



A Brighter Energy Future

Newsletter
Issue 8 – August 2020

In this issue...

- Update from the Chair of the Energy Transformation Taskforce
- Spotlight: Whole of System Plan – preliminary findings
- Energy Transformation Taskforce meetings
- Upcoming events

Update from the Chair of the Energy Transformation Taskforce



In this edition:

- Whole of System Plan – preliminary findings presented at industry forum
- Release of the Amending Rules to WEM
- Update on Improving Access to SWIS
- Update on DER Register



Whole of System Plan Preliminary Findings

Virtual Industry Forum
31 July 2020

Welcome to issue eight of *A Brighter Energy Future*.

The Taskforce is now well into the second year of implementation of the Government's Energy Transformation Strategy.

It has certainly been a very busy couple of months for the Energy Transformation team and our implementation partners.

In this newsletter, I am pleased to report on a range of highlights and key achievements proving we are well on track in delivering the Energy Transformation Strategy within the Government's timelines:

- The 36 DER Roadmap actions are being progressed.
- We are making good progress in developing new Rules for the Wholesale Electricity Market and will provide the Minister with a set of Rules for the new WEM by November 2020.
- We are well advanced in developing the Whole of System Plan (WOSP) for presentation to the Minister in September.

Whole of System Plan

Recently, we hosted a virtual forum providing a sneak peak of the preliminary findings of the Whole of System Plan. We were blown away by the strong interest with over 350 registered participants and the wide-ranging questions and I thank everyone for their participation.

Comprehensive work has been undertaken considering the output from the WOSP modelling and the Taskforce is on track to finalise the Whole of System Plan for presentation to the Minister in September. Subject to Government process, we anticipate the Minister releasing the Report in October.

I would also like to thank stakeholders who submitted comments on the Consultation Paper: [Energy Transformation Strategy Access Code Change](#). Ten public submissions were received which are currently being reviewed and a consultation summary paper will be published in late August.

Delivering the Future Power System

We are developing a new set of Rules for the WEM in 5 tranches, with the first 3 tranches - comprising the bulk of the new rules – to be submitted to the Minister for Energy for making by the end of November.

A significant achievement in July was the release of the first tranche of exposure draft Amending Market Rules. This is a comprehensive package of rule amendments covering over 400 pages and consultation with industry is currently underway with submission for comments closing 28 August 2020.

The release of tranche 1 marks the culmination of extensive policy design work and industry consultation over 2019-20. It reflects Taskforce decisions and related consultation with the Transformation Design and Operational Working Group (TDOWG) members on:

- Foundation Market Parameters, such as the introduction of a security-constrained market design, facility bidding for all market participants, co-optimisation of energy and frequency control Essential System Services (ESS). This also includes a range of secondary market design settings, such as the retention of the Short-Term Energy Market;
- a new framework for specification and acquisition of frequency control ESS, including the new Supplementary ESS Procurement Mechanism;
- a revised Frequency Operating Standards, Operating States and Contingency Events framework;
- scheduling and dispatch processes for energy and ESS in the new WEM; and
- a regulatory framework for revised Generator Performance Standards for the SWIS to be implemented through the WEM Rules.

Next steps

Following the consultation currently underway, next steps for developing the new WEM is the development of a tranche 2 pack in September and tranche 3, dealing mainly with the Reserve Capacity Mechanism, in late October.

The first package of Amending Rules is intended to be presented to the Minister for Energy for making and gazettal in October 2020.

Our aim is the development of a new WEM that is robust, flexible and capable of responding effectively to changing power system needs and accommodating new technologies with efficient market outcomes.

We encourage stakeholders to submit their comments on the Amending Rules by close of business 28 August to:

energytransformation@energy.wa.gov.au

To find a copy of the Amending Rules visit:

[Energy Transformation Taskforce Consultations](#)

Improving access to the Western Power Network

In June the paper [Storage Participation in the Reserve Capacity Mechanism](#) was published. This paper sets out key design parameters for the way that storage facilities will participate in the Reserve Capacity Mechanism (RCM), primarily regarding certification capacity value of large-scale storage facilities, availability obligations and treatment of hybrid facilities.

The Taskforce is currently considering other elements of the overall design following ongoing consultation with participants. It is intended that amendments to implement these decisions will be made to the WEM Rules in the tranche 3 amendments referred to above.

Work also continues drafting instructions to create amending rules to implement the Network Access Quantities (NAQ) framework as part of the changes to the assignment of Capacity Credits under the RCM. We have also been examining the consequential changes to the RCM as a result of the implementation of the new security constrained economic dispatch market arrangements. We plan to release an information paper on the overall NAQ regime, ahead of the formal release of the Amending Rules for consultation in late September.

In addition, work is also underway to update Western Power's connection and access documents and instruments, such as its standard access contract and the applications and queuing policy to reflect the new constrained access model. We expect these to be included in the tranche 3 of the Amending Rules.

Distributed Energy Resources

I am pleased to report that the WEM Rules have now been amended to facilitate a register of Distributed Energy Resources (DER) devices in the SWIS.

The WA register was approved by the Taskforce earlier this year, and then required WEM Rules amendments to create the regulatory requirements for establishing the register. This included a public consultation period. The information paper [DER Roadmap Implementation WEM Rule Change](#) was published at the end of June 2020. The WEM Rules came into effect on 1 July 2020.

The Energy Transformation Implementation Unit is now supporting AEMO and Western Power in the development of systems and processes to establish the SWIS DER Register.

In the next edition, I'm hoping we can provide an update on the Orchestration Pilot, which is a flagship project of the Strategy to undertake an end to-end test of DER integration and market participation.

Stakeholders consultation

Thank you to our stakeholders for your continued support. Consultation with industry, government and consumer stakeholders continues to be critical in ensuring the successful delivery of the Energy Transformation Strategy.

Thank you also to the team in the Energy Transformation Implementation Unit and our program partners, AEMO and Western Power for the tremendous effort so far.

If you wish to contact the Energy Transformation Taskforce please email: energytransformation@energy.wa.gov.au

New office location

Whilst many of our meetings and industry forums are being held virtually due to COVID-19, most of our staff are now back to working in the office.

In early June, the Energy Transformation Taskforce and the Energy Transformation Implementation Unit moved to a new office with Energy Policy WA.

We look forward to seeing you in our new premises at Level 1, 66 St Georges Terrace, Perth.

Stay safe!



Stephen Edwell
Chair
Energy Transformation Taskforce

Spotlight: Whole of System Plan – preliminary findings

Virtual forum generates strong interest for the preliminary findings on WOSP.

On 31 July 2020, the Energy Transformation Taskforce hosted a virtual industry forum about the preliminary modelling outcomes and findings of the inaugural Whole of System Plan (WOSP) for the South West Interconnected System (SWIS).

The WOSP involves modelling of the SWIS power system to ascertain the lowest system cost generation capacity mix across four future state scenarios. Over 350 attendees registered to receive a sneak peek of the preliminary modelling outcomes.

Key speakers included:

- Jai Thomas, Program Director of the Energy Transformation Implementation Unit facilitated the event.
- Stephen Edwell, Chair of the Energy Transformation Taskforce Chair presented opening remarks and provided an update on the broader Energy Transformation Strategy.
- Miles Jupp, the WOSP Project Lead provided a recap on the demand scenarios: Cast Away; Groundhog Day; Techtopia; and Double Bubble. This was followed by an outline of the modelling approach, including the commercial assessment test and essential system services and the key themes from the modelling.

The event was capped off with an engaging Q&A panel discussion, which included representatives from EY, AEMO and Western Power.



Group photo of the WOSP Team

About the WOSP

The WOSP considers what the SWIS might look like under four different demand scenarios involving different technology and economic growth pathways. Additionally, it looks at the most efficient investments that would keep the lights on and the system secure.

It involves detailed modelling to present a view on the optimal mix of large-scale generation, storage and transmission network infrastructure, including location and timing of new entry, that may be required to meet that level of electricity demand over the next 20 years at the lowest overall system cost.

Next steps

Work is currently underway drafting the Whole of System Plan report.

In late August we will seek final Taskforce signoff on the Whole of System Plan and then provide the report to the Minister for Government consideration and release later in the year. We look forward to sharing our findings.

Energy Transformation Taskforce meetings



Previous meetings

The Taskforce has held two formal meetings since the publication of the seventh issue of *A Brighter Energy Future*.

Meeting 6, held on 19 June 2020

Meeting 7, held on 24 July 2020

Meeting 8, held on 7 August 2020

Meeting 9, held on 21 August 2020

Publications and consultations

To view Taskforce publications, such as our Information Papers and previous newsletters, visit our website:

<https://www.wa.gov.au/government/document-collections/taskforce-publications>

To view open and previous consultations with stakeholders visit:

<https://www.wa.gov.au/organisation/energy-policy-wa/energy-transformation-taskforce-consultation>

Upcoming meetings

The Taskforce is scheduled to hold its next formal Meeting 10 on Friday 18 September 2020.

Upcoming events



Date	Event
26 August 2020	Transformation Design Organisation Working Group (TDOWG) Meeting 21 <ul style="list-style-type: none">• Scheduling and Dispatch
27 August 2020	Wholesale Electricity Market (WEM) Reform Implementation Group (WRIG) Meeting 4
28 August 2020	Transformation Design Organisation Working Group (TDOWG) Meeting 22 <ul style="list-style-type: none">• DER Orchestration information session• RCM update
10 September 2020	Program Implementation Coordination Group Meeting 9

To enquire about upcoming events email: energytransformation@energy.wa.gov.au