

WA Electricity Consultative Forum

2 July 2024



AEMO Competition Law – Meeting Protocol

AEMO is committed to complying with all applicable laws, including the Competition and Consumer Act 2010 (CCA). In any dealings with AEMO regarding proposed reforms or other initiatives, all participants agree to adhere to the CCA at all times and to comply with this Protocol. Participants must arrange for their representatives to be briefed on competition law risks and obligations.

Participants in AEMO discussions must:

- Ensure that discussions are limited to the matters contemplated by the agenda for the discussion.
- Make independent and unilateral decisions about their commercial positions and approach in relation to the matters under discussion with AEMO.
- Immediately and clearly raise an objection with AEMO or the Chair of the meeting if a matter is discussed that the participant is concerned may give rise to competition law risks or a breach of this Protocol.

Participants in AEMO meetings must not discuss or agree on the following topics:

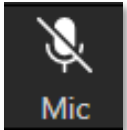
- Which customers they will supply or market to.
- The price or other terms at which Participants will supply.
- Bids or tenders, including the nature of a bid that a Participant intends to make or whether the Participant will participate in the bid.
- Which suppliers Participants will acquire from (or the price or other terms on which they acquire goods or services).
- Refusing to supply a person or company access to any products, services or inputs they require.

Under no circumstances must Participants share Competitively Sensitive Information. Competitively Sensitive Information means confidential information relating to a Participant which if disclosed to a competitor could affect its current or future commercial strategies, such as pricing information, customer terms and conditions, supply terms and conditions, sales, marketing or procurement strategies, product development, margins, costs, capacity or production planning.

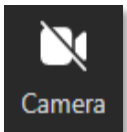
We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

We pay respect to Elders past and present.

Online housekeeping



- Please mute your microphone during the presentation.



- Please leave your camera off as well, but we'd love to see you during Q&A.



- We will pause regularly to give you time to comment in the chat or raise your hand to ask a question.

- We have a Q&A session at the end of today's session. Some questions may be saved for this session.



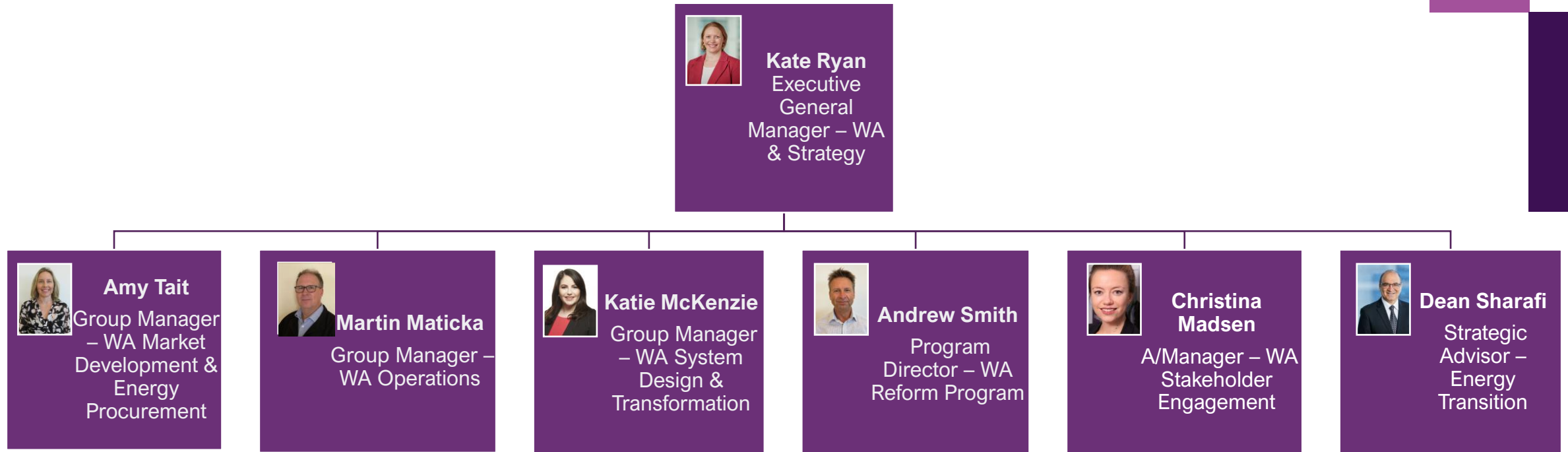
- A recording of the forum and the presentation will be published on our [webpage](#)

- We welcome feedback via WAElectricityForum@aemo.com.au

Agenda

Item	Time	Item	Speaker
1.	9:30am – 9:40am	Welcome, minutes and changes to Org Structure (GM's) (6 March 2024)	Martin Maticka – Chair (AEMO)
2.	9:40am – 9:50am	AEMO Budgets and Fees – Allowable Revenue second in period submission update and future stakeholder engagement	Kate Ryan (AEMO)
3.	9:50am – 10:15am	Power system update	Michael Dalton (AEMO)
4.	10:15am – 10:25am	SCADA migration project	Rudy van den Wall Bake (Western Power) and Paul Elliot (AEMO)
5.	10:25am – 10:30am	2024 WEM Electricity Statement of Opportunities (ESOO) update	Toby Price (AEMO)
6.	10:30am – 10:40am	WA Capacity Market Investment Update	Neetika Kapani and Dilan Wijedasa (AEMO)
7.	10:40am – 11:00am	Q&A and Other Business	Martin Maticka – Chair (AEMO)
8.	11am	Meeting close	

AEMO WA Senior Leadership Team



AEMO WA Budgets and Fees

Allowable Revenue second in
period submission update and
future stakeholder
engagement

Kate Ryan, Executive General Manager - Western
Australia & Strategy



AEMO Budgets and Fees

- On 28 June, the ERA published its [Final Determination](#) on AEMO's in-period submission. The ERA approved 97% of AEMO's requested allowable revenue and forecast capital expenditure.
- On 28 June, AEMO published the [WEM Budget and Fees](#).
- FY25 WEM Fees are set at \$2.9381/MWh, an increase of 62% from FY24 driven by the increase in AEMO's costs.
- AEMO acknowledges the significant increase in fees and the feedback from stakeholders in response to the ERA's draft determination and provided to AEMO.

AEMO is uplifting its **annual engagement** with stakeholders on its WA budgets and priorities

AEMO proposes the establishment of a **working group to specifically consider the costs, scope, sequence and delivery** of reforms and major projects

AEMO is preparing a **proposal to amend the allowable framework** for setting its budgets, to make it more fit for purpose and lower costs, while still ensuring appropriate accountability and transparency



Questions and Feedback

WAElectricityforum@aemo.com.au

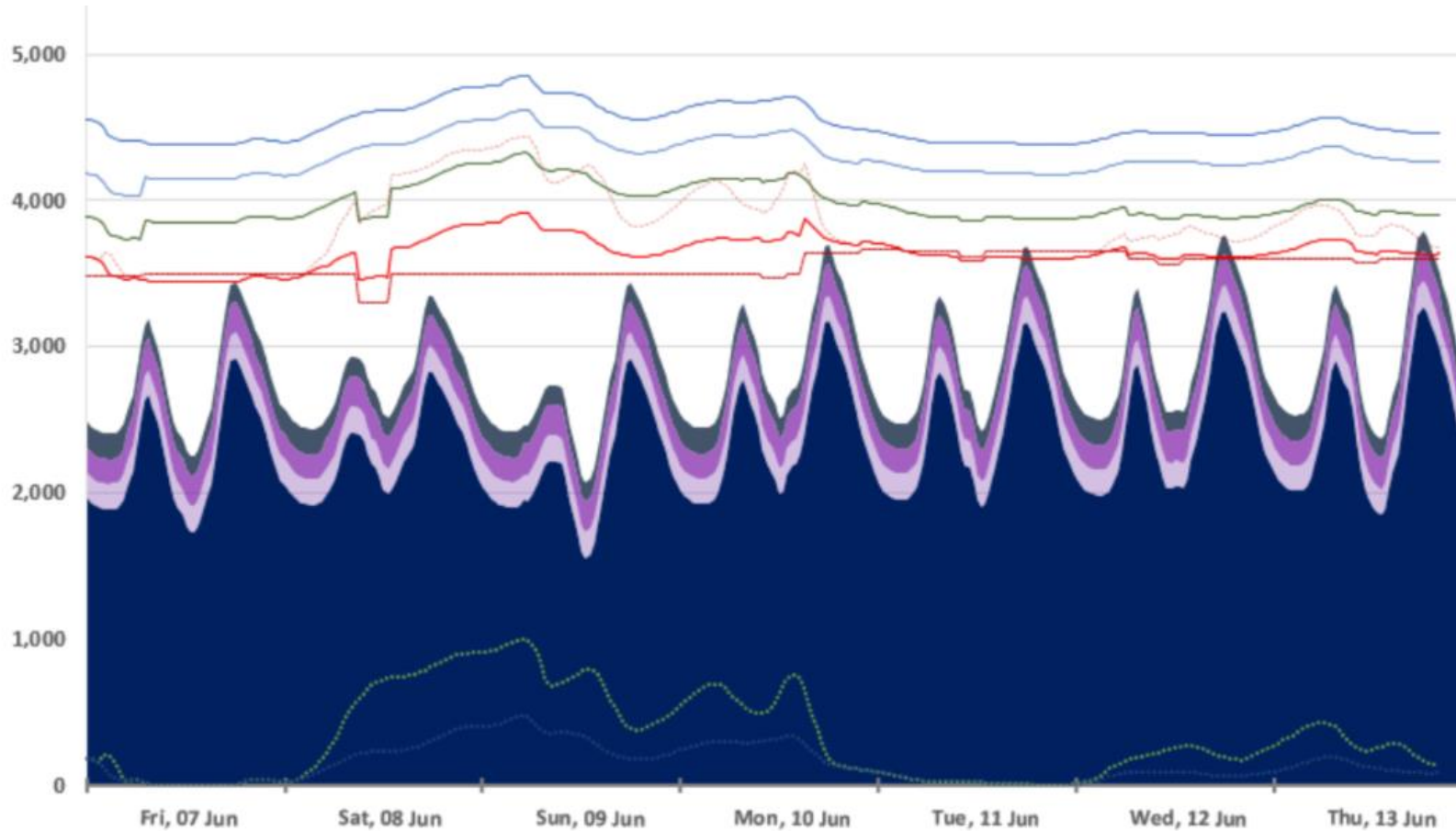


Power System update

Michael Dalton, Manager - WA Operational Planning & Forecasting



Tight operating conditions: 7 – 13 June



Factors influencing tight operating conditions:

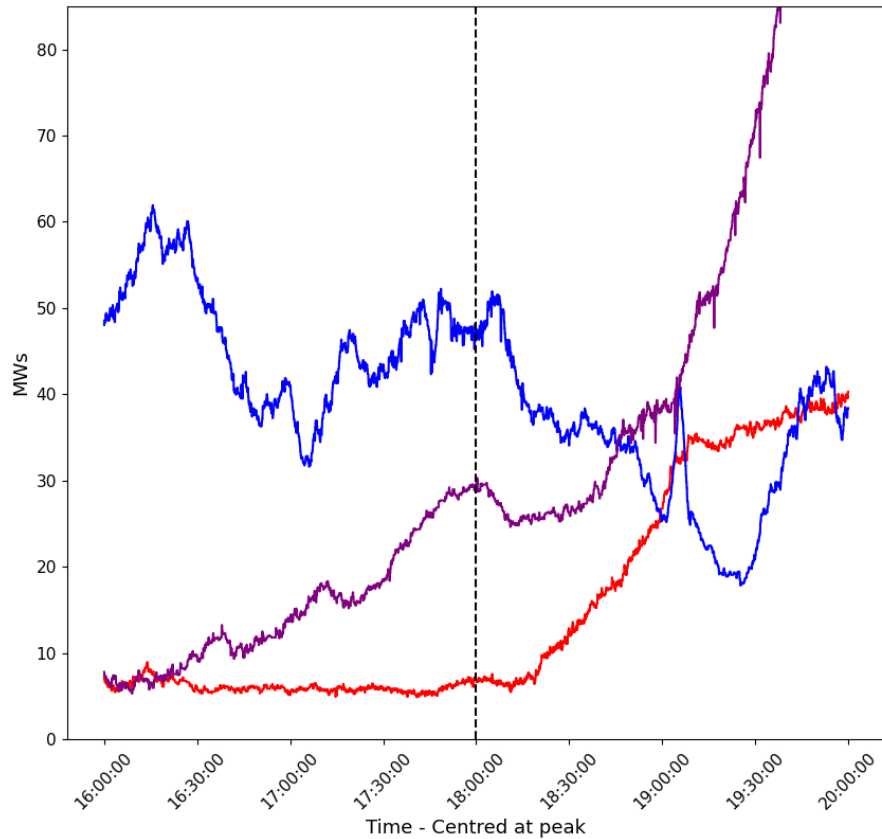
- Access to large thermal generation restricted due to project work in the Collie region.
- Low wind speed affecting wind output for extended periods.
- A mix of Forced and Planned generation Outages contributing to the tightened conditions.
- Multiple LOR days declared.

Bringing new generation online

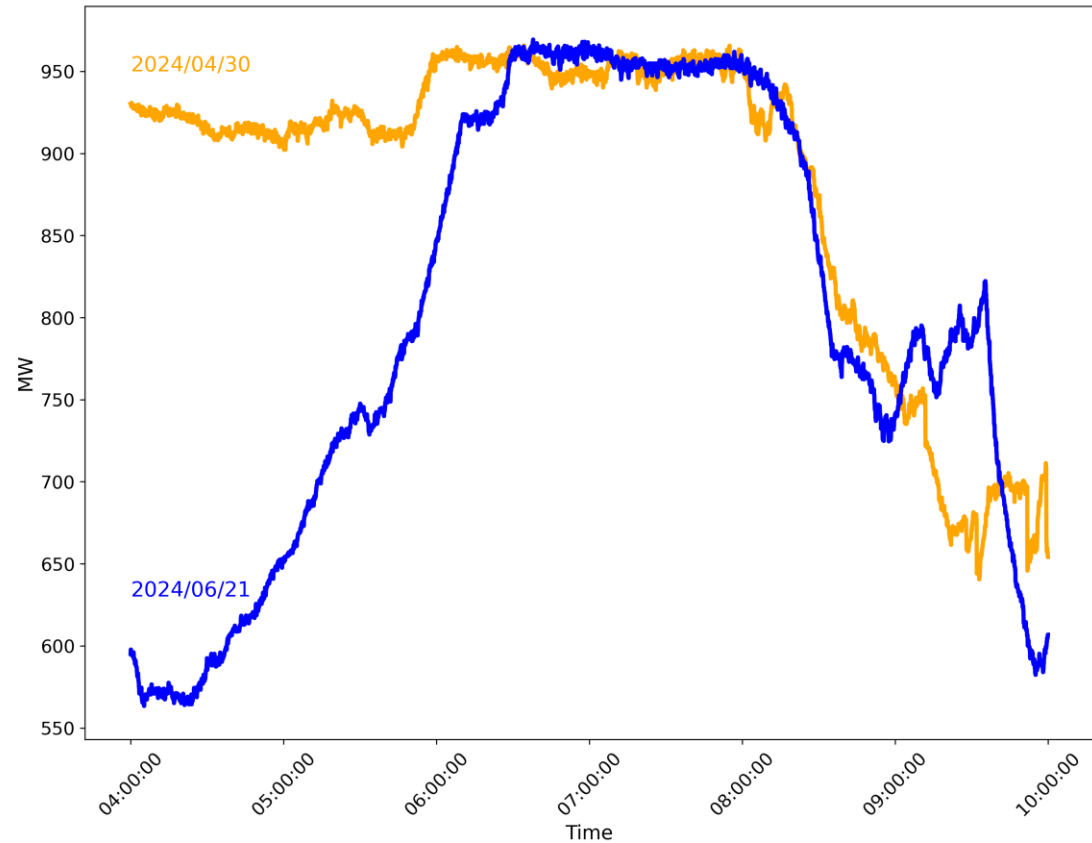


Extreme variability in wind output leading into winter

2024-06-04 2024-06-12 2024-06-13

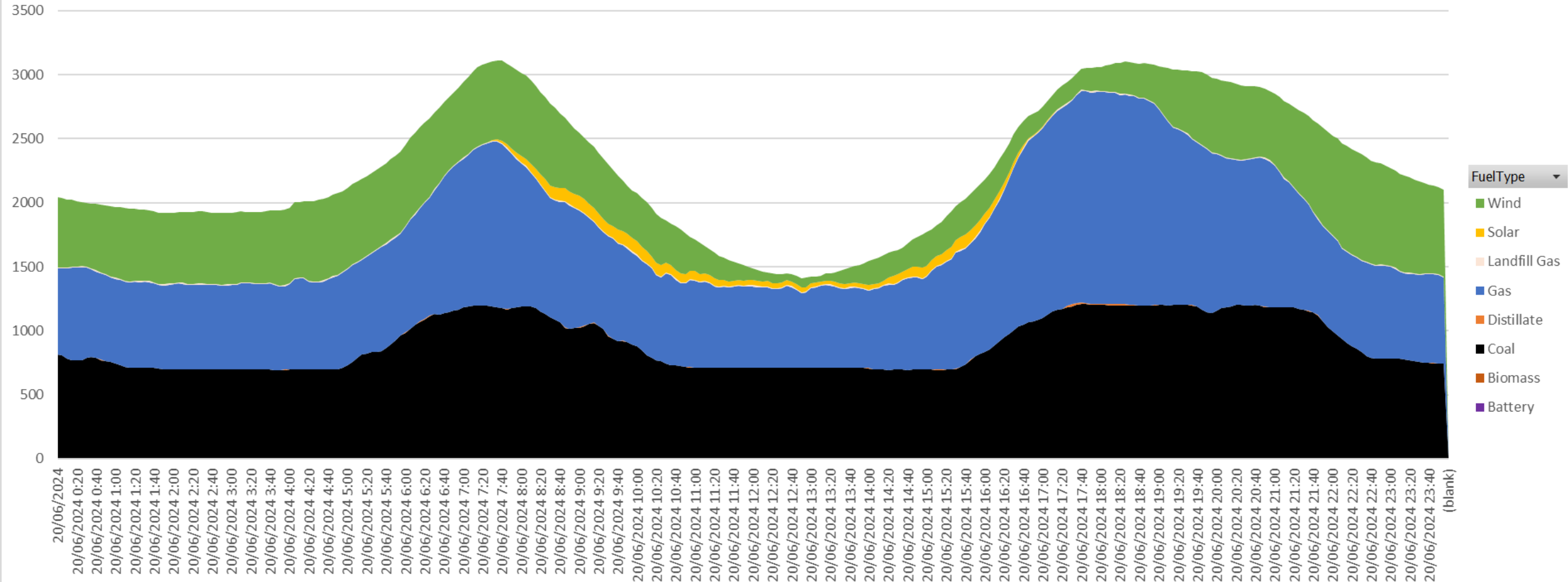


4/06/2024	4 MW
12/06/2024	48 MW
13/06/2024	25 MW



30/04/2024	1,042 MW
21/06/2024	1,021 MW

Beating the peak



Morning peak beating the typical evening demand profile:

- Average operational demand perspective, morning peak 20/06/2024 came in just ahead at 3112 MW at 07:35 compared with the evening peak at 3105 MW at 18:35.

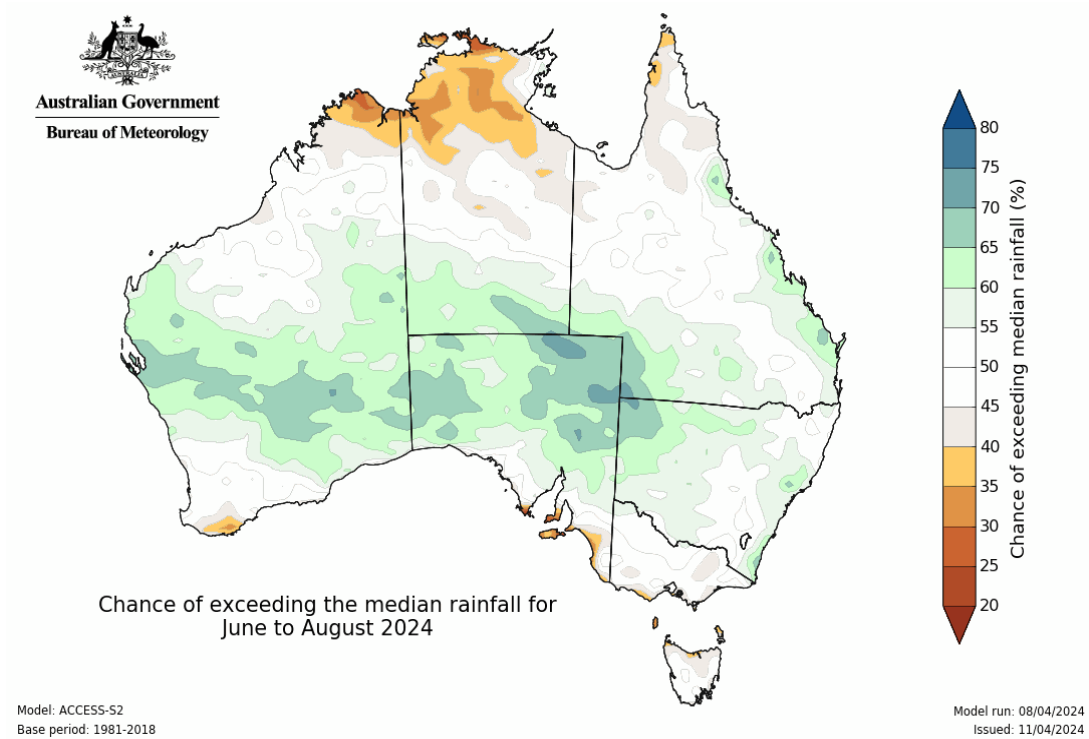
Weather and Climate



June to August 2024: Climate Outlook

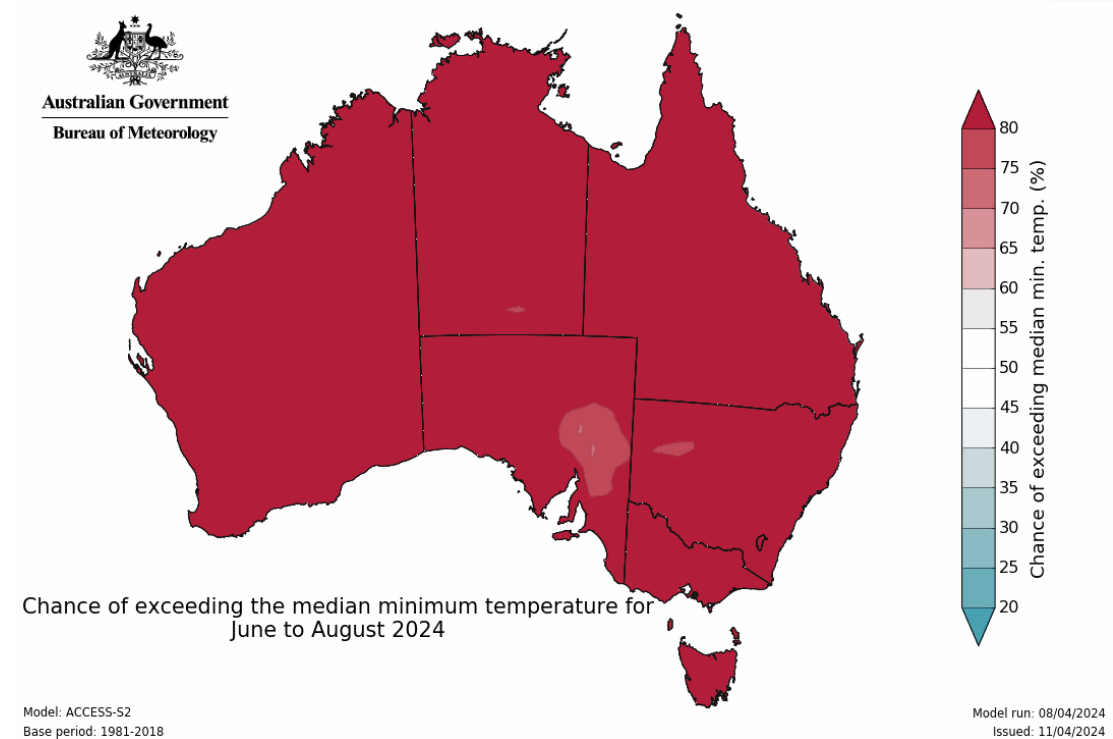


Rainfall



Median or below-median rainfall for the majority of WA with above-median rainfall for coastal and inland parts Western Australia

Minimum temperatures



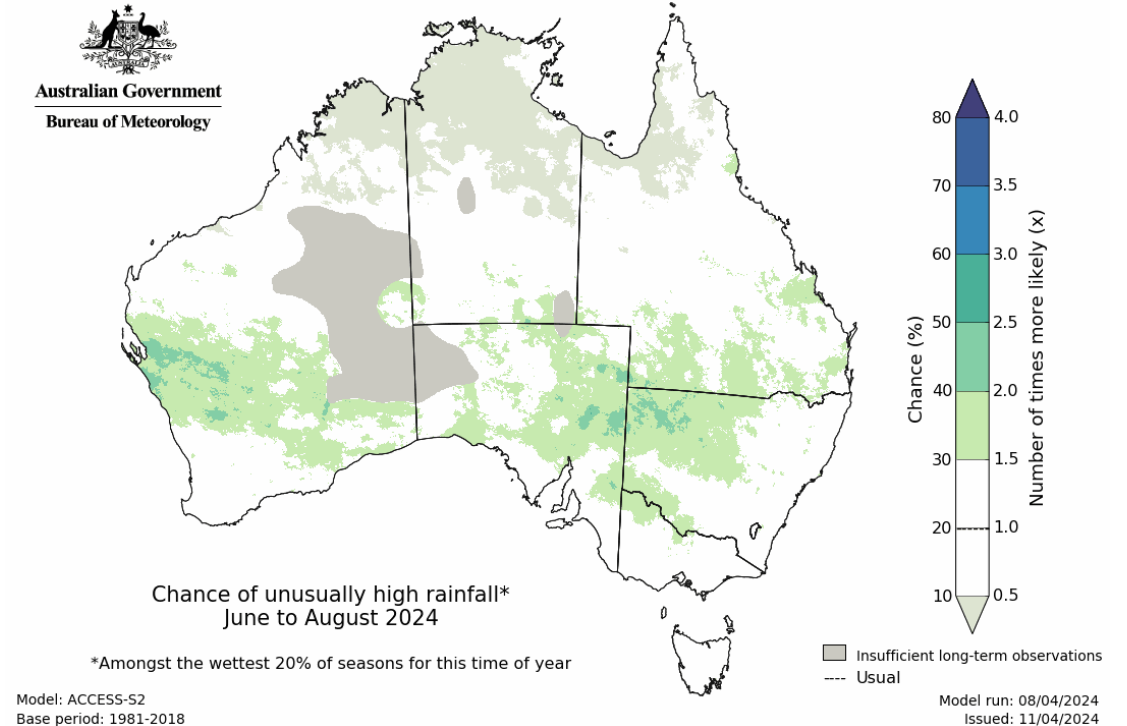
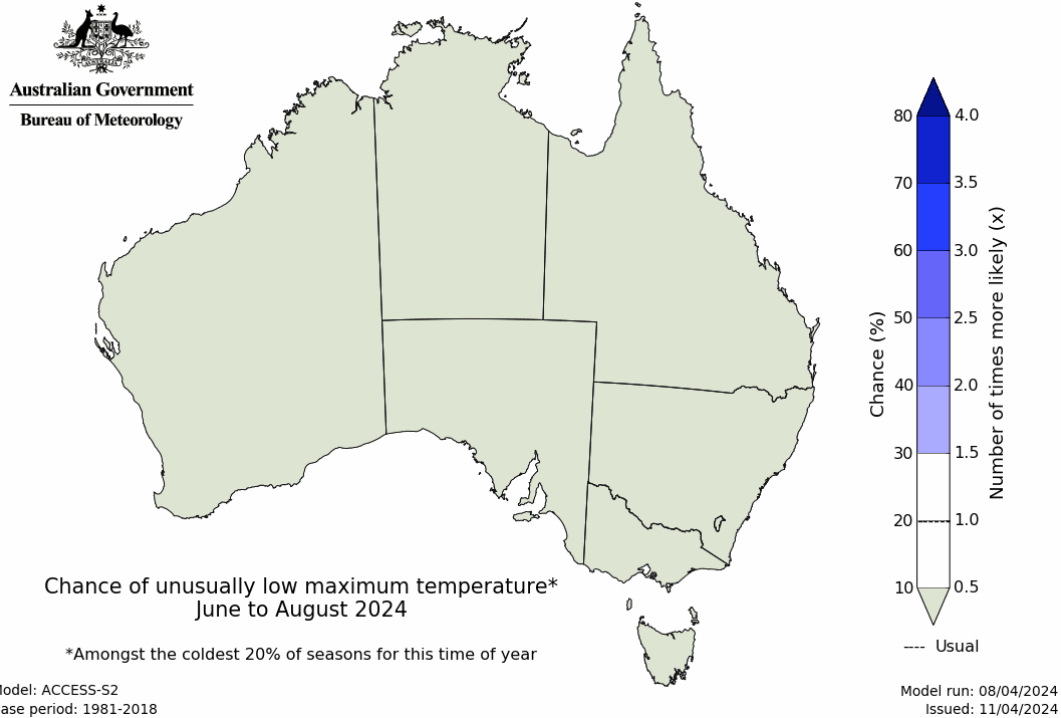
Minimum temperatures are generally likely to be warmer for majority of the country.

June to August 2024: Climate Outlook

Chance of unusually cold

11 April 2024

Chance of unusually wet

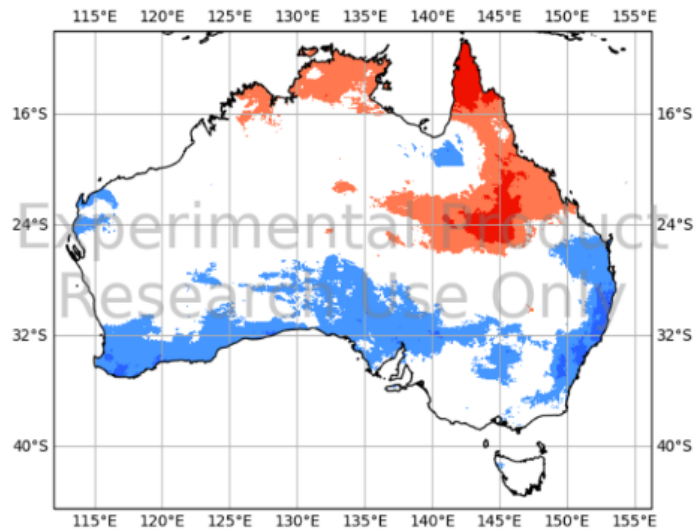


Low chance of unusually cold conditions across the country.

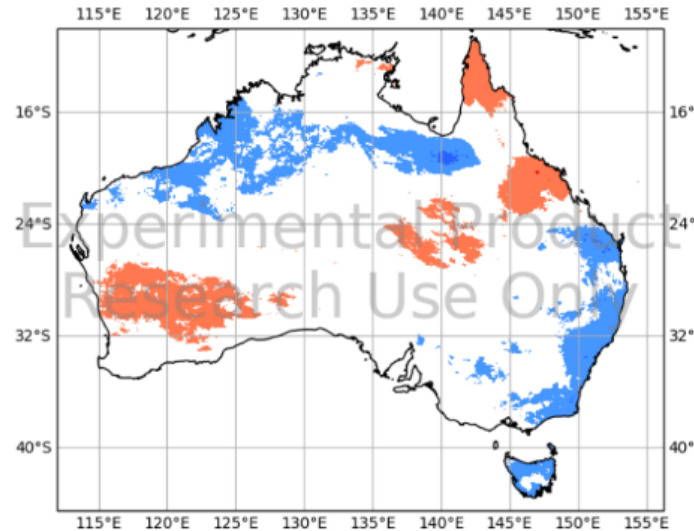
Increased likelihood of unusually wet conditions large parts of WA.

June to August 2024: Wind speed Outlook

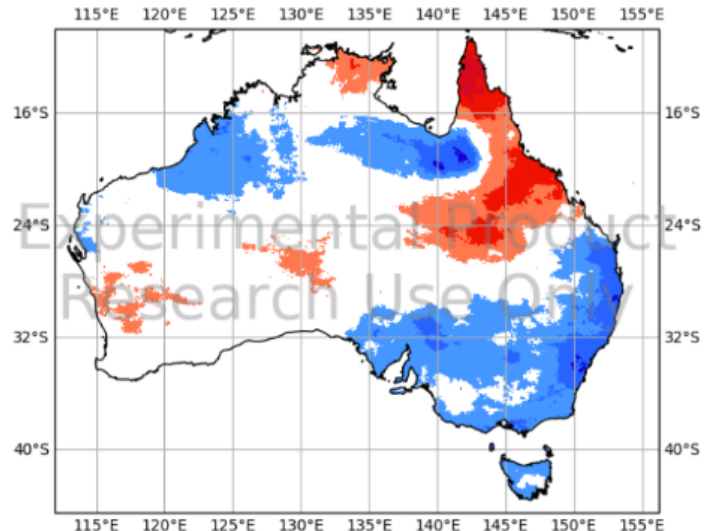
Region: Australia Period: Month: 2024-06-01 to 2024-06-30



Region: Australia Period: Month: 2024-07-01 to 2024-07-31



Region: Australia Period: Season: 2024-06-01 to 2024-08-31



- Red shaded areas correspond to increased likelihood of observing above-median wind speeds
- Blue shaded areas correspond to reduced likelihood of observing above-median wind speeds

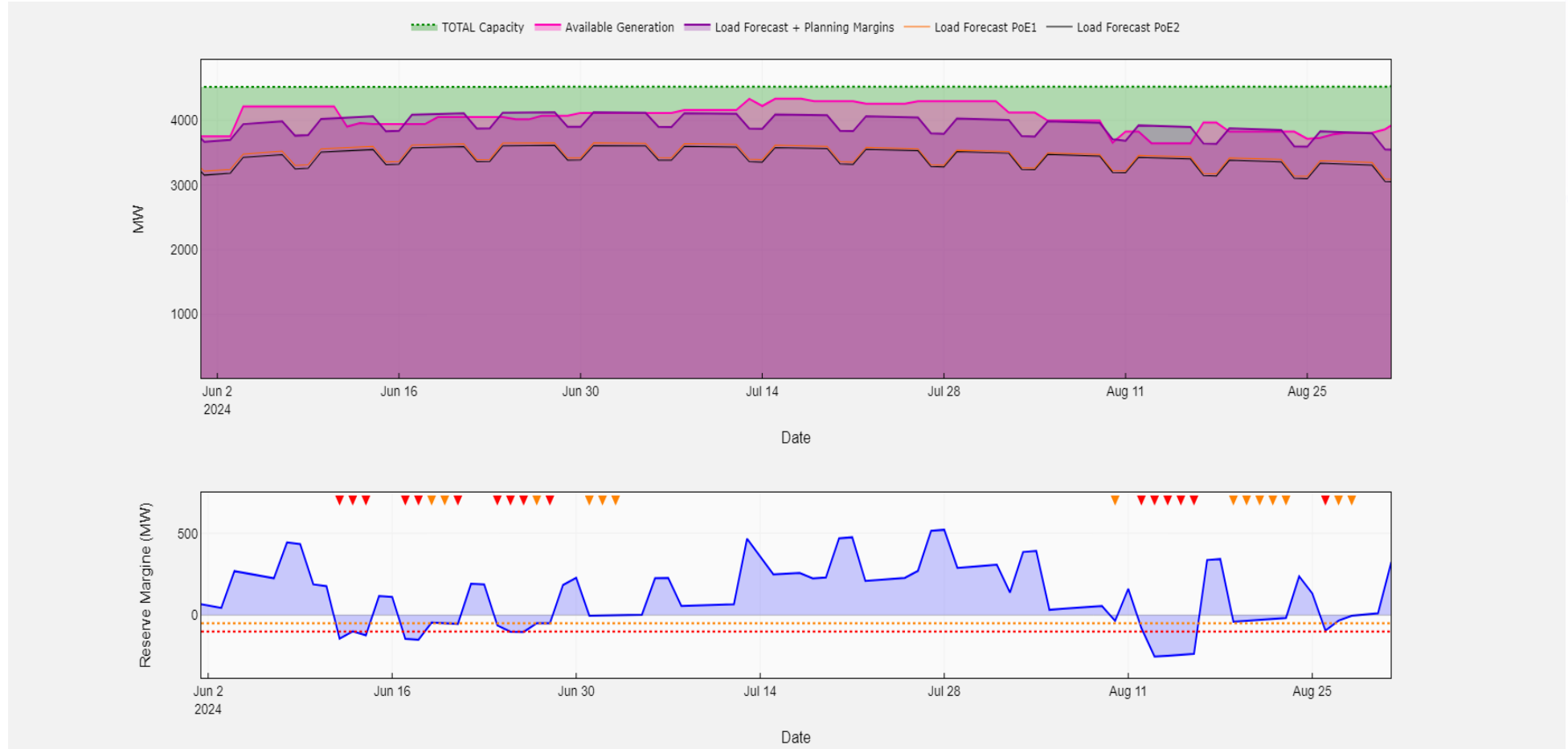
Electricity System Readiness



Generation Availability - Winter

Generation capacity outlook – Winter:

- Outlook is generally healthy, but conditions remain tight and there are limited opportunity for long term planning of large impact outages.
- No commissioning Facilities are included in the numbers feeding “available generation” in these plots.





Questions and Feedback

wa.sm.forecasting@aemo.com.au

SCADA Migration project update

Rudy van den Wall Bake, Operational Systems
Manager- Western Power

Paul Elliott, Manager, WA Power System Operations

Participant Impacts

- AEMO will issue a Market Advisory before each Tranche of Channel Migrations occurs.
- AEMO will communicate directly with participants we expect to be migrated in the tranche, with indicative timing (where possible).
- On the day, a participant's channel is migrated, AEMO Control Room will contact the participant with the expected impact.
- During a channel migration, no signals will be sent to or received from facilities (via SCADA) likely impacts are to be;
 - Semi-Scheduled Facilities Constrained to a stable value (may be zero)
 - Scheduled Facilities Constrained OUT of Regulation
 - Scheduled Facilities may be Constrained Out of Contingency
 - Scheduled Facilities may be Constrained to their current set point for the duration of the cutover.



Questions and Feedback

wa.sm.operations.control@aemo.com.au

2024 WEM Electricity Statement of Opportunities (ESOO) Update



Toby Price, Manager, WA Future System & Design



2024 WEM ESOO – Key findings



Consumption



Electricity use supplied by the grid (excluding rooftop solar) is **forecast to increase on average 4.6% annually**.

This growth is driven by economic and population growth, along with the expected electrification of homes, businesses, industry and transport.



Peak demand



Peak demand is **forecast to grow on average 3.7% annually**.

Rising peak demand aligns with the factors driving operational consumption. Peak demands during summer and winter are converging.

A new **peak demand record was set in the SWIS in February 2024** during heatwave conditions.



Small Scale Solar



Small-scale solar, or distributed photovoltaic (DPV), uptake is **expected to continue increasing with about 6.5 gigawatts (GW) of capacity to be installed in the SWIS by 2033-34**.

Underpinning this growth are expected cost reductions and relatively short payback periods.



Supply



The near-term supply-demand outlook has **improved significantly since the 2023 WEM ESOO**.

Supply and demand will largely be balanced between 2025 and 2027 as result of AEMO's procurements of new capacity.



Investment Required



Investment in **generation, storage, demand-side response and transmission is required from 2027-28 onwards**.

Continued investment is needed as electricity demand grows and aging coal plants retire.

WA Capacity Market Investment Update

Neetika Kapani, Manager – WA Capacity Market
Investment



Status of Procurement Processes

2025-27 Non Co-Optimised Essential System Services (NCESS) for Reliability

- Submissions for this NCESS for up to 436 MW of peak demand services for either a 1-year or 2-year contract closed on 24 January.
- AEMO is close to completing contract negotiations.

2026-27 Certified Reserve Capacity (CRC) process

- **24 June** - The CRC application window closed.
- **12 August** – Notification of CRC assignments
- **By 23 August** – Participants to:
 - Provide Reserve Capacity Security (for new facilities, upgrades and DSPs)
 - Complete Bilateral Trades
- **27 August** – CRC assigned to each Facility published
- **30 September** - NAQ values and Capacity Credits published.

2024-25 Supplementary Reserve Capacity (SRC) process

- Analysis and forecasting is underway to:
 - Assess likely capacity for 2024-25 Hot Season (1 Dec 2024-1 Apr 2025)
 - Determine the 2024-25 SRC trigger quantity (expected **July 2024**).

Supplementary Reserve Capacity

- Supplementary Reserve Capacity (SRC) was critical in keeping the lights on and supporting reliability during the 2022-2023 and 2023-24 summer periods.
 - AEMO procured approximately 160 MW of SRC for the 2023-24 summer period. It was dispatched on 14 occasions with the total cost estimated at \$20 million*.
 - Without demand reduction from SRC and off-market providers, peak demand of over 4,400 MW would have been recorded.
- The 2024 WEM ESOO identified a residual supply shortfall risk for the 2024-25 summer.
 - The final quantity is currently being assessed considering any major outages, fuel disruptions, or delays to connection of new committed capacity.
 - The tender for 2024-25 SRC is expected to be published by the end of July 2024.
- The Coordinator of Energy's [2024 Supplementary Capacity Review](#) is currently underway.
 - Submissions on the Consultation Paper and draft rule amendments are due by 8 July 2024.
 - The draft amendments aim to improve the procurement and activation of supplementary capacity.

* AEMO is currently reviewing SRC payment calculations for 2023-24 as part of normal settlement adjustments, and the final figure may be +/-10%.

Update on RCM processes underway

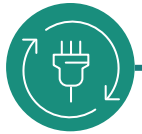
- Reserve Capacity Security returns
- Engagement with stakeholders around the 2024 CRC applications
- 2023-24 winter Reserve Capacity (RC) Test process continues
 - The ‘self-test’ period will end on 31 July 2024.
 - Facilities that do not pass by observation by 31 July 2024 will be subjected to a formal RC Test.

Capacity Investment Scheme Tender

Background Information



The objective of the CIS is to incentivise the deployment of 32GW of renewable and clean dispatchable capacity across Australia by 2030.



In the WEM, the CIS involves regular competitive tenders held approximately every 12 months until 2027.



The first CIS Tender in the WEM has an indicative target of 500 MW of four-hour equivalent dispatchable capacity, or 2,000 MWh.



All projects must demonstrate they can achieve a Commercial Operations Date (COD) no later than 1 October 2027. Projects with an earlier COD may be considered as higher merit.



Information to assist Proponents in preparing Bids is included in the Market Brief, released 28 June 2024 – available on the AEMO Services website. The Tender launches on 16 July.

Indicative timing



1

Tender 2 process commencement date

Mid July 2024



2

Registration closing date

1 week prior to Stage A – Project Bid closing date



3

Stage A – Project Bid closing date

August 2024



4

Invitation to submit Stage B – Financial Value Bid

September / October 2024



5

Stage B – Financial Value Bid closing date

October / November 2024



6

Announcement of successful bids

Q1 2025



Q&A and Other business

Contact us: waelectricityforum@aemo.com.au

Upcoming WA forums

Calendar

Real-time Market Insights Forum	16 July 2024
WA Electricity Consultative Forum	4 September 2024
Real-time Market Insights Forum	17 September 2024
WA DER Market Participation Forum	September (date tbc)
WA Gas Consultative Forum	September (date tbc)



For more information visit

aemo.com.au