

Wholesale Electricity Market – Technical Panel of Experts

Background

The Energy Transformation Taskforce (Taskforce) was established by the Minister for Energy, the Hon. Bill Johnston MLA, in May 2019 to deliver of the Western Australian Government's Energy Transformation Strategy. Led by the Independent Chair, Mr Stephen Edwell, the Taskforce has overseen the delivery of a program of work to fundamentally redesign the existing Wholesale Electricity Market (WEM) Rules to enhance the security and reliability of the power system and improve the operation of the WEM. The Taskforce is supported by Energy Policy WA (EPWA).

In particular, the standards for generators connecting to the South West Interconnected System, known as Generator Performance Standards¹ (GPS), have been revised and relocated from Western Power's Technical Rules to the WEM Rules. This allows for an improved compliance regime and provides for the Australian Energy Market Operator (AEMO) to have an equal role (along with Western Power) in the negotiation of these standards prior to connection.

From early 2021, the WEM Rules will include a requirement for Western Power to develop a centralised register containing the individual standards for all transmission connected generating systems participating in the WEM, and for generators to monitor ongoing performance against these registered standards through AEMO-approved Generator Monitoring Plans.

Transitional Arrangements

The <u>Tranche 1 WEM Amending Rules</u> (Tranche 1 Amendments) introduce transitional arrangements for existing transmission connected generating systems (existing generators) to agree a set of Registered GPS, and a Generator Monitoring Plan. A process for arbitration is established where a Market Participant and Western Power cannot agree in relation to GPS to be registered, or where a Market Participant and AEMO cannot agree in relation to a Generator Monitoring Plan.

The dispute resolution process is bespoke, noting the technical nature of GPS. The process will also be time-limited – with all existing generators expected to have Registered GPS in place by 31 January 2022 and an approved Generator Monitoring Plan agreed by 1 August 2022 (although extensions to these dates are permitted by mutual agreement).

Under the Tranche 1 Amendments, the Coordinator of Energy (Coordinator) must appoint a Generator Arbitrator to hear disputes and make a binding decision.

The Coordinator must also appoint a Technical Panel of Experts, with the Generator Arbitrator able to appoint one or more experts from the Panel to provide advice on specific issues associated with a dispute,

¹ GPS comprise each of the Technical Requirements as outlined in Appendix 12 of the Tranche 1 Amendments.

subject to certain requirements including the nature of the advice being sought and an estimate of the cost. Due to the range of potential disputes, the Technical Panel of Experts should comprise members with both technical and commercial skills or specialised expertise that the Generator Arbitrator can call on as required.

These appointments will initially be in place until 1 August 2022, with the ability to be extended by at least 12 months, if required.

While the Coordinator appoints the Generator Arbitrators and Technical Panel of Experts, there is no commercial arrangement between the Coordinator and these parties. Once a dispute has been referred to arbitration, all costs associated with the Dispute, including the cost of expert advice where the Generator Arbitrator has sought it in accordance with the WEM Rules, are to be recovered from the Parties to the Dispute, with all payment arrangements through the Generator Arbitrator.

Prior to applying, please refer to **sections 1.39-1.42** of the Tranche 1 Amendments for the detail of the processes which Western Power and AEMO are to follow with existing generators prior to commencing the dispute resolution process. The draft **WEM Procedures on Generator Performance Standards and Generator Monitoring Plans** should also be considered.

Links:

- WEM Rules: Tranche 1 Amendments: https://www.erawa.com.au/rule-change-panel/wholesale-electricity-market-rules
- **Draft WEM Procedures**: https://www.wa.gov.au/government/publications/draft-wholesale-electricity-market-procedures-consultation

Selection Criteria

The Coordinator seeks applicants for the Technical Panel of Experts with experience in one or more of the following criteria:

- technical and engineering aspects of complex infrastructure and capital projects relevant to the energy sector;
- design and construction and/or operation and maintenance for different types of electricity generation technologies, including security, reliability and contingency planning;
- assessing and/or testing performance against technical requirements;
- commercial analysis of large, complex energy projects, including contracts;
- procurement and construction of major capital projects, including risk analysis and management, relevant to the energy sector; and
- past experience developing electricity projects in Western Australia.

Assessment Process

The Coordinator will appoint members to the Technical Panel of Experts in accordance with section 2.2D of the Tranche 1 Amendments. An assessment panel will be established within EPWA to review applications before making recommendations to the Coordinator.

All applicants are asked to provide a resume and cover letter (of no more than 3 pages) addressing the selection criteria. If appointed, you must also provide a short statement of qualifications and experience and a schedule of fees and charges that is suitable for publication (in accordance with clause 1.42.3 of the Tranche 1 Amendments).

For further information please contact Brooke Eddington, Principal Policy Analyst, Power System Security and Reliability on (08) 6551 4659 or brooke.eddington@energy.wa.gov.au

Please submit applications marked "GPS Panel of Experts EOI" to energytransformation@energy.wa.gov.au by **Friday 22 January 2021.**