synergy.
 - Looking closely at Under Frequency load Shedding (UFLS), working with Western Power to scope the work required to revise UFLS Scheme.
 - Working with Western Power on the modelling for System Restart
- DER Register
 - Looking to have the first round of data into the system by end of September
 - Designing for the ongoing collection framework, aiming for go live January 2021
- DER participation (Regulatory Rules and Frameworks)
 - The process is in early days, there was an issues paper released by ETIU that discusses and provides a high-level definition of the roles for the Orchestration of DER
 - Submissions are due next week
- Project Symphony
 - Diving into the detailed design, working closely with Western Power.

4.5. SMST MPI Update

Nicole Markham provided and update on SMST cut-over and SM MPI process changes noting the SMST project cut-over date is 20 October 2020 and AEMO will be limiting the number of outages between 20-23 October 2020, any already approved outages will be managed as planned.

The key change Market Participants will experience after the SMST has gone live is the use of the MPI system. The key changes that will impact users will be:

- Access will no longer be via the current Western Power portal, instead it will be directly accessed via AEMO website
- Process changes for provisioning and de-provisioning of end-users
- End-users will no longer be able to self-serve to reset passwords

Correspondence has been sent out to participants requesting a designated IT Contact, this contact should be emailed to WAelectricityforum@aemo.com.au

MPI demonstration sessions will be held on 13 and 14 October, attendance is optional and can be booked by emailing WAelectricityforum@aemo.com.au

Further queries can be forwarded to Nicole.markham@aemo.com.au

Mark Riley (AGL) raised a query, asking if two IT contacts can be provided. Nicole Markham (AEMO) has taken this question on notice (action Item 4.5.1)

5. Stakeholder Updates

5.1. Energy Transformation Information Unit (ETIU) - Energy Transformation Strategy (ETS) high level update and Energy Policy WA Update

Jai Thomas (EPWA) provided update on ETIU activities, highlighting:

- Whole of System Plan (WoSP) was provided to the Minister for Energy in early September with a target release of the WoSP by the second week of October
- Consultation closed on the Tranche 1 amending rules. Expected release of Tranche 2 rules around middle of October for consultation with the sector
- Summary paper of consultation on Electricity Networks Access Code was released early September, gazetted changes to the Code expected within the next week
- Changes to the Renewable Energy Buy-Back Scheme were announced on 31 August 2020
- DER Aggregation Issues Paper is out, Stakeholders can express their views and forward questions to jai.thomas@energy.wa.gov.au Consultation closes Friday 25 September 2020.

5.2. Rule Change update

Stephen Elliot (RCPWA) provided an update on Rule Change Panel activities noting RC_2014_03 Administrative Improvements to Outage Process

- The intent is to publish a Draft Rule Change Report in mid- to late-October 2020.

RC_2017_02 Implementation of a 30-Minute Balancing Gate Closure

- The Final Rule Change Report was published on 21 July 2020 and the Amending Rules will commence 1 December 2020.

RC_2019_01: The Relevant Demand calculation

- A MAC workshop was held on 20 July 2020 to discuss design for a dynamic baseline for the Relevant Demand calculation.
- The next step is for RCP Support and AEMO to develop a strawman proposal for a dynamic baseline for discussion by the MAC, but timing for the strawman has been delayed while ETIU is considering changes to other aspects of the DSM rules.

RC_2019_03 Method used for assignment of Certified Reserve Capacity to Intermittent Generators

- On 31 March 2019, the ERA published a report titled 'Relevant level method review 2018 – Capacity valuation for Intermittent Generators', where the ERA recommended changes to the method to assign Certified Reserve Capacity to Intermittent Generators.
- The ERA is developing a Rule Change Proposal to implement its recommendation and discussed a Pre-Rule Change Proposal at the MAC on 29 July 2019.
- The ERA then deferred developing its proposal while ETIU has been developing arrangements for allocating Capacity Credits under the Energy Transformation Strategy. Given the stage that ETIU has reached in developing its Network Access Quantity (NAQ) arrangements, the ERA will recommence discussion of its proposal at the MAC meeting on 20 October 2020.

RC_2019_05 Amending the Minimum STEM Price definition and determination

- A Final Rule Change Report was published on 31 July 2020 and the Amending Rules commenced on 7 August 2020.

Other Rule Change Panel-related matters:

- The next MAC meeting is scheduled for 20 October 2020. All MAC meetings will be held online until further notice.

5.3. Benchmark Reserve Capacity Pricing (BRCP)

Sara O'Connor (ERA) informed participants that the ERA is in the process of reviewing the Market Procedure that AEMO uses to calculate BRCP. A draft procedure change proposal was published 15 September 2020, feedback is requested by 14 October 2020. The scope of the procedure change proposal has been restricted to just the Weighted Average Cost of Capital (WACC) parameters. If the recommended changes within the procedure change proposal are put through, the 2020 WACC would increase from 3.51% to 5.47%. A working group meeting is scheduled for 6 October 2020.

6. Other Business

No Other business was raised

7. Next Meeting

Teresa Smit (AEMO) informed participants that the date for the next WAECF will be communicated in due course. The meeting was closed at 3:00 pm.