

Minutes

Meeting Title:	Market Advisory Committee (MAC)
Date:	24 March 2020
Time:	9:30 AM – 11:20 AM
Location:	Online via Microsoft Teams

Attendees	Class	Comment
Stephen Eliot	Chair	
Matthew Martin	Small-Use Consumer Representative	
Martin Maticka	Australian Energy Market Operator (AEMO)	
Dean Sharafi	System Management	
Sara O'Connor	Economic Regulation Authority (ERA) Observer	
Jo-Anne Chan	Synergy	Proxy for Mr Everett
Zahra Jabiri	Network Operator	
Jacinda Papps	Market Generators	
Wendy Ng	Market Generators	
Daniel Kurz	Market Generators	
Tom Frood	Market Generators	
Patrick Peake	Market Customers	From 10:15 AM
Geoff Gaston	Market Customers	
Peter Huxtable	Contestable Customers	

Also in Attendance	From	Comment
Aden Barker	Energy Transformation Implementation Unit (ETIU)	Presenter to 9:55 AM
Miles Jupp	ETIU	Presenter to 11:10 AM
Kim Hutchinson		
Jenny Laidlaw	RCP Support	Observer
Elizabeth Walters	ERA	Observer to 11:00 AM

Also in Attendance	From	Comment
Kei Sukmadjaja	Western Power	Observer
Dimitri Lorenzo	Bluewaters Power	Observer
Tim McLeod	Amanda Energy	
Erin Stone	Point Global	Observer to 11:00 AM
Elisabeth Ross	Enel X	
Rando Yam	Enel X	
Carl Hutchinson	Enel X	Observer to 10:40 AM
Ian Porter	Sustainable Energy Now	
Graham Pearson	Australian Energy Council	Observer to 10:45 AM
Laura Koziol	RCP Support	Minutes
Natalie Robins	RCP Support	Observer
Sandra Ng Wing Lit	RCP Support	Observer
Adnan Hayat	RCP Support	Observer

Apologies	From	Comment
Andrew Everett	Synergy	

Item	Subject	Action
1	Welcome The Chair opened the meeting at 9:30 AM and welcomed members and observers to the 11 February 2020 MAC meeting.	
2	Meeting Apologies/Attendance The Chair noted the attendance as listed above.	
3	Minutes of Meeting 2019_11_26 Draft minutes of the MAC meeting held on 11 February 2020 were circulated on 3 March 2020. The MAC accepted the minutes as a true and accurate record of the meeting. Action: RCP Support to publish the minutes of the 11 February 2020 MAC meeting on the Rule Change Panel's (Panel) website as final.	RCP Support

Item	Subject	Action
4	Action Items	
	<p>The closed action items were taken as read.</p>	
	<p>Action 27/2019: Ms Sara O'Connor confirmed that the ERA would provide its position on whether it should be assigned responsibility under the Market Rules for setting document retention requirements and confidentiality statuses in six months.</p>	
	<p>Action 28/2019: Open.</p>	
	<p>Action 2/2020: Mr Dean Sharafi noted that there is no associated Dispatch Instruction if the output of a Facility is reduced by the GIA tool. Dispatch under the GIA tool is subject to the contracts between Western Power and the relevant Market Participants, and AEMO has no visibility of these contracts, so AEMO does not calculate what a Facility would have generated in the absence of a Dispatch Instruction. It would need to be specified in the Market Rules if the intention was for AEMO to calculate an estimate under these circumstances.</p>	
	<p>Mr Martin Maticka noted that AEMO has undertaken some basic modelling of the impact of situations where Intermittent Generators are asked to ramp down just prior to the start of a Triggering Outage¹ on the relevant level calculation for that Facility. AEMO assumes, based on its modelling, that the financial impact for the Market Participant would be negligible (e.g. around \$100 for a solar or wind farm with a nameplate capacity of 100 MW).</p>	
	<p>Ms Jenny Laidlaw noted that she had been advised by AEMO that sometimes Intermittent Generators were asked to shut down more than one Trading interval before a Triggering Outage. Mr Maticka noted that he was not sure if that information may relate to different reasons for shutting down an Intermittent Generator and noted that AEMO and RCP Support would discuss this issue further outside of the MAC meeting.</p>	
	<p>Ms Laidlaw noted that it appeared that the GIA contracts were affecting how Facilities were treated in the case of planned Network Outages and questioned why a Facility connected under a GIA contract would not be dispatched under the Market Rules in the case of a Triggering Outage. Ms Laidlaw noted that she would clarify this issue with AEMO outside of the MAC meeting and report the result to the MAC.</p>	

¹ For the context of the MAC discussion, a 'Triggering Outage' is an outage of Network equipment that reduces the energy a Facility can provide to the SWIS.

Item	Subject	Action
5	MAC Market Rules Issues List (Issues List) Update	
	<p>The MAC noted the recent updates to the Issues List.</p> <p>The MAC agreed that issue 52 (North Country Spinning Reserve) should be closed given that AEMO and ETIU are developing a Rule Change Proposal to address the issue. Mr Aden Barker noted that ETIU will continue to advise the MAC on the progress of that rule change.</p>	
6	Update on the Energy Transformation Strategy (ETS)	
	<p>Mr Aden Barker provided the following updates on the ETS.</p> <ul style="list-style-type: none"> • The status of the Distributed Energy Resources (DER) Roadmap has not changed since the last MAC meeting. ETIU anticipated that the DER Roadmap would be considered by Cabinet shortly. • Mr Miles Jupp would provide a presentation regarding the Whole of System Plan (WOSP) under agenda item 9. • In regard to the Improving Connection to Western Power's Network project, the intention is to not defer the 2020 Reserve Capacity Cycle, and for the Network Access Quantities (NAQ) to apply from the 2021 Reserve Capacity Cycle. This was advised at the last Transformation Design and Operation Working Group (TDOWG) meeting and would be considered by the Energy Transformation Taskforce (Taskforce) at its meeting planned for 27 March 2020. An information sheet would be published subsequent to the Taskforce meeting, <ul style="list-style-type: none"> The Taskforce would also consider the Generator Performance Standard (GPS) that had been discussed at the last TDOWG and in meetings with Market Participants. This would be including the drafting for moving the GPS into the Market Rules. More information on that subject would be published following the Taskforce meeting. Monitoring and compliance more generally would be discussed at the next Taskforce meeting in April 2020. • The next TDOWG was planned for 7 April 2020. The Taskforce was planning to discuss monitoring and compliance as well as the rule drafting plan and the timing for consultation. The Taskforce had commenced the development of the drafting instructions and the Market Rules. The aim was to consult for at least four weeks on the Market Rules including discussions at TDOWG meetings. 	

Item	Subject	Action
	<ul style="list-style-type: none"> • The Taskforce had published information papers to guide the drafting of the Market Rules in relation to: <ul style="list-style-type: none"> ○ outage planning and management; ○ operating states and contingency events framework; and ○ the registration and participation framework. • The WEM Reform Implementation Group (WRIG) had been formed to develop a Joint Industry Plan that would contain the actions for AEMO, Government and industry to prepare for commencement of new market arrangements in 2022. The first WRIG meeting was held on 17 March 2020 via WebEx to discuss which systems would require replacement or refurbishment and how AEMO was planning to decide whether to refurbish or replace a system. At this stage, ETIU was planning to hold monthly WRIG meetings. A meeting invite for the next meeting would be send out soon. • Regarding the North Country Spinning Reserve issue, ETIU was planning to provide an update about the approach to solve the issue at the next MAC meeting and have a rule change in by mid-2020. • Mr Daniel Kurz noted that at the last WRIG meeting there was a consensus from Market Participants that they would need the ‘next level down’ detail for the different market mechanisms to be able to determine what they need to do. Mr Kurz asked if that detail could be provided. Mr Barker noted that the plan was to discuss this level of detail at the upcoming WRIG and that ETIU was also happy to meet individually with Market Participants. 	
7	<p>AEMO Procedure Change Working Group (APCWG) Update</p> <p>Mr Sharafi noted that the next meeting of the APCWG was tentatively scheduled for 7 April 2020 and would be held as a virtual meeting on WebEx. The topics would include:</p> <ul style="list-style-type: none"> • Reserve Capacity Testing; • Market Procedure: Facility Registration, De-Registration and Transfer; and • the Procedure Change Proposal for the Market Procedure: Certification of Reserve Capacity. 	

Item	Subject	Action
	<p>The Chair noted that 7 April 2020 was also the date Mr Barker (who had just left the meeting) had indicated for the next TDOWG meeting. Mr Sharafi noted that he would coordinate with Mr Barker.</p> <p>Mr Sharafi noted that the next Procedure Change Proposal that would be published would be on the revision to the Balancing Market tie-breaker process that involved changes to the Market Procedure: Balancing Market Forecast and the Market Procedure: Balancing Facility Requirements. Mr Sharafi noted that these changes had been discussed at the last APCWG held on 20 February 2020 and are a priority for AEMO as a result of the COVID-19 pandemic.</p> <p>Mr Maticka noted that the Procedure Change Proposal on the Market Procedure: Reserve Capacity Testing was out for consultation until 9 April 2020. Mr Maticka asked MAC members and observers to let AEMO know as soon as possible if they needed more time for their submissions.</p>	

8(a) Overview of Rule Change Proposals

The MAC noted the overview of Rule Change Proposals.

The Chair advised that since the circulation of the papers on 17 March 2020, the Draft Rule Change Report for RC_2019_04 had been published on 20 March 2020; and that RCP Support may publish an addendum to the Draft Rule Change Report, in which case stakeholders would be notified by email to the RulesWatch mailing list.

The Chair advised that since the circulation of the papers, the Minister had approved the Amending Rules for RC_2020_01 (Market Participant Fee calculation manifest error) which would commence on 30 March 2020.

The Chair noted that, following the last MAC appointment process, there were two vacant Market Customer representative positions for which the Panel was currently seeking nominations.

Mr Maticka noted that Market Participants may have difficulty responding to the current Rule Change Proposals and that the Panel should consider deferring some of the timelines. The Chair asked MAC members and observers to notify the Rule Change Panel as early as possible if they needed any extensions.

8(b) RC_2019_01: The Relevant Demand calculation – Next Steps

The Chair noted that, according to the prioritisation framework, RC_19_01 was the next proposal to be processed.

Item	Subject	Action
	<p>The Chair noted that RCP Support has undertaken some preliminary investigation of different types of dynamic baselines as provided in the paper and that the next step for this Rule Change Proposal is to organise a workshop to discuss the items listed in the paper. The Chair noted that given the COVID-19 pandemic, the Panel's other priorities, and the ETS, RCP Support was uncertain about the timing for the workshop; and was seeking feedback from the MAC about the content and timing of the workshop.</p>	
	<p>The Chair asked AEMO for feedback regarding the prioritisation of RC_2019_01. Mr Maticka advised that AEMO was currently very busy managing the changing operational environment from the COVID-19 pandemic and would not be able to contribute to a workshop at least until after Easter.</p>	
	<p>Ms Elisabeth Ross sought clarification that the content of the MAC workshop would not be limited by baseline approaches used by ERCOT. The Chair confirmed that the approaches considered would not be limited.</p>	
	<p>Ms Ross and Mr Peter Huxtable noted that it would be great if the rule change could be finalised in time to apply to the next Reserve Capacity Cycle.</p>	
	<p>Mr Huxtable suggested that verification methodologies and testing should be addressed in the workshop. The Chair noted that it would be challenging to finalise RC_2019_01 before the next Reserve Capacity Cycle.</p>	
	<p>Mr Geoff Gaston suggested that the workshop should consider the issue of 'double dipping' in regard to Market Participants reducing their Associated Loads' IRCR and increasing their Relevant Demand. Mr Gaston noted that the priority should be to get through the next six months before 'playing around the edges.</p>	
	<p>The Chair noted that it was possible to address the additional issues in the workshop or a subsequent MAC workshop.</p>	
	<p>Ms Jacinda Papps commented that some Market Participants would prefer that a Rule Change Proposal to address issues with the Relevant Level Methodology (RC_2019_03) should be finalised before the next Reserve Capacity Cycle.</p>	
	<p>The Chair noted that RC_2019_03 was still being developed and had not yet been submitted by the ERA. The ERA is waiting on ETIU for drafting on how it will implement the NAQ, so it would likely be several months until the Rule Change Proposal is submitted. The Chair noted that, based on Panel's 'Framework for Scheduling and Prioritisation' RC_2019_01 would be prioritised over RC_2019_03 if RC_2019_03 is given a</p>	

Item	Subject	Action
	<p>Medium urgency rating because RC_2019_01 has a Medium urgency rating and has already been submitted. The Chair noted that the Government could always advise the Panel if it believes that RC_2019_03 should have a higher priority.</p> <p>Ms Wendy Ng indicated that she considers that RC_2019_03 should have higher priority than RC_2019_01. Ms Ng suggested that RC_2019_01 should not be prioritised because it could not be processed before the next Reserve Capacity Cycle on 1 May 2020.</p> <p>Ms Ross clarified that the changes should commence not for the upcoming Reserve Capacity Cycle, but the one after that for which submissions were due in June 2021, and that every delay was potentially delaying the commencement of the changes by another Capacity Year.</p>	<p>Action: RCP Support and AEMO to prepare a MAC Workshop regarding RC_2019_01.</p> <p>RCP Support, AEMO</p>

9 Update on the Whole of System Plan

Mr Jupp provided a presentation of the resource planning model for the WOSP.

The resource planning model was used to look at the current network configuration, its transfer limits and the current generation fleet; as well as the additional available generation technologies and network augmentations that may be required or suggested by the resource planning model to meet the four demand scenarios. The resource planning model also accounts for Essential System Services (**ESS**) requirements.

The model is going through every hour for the 20 years of the period to solve the lowest system cost. The simulation time is 15 hours without ESS constraints and up to 90 hours with ESS constraints.

The simulation outcomes showed a large amount of gas generation in the areas surrounding the metro areas for the high demand scenarios. The model was considering combined cycle gas turbines and open cycle gas turbines, and based on stakeholder feedback, also reciprocating engines.

ETIU is currently running the model and discussing the results weekly. This allows Western Power to look at network augmentation recommendations, AEMO to look at ESS requirements, and ETIU to look at different types of generation and storage.

In parallel, ETIU is building a dispatch model that will need the constrained equations Western Power is currently developing.

Item	Subject	Action
	<p>Mr Huxtable asked if the resource planning model was taking into account demand side management. Mr Jupp confirmed that it did.</p> <p>Ms Ng asked how network upgrades proposed by the resource planning model would be reflected in the dispatch model. Mr Jupp clarified that proposed network upgrades would be discussed with Western Power and that constraint equations would be updated to reflect the outcome of these discussions.</p> <p>Mr Tom Froid asked if ETIU expected delays due to the COVID-19 pandemic. Mr Jupp answered that no delays were currently anticipated.</p> <p>Mr Huxtable noted that Mr Jupp had referred to the uptake of combined cycle gas turbines and expressed concern that these facilities were not suited to provide the load following required with the anticipated penetration of renewable energies. Mr Jupp noted that ETIU was taking this into account when assessing the outcomes of the model. There was some discussion about which gas fired power station could provide ESS and Mr Jupp confirmed that this would be reflected in the assessment.</p>	

10 Proposed Changes to the Rule Change Panel Appointment Process

The Chair sought the MAC's view about the changes that EPWA was proposing to the Panel appointment process.

Mr Martin noted that the intention of the proposed changes was to be able to appoint Panel members that are based in WA and to have these members as free from conflict of interest as possible. Mr Martin noted that EPWA was happy to extend the timeline for submissions on the proposed changes if required. Mr Kurz noted that he would welcome an extension until next week. Mr Martin agreed that he would extend the timeline accordingly.

Mr Sharafi noted that AEMO would make a submission. Mr Sharafi noted that AEMO considered that no more than one member should be employed by the same party and questioned why AEMO employees were explicitly excluded from being on the Panel.

Mr Sharafi noted that there was previously a perceived conflict of interest for the market operator to also be the rule maker, but AEMO considered that the conflict of interest would disappear if AEMO was only one of five Panel members. Mr Sharafi noted that AEMO is the only organisation that probably does not have any financial interest in the outcome of Panel decisions.

Item	Subject	Action
	<p>Mr Huxtable noted that it is important that there is a balance of membership so that there would not only be employees of similar parties (e.g. not only public servants).</p> <p>Mr Ian Porter noted that there should be a balance in membership and a balance in the quorum.</p> <p>Mr Martin noted that the aim was, that where a Panel member had a conflict of interest regarding an issue considered by the Panel, that member would have to absent themselves from discussion of that item. The Chair noted that this was consistent with the Panel's current practice. The Chair asked if that meant that any Panel member that was employed by AEMO, Synergy or Western Power would have to absent itself from the discussion of the majority of Rule Change Proposals. Mr Martin agreed and noted that therefore the aim was to appoint Panel members that would be as free of conflict of interest as possible.</p> <p>Mr Porter noted that he considered that AEMO was probably the least conflicted party. Mr Martin noted that EPWA's view was that AEMO would be conflicted whenever a Rule Change Proposal affected AEMO's operations. Mr Sharafi noted that AEMO considered that it would not be conflicted in that case.</p> <p>Ms Papps noted that Alinta would also make a submission.</p>	
11	<p>General Business</p> <p><u>Discussion of stakeholders' measures to manage their business through the COVID-19 pandemic</u></p> <p>MAC members and observers discussed the measures they were taking to deal with the COVID-19 pandemic and the challenges that they were facing.</p> <p>The Chair noted that RCP Support had started to work from home a week ago and that this did not have any significant impact on the team's work. RCP Support can still be contacted via email, mobile phone and landline.</p> <p>Mr Sharafi noted that AEMO staff was working from home except for staff that must be in the office (e.g. controllers). The controllers were working from to different control centres. Mr Sharafi noted that AEMO did not expect any long term effect on its functions but that its current stakeholder engagement was affected.</p> <p>Mr Martin noted that the EPWA team was currently partially working from home and that EPWA was engaging with stakeholders to inform Government how the sector was dealing with the situation.</p>	

Item	Subject	Action
	<p>Mr Kurz noted that Bluewaters and NewGen Kwinana had implemented an isolation policy for the operations teams in the control rooms to ensure that handovers are done virtually, and maintenance teams were separated from operation teams. Furthermore an A and B team position was established for head office staff, where each staff member or role has effectively got a primary person and a backup person.</p>	
	<p>Mr Papps noted that Alinta had implemented voluntary homebased work and was currently working out if the call centre could be moved to home based work. Ms Papps noted that Alinta has national operations and that border controls were causing problems for maintenance teams, so some of the office-based engineers may be brought in for these duties.</p>	
	<p>Mr Froud notes that Bright Energy had implemented homebased work for all office worker and had restricted access to sites and reduced unnecessary travel. Mr Froud noted that there may be delays in commissioning Greenough Solar Farm and the Warradarge Wind Farm (e.g. it was unclear if construction was currently allowed to continue).</p>	
	<p>Ms Ng noted that ERM had just directed its staff to work from home if possible and had implemented two shifts for site-based operators.</p>	
	<p>Mr Gaston noted that the Change Energy team could work from anywhere and was currently working from home. Mr Gaston flagged that the retailers were currently holding the credit risk and that retailers other than Synergy should be included in any Government conversations on how to deal with business customers that cannot pay.</p>	
	<p>Ms Jo-Anne Chan noted that most of Synergy's staff was working from home and that workers that must work on site were required to abide by social distancing obligations. Ms Chan noted that Synergy was considering setting up camps at the generation sites.</p>	
	<p>Ms Zahra Jabiri noted that Western Power had implemented homebased work were possible, that crews were being localised to regions, and that controllers were operating from different locations.</p>	

The meeting closed at 11:30 AM.