



**Energy Transformation  
Taskforce**

# A Brighter Energy Future

Newsletter  
Issue 3 – September 2019

## **In this issue...**

- Welcome from the Chair of the Energy Transformation Taskforce
- Taskforce meeting outcomes
- Amended Regulations to facilitate reform
- Our latest publications
- Upcoming events

# Welcome from the Chair of the Energy Transformation Taskforce



Welcome to the third issue of *A Brighter Energy Future*.

A lot has happened since the publication of the second edition of our newsletter, both with regard to the work of the Energy Transformation Taskforce and the broader energy sector.

Of particular note is the establishment of Energy Policy WA as the agency responsible for the provision of energy policy advice to the Minister for Energy and Government more broadly.

Since 2012, the energy portfolio has been administered by central Government agencies – first the Department of Finance and subsequently the Department of Treasury.

The establishment of Energy Policy WA as a standalone sub-department of the Department of Mines, Industry Regulation and Safety, with direct reporting to the Minister for Energy, is proof of the importance of the energy portfolio to the Western Australian Government.

As many of you would know, Kate Ryan has been appointed as inaugural A/Executive Director of Energy Policy WA. In this role, Kate will continue to oversee the work of the Energy Transformation Implementation Unit (the Implementation Unit), taking full advantage of synergies identified with other areas of work being carried out by Energy Policy WA.

Since our last newsletter, we have also seen a change in the membership of the Energy Transformation Taskforce. Earlier this month we farewelled Zaeen Khan and welcomed Kate Ryan as a Member of the Taskforce in her capacity as A/Executive Director of Energy Policy WA.

Whilst I fully support the new administrative structure for Energy Policy WA, it is important to note that the Energy Transformation Taskforce will continue to operate under its existing governance arrangements, including its direct reporting to the

Minister for Energy through myself, as independent Chair.

The Implementation Unit (now part of Energy Policy WA) will also remain dedicated and fully focused on supporting the Taskforce in the delivery of the Energy Transformation Strategy.

As we approach the scheduled date for completion of our first major deliverable – the Distributed Energy Resources Roadmap – I think we are making good progress in firming up the policy positions and recommendations to be included in the document. We are also on track with the delivery of our work program more broadly.

Consistent with our commitment to consultation, we will be holding an industry forum on the Roadmap towards the end of October. More information on this event will be available shortly on our new website ([www.energy.wa.gov.au](http://www.energy.wa.gov.au)).

On 27 September, at the next meeting of the Transformation Design and Operation Working Group, energy sector stakeholders will also have an opportunity to engage with the team on the proposed design of the Reserve Capacity Mechanism under a constrained network access model, as well as the framework for the delivery of non-frequency control services in the Wholesale Electricity Market (WEM).

I look forward to providing you with further information on our progress in delivering the Energy Transformation Strategy at the next issue of *A Brighter Energy Future*.

A handwritten signature in blue ink, appearing to read 'Stephen Edwell', written in a cursive style.

**Stephen Edwell**  
Chair  
Energy Transformation Taskforce

# Taskforce meeting outcomes



**The Energy Transformation Taskforce has held one formal meeting since the publication of the second issue of *A Brighter Energy Future*.**

**Meeting 5, 2019  
Held on 23 August 2019**

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## **Distributed Energy Resources**

The Taskforce was provided with an update on the progress made in developing the Distributed Energy Resources Roadmap, which is on track for completion by December 2019.

The Taskforce was also informed of the outcomes of consultation conducted across the sector, including through one-on-one meetings, the project working group, and the industry workshop held on 30 July 2019. Feedback gathered through the consultation process is being incorporated into the Roadmap, as it is developed.

## **Delivering the Future Power System**

With regard to the modernisation of the WEM, the Taskforce endorsed:

- the technical framework for the supply of Frequency Control Essential System Services;

- the acquisition, cost recovery and governance arrangements for the provision of Frequency Control Essential System Services; and
- the framework for the development, use and regulation of constraint equations (mathematical formulae to reflect the physical limits of power system elements, such as transmission lines).

The Taskforce endorsed the publication of information papers on these components of the design of the new WEM.

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**The Taskforce is scheduled to hold its next formal meeting (Meeting 6, 2019) on 20 September 2019.**

# Amendment Regulations will facilitate timeliness of reform

## The Executive Council approves regulations to facilitate the implementation of the Energy Transformation Strategy.

On 17 September 2019, the Executive Council approved amendments to the Electricity Industry (Wholesale Electricity Market) Regulations 2004.

The amendments will enable a more efficient rule-making process for the WEM Rules during the implementation of the State Government's Energy Transformation Strategy.

The amendments will provide the Minister for Energy with temporary powers to make, amend or repeal individual WEM Rules without having to repeal and replace the entire WEM Rules, as has been the case to date.

This will facilitate a more time and cost-efficient process to make WEM Rule changes relating to various elements of the Energy Transformation Strategy.

The Taskforce will consult with industry on exposure drafts of amending rules.

The temporary rule-making powers will expire on 1 July 2021, shortly after the term of the Taskforce ends.

The cessation of temporary rule-making powers will not affect the Minister for Energy's existing powers to repeal and replace the entire WEM Rules.

The Amendment Regulations will also remove the outdated, administratively burdensome and error-prone requirement to publish WEM Rules made by the Minister for Energy in the Government Gazette.



The amendment of regulation 6(6) will allow for WEM Rules made by the Minister for Energy to be published on the Economic Regulation Authority's (Authority) website, rather than in the Government Gazette. Current versions of the WEM Rules are already published on the Authority's website.

The amendments include a requirement to publish a notice in the Government Gazette to notify that the Minister for Energy has made or amended the WEM Rules and to provide a reference to the website where the amended Rules are available. This will maintain public visibility of changes to the WEM Rules initiated by the Minister for Energy.

# Our latest publications

The following publications are now available on the Energy Transformation website – [www.energy.wa.gov.au](http://www.energy.wa.gov.au)

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## Whole of System Plan

- *Whole of System Plan Modelling Scenarios* – Information paper on Taskforce decision

## Delivering the Future Power System

Information papers outlining Taskforce decisions on the following.

- *Frequency Control Technical Arrangements*
- *Frequency Control Essential System Services: Acquisition, Cost Recovery and Governance*
- *Governance Framework for Constraint Equations*

## Transformation Design and Operations Working Group – Meeting of 12 August 2019

- *Minutes*
- *Presentation*

## Upcoming publications

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### Program Management

- *Energy Transformation Strategy Program Implementation Plan*

### Whole of System Plan

- *Foundation Settings for Market Settlement* – Information paper

### Newsletter

- *A Brighter Energy Future* – Issue 4

## Upcoming events



Date	Event
<b>20 September 2019</b>	Energy Transformation Taskforce Meeting 6, 2019
<b>27 September 2019</b>	Transformation Design and Operation Working Group Meeting
<b>10 October 2019</b>	Program Implementation Coordination Group Meeting
<b>18 October 2019</b>	Energy Transformation Taskforce Meeting 7, 2019
<b>29 October 2019</b>	Strategic Consultative Group Meeting
<b>End October 2019</b>	Distributed Energy Resources Stakeholder Information Session

To stay up to date, contact us at [energytransformation@energy.wa.gov.au](mailto:energytransformation@energy.wa.gov.au)