

## MEETING RECORD

**MEETING:** Wholesale Demand Response Consultative Group (WDR CG)  
**DATE:** Tuesday, 18 August 2020  
**TIME:** 10:00am – 12:30pm  
**LOCATION:** WebEx only  
**MEETING NUMBER** #03  
**ATTENDEES:**

NAME	COMPANY
Declan Kelly	AEMC
Chris Espinoza	AEMO
Emily Brodie	AEMO
Greg Ruthven	AEMO
Jackie Krizmanic	AEMO
Katalin Foran	AEMO
Madison Pigliardo	AEMO
Magnus Hindsberger	AEMO
Rachel Rundle	AEMO
Ruth Guest	AEMO
Adam Day	AER
Kyle Auret	AGL
Paul Griznic	Aurora
Justin Betlehem	Ausnet
Bridgette Carter	Bluescope
Damian Edwards	CQ Energy
Trenton Gilbert	DNV GL
Michael Zammit	Electricity Exchange
Elisabeth Ross	Enel X
Georgina Snelling	EnergyAustralia
Ben Pryor	ERM
Greg Zooeff	Nyrstar
Shaun Cole	Origin
Anna Livsey	PIAC
Panos Priftakis	Snowy Hydro
Antoine Riboulon	Tesla
Dan Cass	TIA

**NOTE:** some attendees who joined through WebEx and phone may not have been identified. Please advise via email to [WDR@aemo.com.au](mailto:WDR@aemo.com.au) if you attended the meeting but have not been noted above.



Disclaimer - This document provides an overview of the main points of discussion at an industry forum convened by AEMO on 21 July 2020 to provide information and invite perspectives and feedback on matters relating to Wholesale Demand Response implementation. Readers please note that:

- This document is a summary only and is not a complete record of discussion at the forum.
- For presentation purposes, some points have been grouped together by theme and do not necessarily appear in the order they were discussed.
- The views expressed at the forum and reflected here are not necessarily those of AEMO.



### **1. Welcome (R. Guest, slides 1- 5)**

Attendees were welcomed to the WDR CG meeting. AEMO noted that the meeting was being recorded for the purposes of preparing meeting notes.

### **2. Notes, actions and feedback from previous meeting (E. Brodie, slides 6 - 9)**

The draft meeting notes from WDR CG meeting #2 were endorsed by the WDR CG and will be published as final on the AEMO website.

AEMO provided consolidated responses to the actions arising from WDR CG #2. All actions were closed except for:

- 01.12.01 (WDR CG to provide ideas for future agenda items) which will remain open on an ongoing basis.
- 02.06.01 (WDR CG to provide WDR scenarios to AEMO) which will remain open on an ongoing basis.
- 02.06.02 (AEMO to develop a worked example of how WDR will work in practice using scenarios provided by the WDR CG) which will remain open on an ongoing basis. When the WDR CG provides scenarios, AEMO will commit to providing worked examples based on these scenarios within two weeks where practicable.

### **3. Update on Demand side participation information guidelines consultation (M. Hindsberger, slides 10 - 12)**

AEMO outlined the changes proposed to the Demand side participation information guidelines, which will be open for consultation soon.

### **4. Update on Retail and B2B procedure changes (J. Krizmanic, slides 13 - 15)**

AEMO presented the changes proposed to B2B procedures and Retail procedures and noted the consultation timeframes for both work packages.

A participant queried the versioning/timing of the B2B procedures.



**ACTION 03.04.01:** AEMO to clarify the B2B procedure versioning and timing for v3.5 and v3.6.

#### **5. Update on systems operations procedure changes (E. Brodie, slides 16 - 17)**

AEMO provided updated information on the systems operations procedure changes for WDR. It noted that additional procedures have been identified as needing changes to accommodate WDR, but these changes are minor. Systems operations procedures will be consulted on from 5 October 2020 and the RERT procedures will be updated separately.

AEMO also noted that WDR program and procedure update timings were provided as appendices to the meeting pack.

#### **6. TWG debrief (G. Ruthven, slides 18 - 21)**

AEMO gave a debrief on the WDR Technical Working Group meeting that occurred on 11 August 2020 and set out the proposed agenda for the TWG's second meeting.

A participant queried what was meant by "clarification of whether SCADA threshold would apply to individual and/or aggregated loads" (slide 20). AEMO responded that the WDR mechanism has been designed to mimic scheduled plant and that AEMO and the TWG will be addressing the question of how SCADA thresholds will apply to individual and aggregated WDRUs.

**ACTION 03.06.01:** WDR CG to suggest other topics or issues to discuss at the next TWG, prior to release of the consultation paper.

#### **7. Approach to WDRU dispatch (D. Kelly, AEMC, slides 22 - 29)**

AEMC presented the analysis behind the WDR Mechanism rule that led to WDRUs needing to mimic scheduled plant. It noted that:

- WDRM is not a "silver bullet". AEMC sought price and reliability benefits thereby setting a high bar for participation by requiring WDRUs to have similar operational characteristics to scheduled plant. However, there were some concessions to reduce barriers to entry, such as not applying causer pays and looser telemetry requirements.
- WDRM is not intended to be a mechanism that allows everyone to participate, notably in relation to small customers.
- If WDRM is not appropriate for a participant owing to its operational or commercial characteristics, then there are other demand response options to consider.

A participant enquired whether the measurement for settlement of a RERT portfolio is also calculated at the NMI level. AEMO responded that RERT is often provided by a single NMI i.e. a contract with a single large load. However, when a portfolio is used to provide the required demand reduction, settlement occurs at the aggregated level against an aggregated baseline representing the portfolio of NMIs.

Another participant asked whether DNSPs would get any information on WDR for control rooms and network operations. AEMC acknowledged that DNSPs would not receive additional information relating to the location or magnitude of demand response provided



through the mechanism. The AEMC noted that this issue was consulted on during the WRDM rule change process and that it believed DNSPs would have enough WDR information to manage network operations from:

- Post-event metering data showing how consumers are responding to price signals over time
- Visibility of DRSP role in MSATS i.e. knowing which customers were involved in WDR.

AEMO indicated that it would be initiating discussions with DNSPs to discuss what information sharing may be possible.

A member enquired about AEMC's view on how generator bidding behaviour could change with WDR, particularly whether it expects the average price bid by generators to increase if generators think there will be fewer peak prices. AEMC indicated that it could cap wholesale prices in peak demand conditions, depending on how DRSPs bid into the market. It further noted that when thinking about wholesale prices, it is important to consider bidding behaviour from the range of competing generators and WDRUs.

AEMO thanked the AEMC for its presentation and noted that it would look to share this information more widely with potential WDR participants.

**ACTION 03.07.01:** AEMO to consider communicating information on options for participating in demand response in the NEM more to a wider audience.

## **8. Introduction to RERT baselining (Katalin Foran, slides 31 – 41)**

AEMO presented information and an example on how baselining works for the Reliability and Emergency Reserve Trader (RERT) process. The RERT baseline methodology is the starting point for the WDR baseline methodology (WDR BLM), noting that the WDR BLM is being consulted upon through the WDR TWG as well as via the WDR Guidelines formal consultation.

A participant noted that the RERT methodology may not be suitable for some loads (e.g. water utilities pre-filling a reservoir or cool stores doing pre-cooling). AEMO indicated that it was using the RERT methodology as a starting point and may consider adjustments to the methodology for WDR, noting that consultation was still to occur. Irrespective, each load will need to understand whether the final WDR BLM methodology works for them or not. It also stated that, initially, AEMO is developing a single BLM to:

- Ensure that at least one BLM is ready for the start of the WDR mechanism (24 October 2021)
- Suit the greatest number of participants.

AEMO noted that it is aware that this single methodology won't suit everyone, but it will be able to add more BLMs in future that will be suitable for other participants. To this end, AEMO is building its systems to have the flexibility to add further BLMs over time. AEMO welcomed additional input from members related to baselines that could support the development of the WDR BLM.

**ACTION 03.08.01:** WDR CG to provide any feedback relevant to the development of the WDR BLM.



A member asked how the other BLMs will be developed and approved. AEMO responded that the BLM development process needs to be covered in the WDR Guidelines and will be discussed at the TWG.

#### **9. Approach to dispatch compliance (M. Pigliardo, slides 42 - 46)**

AEMO presented its early thinking on its approach to dispatch compliance and how it will engage with stakeholders. It noted that the dispatch compliance process could be included in the WDR Guidelines, however the time to develop the process may be incompatible with completing the WDR Guidelines by March 2021 (as requested by the TWG). The dispatch compliance process could however be included in a later version of the WDR Guidelines.

**ACTION 03.09.01:** WDR CG members to provide feedback on why they believe the dispatch compliance process should/should not be included in the WDR Guidelines and within what timeframe.

A member noted that the table setting out the rule requirements for WDRU non-conformance and showing where AEMO had discretion was very useful (slide 45). It requested that AEMO produce the same type of table for other areas so that participants can focus their attention in the correct areas.

**ACTION 03.09.02:** WDR CG to advise the specific aspects of the WDR mechanism rule it would like more information on with respect to AEMO's discretion.

**ACTION 03.09.03:** Subject to Action 03.09.01 and as appropriate, AEMO to develop a table/s describing its level of discretion in the specific aspects of WDR (as nominated by the WDR CG).

#### **10. Forward meeting plan (E. Brodie, slides 47 - 48)**

AEMO presented a draft agenda for the next WDR CG meeting and sought feedback on whether there were further topics the group wished to include on the agenda.

**ACTION 01.12.01:** WDR CG to provide feedback on topics and issues for future WDR CG agendas.

#### **11. General questions and close (R. Guest, slides 49 - 50)**

Attendees were thanked for their attendance

## ACTION ITEMS RAISED AT WDR CG MEETINGS

ITEM	TOPIC	ACTION REQUIRED	RESPONSIBLE	DUE BY
03.04.01	Update on Retail and B2B procedure changes	AEMO to clarify the B2B procedure versioning and timing for v3.5 and v3.6.	AEMO	15 Sep 20
03.06.01	TWG debrief	WDR CG to suggest other topics or issues to discuss at the next TWG, prior to release of the consultation paper.	WDR CG	8 Sep 20
03.07.01	Approach to WDRU dispatch	AEMO to consider communicating information on options for participating in demand response in the NEM more to a wider audience.	AEMO	15 Sep 20
03.08.01	Baselines	WDR CG to provide any feedback relevant to the development of the WDR baseline methodology	WDR CG	8 Sep 20
03.09.01	Approach to dispatch compliance	WDR CG members to provide feedback on why they believe the dispatch compliance process should/should not be included in the WDR Guidelines and within what timeframe.	WDR CG	8 Sep 20
03.09.02	Approach to dispatch compliance	WDR CG to advise the specific aspects of the WDR mechanism rule it would like more information on with respect to AEMO's discretion.	WDR CG	8 Sep 20
03.09.03	Approach to dispatch compliance	Subject to Action 03.09.01 and as appropriate, AEMO to develop a table/s describing its level of discretion in the specific aspects of WDR (as nominated by the WDR CG).	AEMO	Ongoing

ITEM	TOPIC	ACTION REQUIRED	RESPONSIBLE	DUE BY
02.06.01	Forward meeting plan	WDR CG to provide WDR scenarios to AEMO.	WDR CG	Ongoing
02.06.02	Forward meeting plan	AEMO to develop a worked example of how WDR will work in practice using scenarios provided by the WDR CG.	AEMO	Ongoing
01.12.01	Forward meeting plan	Provide feedback on topics and issues for future WDR CG agendas	WDR CG	Ongoing