



Minutes

Transformation Design and Operation Working Group – Meeting 14

Time: 2:00pm – 5:30pm
Date: 16 June 2020
Venue: Online meeting via teams

Attendees:

Name	Organisation	Name	Organisation
Aden Barker	ETIU	Katie Franklyn	Tersum Energy
Aditi Varma	ETIU	Kirk Reeve	Alinta Energy
Adnan Hayat	RCP Support	Laura Koziol	RCP Support
Antonia Cornwell	Synergy	Lauren Zambotti	MinterEllison
Arthur Panggabean	AEMO	Marc Hettler	Perth Energy
Ash Raj	ETIU	Mark Riley	AGL
Brad Huppatz	Synergy	Mark Timson	Energy-Tec
Brendan Fidock	Synergy	Matt Knox	MinterEllison
Bronwyn Gunn	ETIU	Mena Gilchrist	ETIU
Brooke Eddington	ETIU	Natalia KostECKI	AEMO
Clayton James	AEMO	Natalie Robins	ERA
Dan Mascarenhas	AGL	Oscar Carlberg	Alinta Energy
Dale Waterson	Palisade IMS	Paul Arias	Bluewaters
Dora Guzeleva	ETIU	Peter Huxtable	Water Corporation
Elizabeth Aitken	Perth Energy	Rebecca White	ETIU
Erin Stone	Point Global	Rhiannon Bedola	Synergy
Gavin White	ERA	Ross Davies	Western Power
Glen Carruthers	Western Power	Sabina Roshan	Western Power
Graham Miller	AEMO	Sara O'Connor	ERA
Jake Flynn	ERA	Sarah Rankin	Moonies Hill Energy
Jas Bhandal	AEMO	Shannon	HSBSC
Jason Froud	Synergy	Steve Gould	Community Electricity
Jenny Laidlaw	RCP support	Teresa Smit	AEMO
Jo-Anne Chan	Synergy	Tom Froud	Bright Energy Investments
Joel Earnest	Dept of Treasury	Victor Francisco	Power Systems Consultants
John Lorenti	Synergy	Vincent Blondeau	Kleenheat
Josephine Nga	AEMO	Wendy Ng	ERM
Judy Hunter	Western Power	Winston Cheng	AEMO
Justin Ashley	Synergy		

Meeting minutes should be read in conjunction with meeting slides.

Item No.	Issue
Slide 1	<p>Mena Gilchrist (MG) (Chair) from ETIU opened the meeting and thanked participants for their interest in draft Chapter 3A. MG outlined how the page turn will be conducted, with an overview of 3A provided in slides, followed by a section-by-section review of changes to Chapter 1 and 2, as well as the new proposed Chapter 3A. MG will provide an overview of each section before taking questions.</p>
Slide 2	<p>MG outlined the framework for Chapter 3A, which includes a new Appendix 12 of technical standards, and three new procedures.</p> <p>An overview of transitional rules for existing generators was provided at the last TDOWG by Bronwyn Gunn, with the rules to follow.</p>
Slide 3	<p>MG explained the structure of Chapter 3A, including:</p> <ul style="list-style-type: none"> • A framework for the negotiation of generator performance standards (GPS) between a pre-stated ideal and minimum level. The ideal is to be the starting point, with justifiable variations permitted. Generators will work directly with Western Power, but there is a requirement for AEMO to be consulted on all standards below the ideal level, with the agreement of both Western Power and AEMO required on all negotiated standards. • A centralised register of GPS for all generators connected to Western Power's network, with minimum information requirements. • A framework for generators to self-monitor performance in accordance with a pre-approved self-monitoring plan. • A compliance framework consisting of mandatory requirements to report non-compliance, rectification plans for addressing early non-compliance (with limited immunity) and the application of civil penalty provisions for serious breaches. <p>Liz Aitken (LA) queried Western Power being the party responsible for the register. MG noted that this is because negotiated standards occur at the point of connection or changes to the connection, which is the responsibility of Western Power. AEMO and the ERA will be able to access the GPS Register.</p> <p>Mark Riley (MR) is concerned that there is not a clear hierarchy amongst the instruments giving effect to the framework. He is concerned that participants may not be able to meet the instructions of both AEMO and Western Power if their instructions conflict. MG noted that 3A specifies what happens in instances of conflict between instruments (the Wholesale Electricity Market (WEM Rules) prevails).</p> <p>Jenny Laidlaw (JL) queried how parties are held accountable to standards. MG and Clayton James (CJ) explained that the register will include information on the registered party accountable.</p> <p>Dan Mascarenhas (DM) queried whether 'justifiable variations' is a defined term. MG explained that it is not, however, the basis for variations is outlined in Chapter 3A.</p> <p>LA queried the term 'Transmission Connected Generating Systems'. MG noted that this is because the registration process is changing, but also that some participants who are not registered as generators may also be captured (i.e. loads). Transmission Connected Generating Systems is a defined term under 3A.</p> <p>LA expressed concern that distribution connections are not covered. MG explained that this is a prior Taskforce decision discussed at previous TDOWGs and is because the heads of power for the WEM Rules only permit generators that can affect power system security and reliability to be captured. Distribution connected generators will still need to comply with the Technical Rules, which include standards and a requirement for a monitoring program. LA is of the view that Western Power should be connecting storage to the distribution network under this framework and is concerned that connection under the Technical Rules will allow it to connect</p>

	without oversight. MG explained that her understanding is that Western Power cannot vary its obligations under the Technical Rules without the approval of the ERA.
Slide 4	MG explained the next steps, including consultation and approval processes.
	Commence page turn
Chapter 1 changes	<p>JL queried the way in which the Network Operator is contemplated in 3A. It exempts all network operators except Western Power, but allows for more than one in the future. JL is concerned that, if another network operator is captured under the framework, having the responsibility for the register with Western Power may not work.</p> <p>JL also queried the definition of the transmission system, wanting to ensure that it was clear we are referring to the SWIS. MG and Matt Knox (MK) agreed to consider further to ensure that the transmission network was firmly defined as applying to the SWIS.</p> <p>JL queried the potential for there to be multiple Technical Rules as there are other covered networks. MG agreed that this is the case, but that other covered networks would require a wider review of the WEM Rules, including Chapter 3A. MG agreed to consider references to Technical Rules to ensure that it could apply to future network operators, if there are such network operators captured under 3A in the future.</p> <p>LA queried Stand Alone Power Systems (SAPs). MG noted that, if they are to apply to a market participant and are connected to the transmission system, SAPs will be covered.</p> <p>MR pointed out a typo in section 1.xx.3.</p> <p>Rhiannon Bedola (RB) would like to be assured that consultation with industry on the procedures to be developed outside of the procedure process is conducted thoroughly. MG agrees that this is important and notes that the ETIU will also be involved in this process.</p> <p>MR queried whether GPS as an abbreviation should be defined separately outside of where it is used in other definitions such as 'GPS Register'. MG will consider whether GPS needs to be separately defined.</p> <p>RB asked that 'GPS Commencement Date' is moved to the top of the page.</p>
Chapter 2 changes	<p>JL queried 2.13.9C regarding references to other clauses that are 'subject to' in notifying the ERA. MG noted that these additional clauses provide further information on reporting requirements.</p> <p>JL noted typo in 2.18.1(f).</p> <p>LA queried the dispute process. MG clarified that these clauses are exempt from the disputes process.</p> <p>RB queried generator modifications in relation to the framework, and whether Western Power and AEMO could make a generator change its existing standards for the whole generator at this point. This is a particular concern where the modification relates to replacement equipment, which is not usually a choice for generators. RB is also concerned that the proposal to remove these negotiations from the disputes process could be unfair. ETIU will take these comments under consideration.</p>
Chapter 3 3A.1 General	<p>MR referred to 3A.1.3 regarding directions from AEMO and Western Power, which could be conflicting. MG explained that in cases of inconsistency between the Technical Rules and WEM Rules, the WEM Rules prevails, as specified in 3A.1.2. MR queried inconsistency with written law. MK provided an overview of how hierarchy is established between other instruments.</p> <p>RB queried 3A.1.1, with must comply at all times, with concerns that the generator may not be able to comply during outage. MK explained that the word 'applicable' would cover outages, where the requirement would be to comply with the conditions of the outage.</p>

<p>3A.2 Provision of Information</p>	<p>LA queried whether ‘reasonably required’ is defined. MG noted that it is not, but is a common term.</p> <p>MR queried additional work required for generators to liaise with both Western Power and AEMO. MG explained that the interaction is between the generator and Western Power was during connection and the generator and AEMO was post-connection. MR pointed out that the clause allows for Western Power and AEMO to both direct a generator post-connection. MG noted that this is a general clause and relates to AEMO and Western Power’s respective functions post generator connection, which is no different to how the situation currently works. CJ also noted that these are general clauses, but further in Chapter 3A there are more specific clauses about the provision of information between AEMO and Western Power.</p> <p>Antonia Cornwell (AC) queried whether timeframes are provided for the provision of information. MG responded that 3A does provide specific timeframes under the relevant sections.</p>
<p>3A.3 Exemption Transmission Connected Generating Systems</p>	<p>JL would like the costs of AEMO and Western Power to also be considered in the costs and benefits of exempting a generator. MG noted that the intention here is to provide guidance on things to consider with exempting, but the intention isn’t to undertake a robust CBA, it would be more of a high-level assessment.</p> <p>JL also queried the clauses that an exempt generator is exempt from. MG explained that the exemptions effectively cover all of 3A with the exception of the exemption framework itself and relevant generator modification, as these could be a trigger to revoke the exemption.</p> <p>JL queried whether exemptions would be public. MG noted that there isn’t an intention to do this. JL feels this would be a good idea for transparency, and MG agreed to consider.</p> <p>MR queried the exemption being by agreement with Western Power and AEMO, but the Network Operator is the party that revokes. MG explained that this is because Western Power is responsible for the connections framework. CJ also noted that the process for determining a Relevant Generator Modifications includes AEMO, with either party having the ability to agree that a Potential Relevant Generator Modification is a Relevant Generator Modification. MR is concerned that exemptions can be revoked without reason, but MG noted that there is a clear link to the generator undertaking a Relevant Generator Modification.</p> <p>AC queried whether partial exemptions can be provided. MG explained that this is not the intention, they can only exempt from all of 3A (with the exception of the exemption framework and the Relevant Generator Modifications). The exempt generator would then be required to go through the Technical Rules process.</p>
<p>3A.4 General Obligations on the Network Operator</p>	<p>LA would like to see 3A.4.3 be mandatory. MG noted that in regard to Appendix 12, we expect there to be only one to two standards that require additional guidance, she does not see the need to require guidance if this is not necessary. LA would still like to see guidelines on all standards, even if they just state that no additional information is needed. MG noted that guidelines allow for additional scope, and they sit outside of the framework, therefore they should only be by exemption. Where at all possible, industry should be permitted to be involved in the change management process, as under documents like procedures. LA would like to see Appendix 12 stating where guidelines are needed. MG agreed to look at this.</p> <p>JL queried who the model is provided to. MG noted that the model is provided to Western Power and then is placed in the register, which is also accessible by AEMO and the ERA. Ross Davies (RD) noted that the computer model is provided during the connections process.</p>
<p>3A.5 Generator Performance Standards for Transmission Connected</p>	<p>MG provided an overview of the section.</p> <p>LA queried whether Western Power can assess commercial feasibility. MG noted that this is really no different from the current situation. The onus is on the generator to provide rationale, and then on Western Power to provide reasons if it does not agree with that rationale. LA is concerned that this is not allowed to be disputed under the proposed framework and that these are on standards that are currently unknown. MG noted that the standards in Appendix</p>

<p>Generating Systems</p>	<p>12 are those outlined in the Generator Performance Guideline (GPG), with a couple of minor deviations, and that the GPG has been subject to extensive consultation and exist as a published document that is available online.</p> <p>DM queried how a generator, AEMO and Western Power agree a standard that is below the ideal. What happens when a standard is agreed, but after it is built it is unable to meet the standard. MG explained that this is covered under section 3A.11 but under this situation a generator can renegotiate with Western Power and AEMO if all parties agree to do so, or otherwise the they will need to make modifications to meet the agreed standard. RD noted that the intention in providing the computer model during the connection process is to assess the model of the generator with the agreed standards, so we should have a high level of confidence in the facility meeting those standards before it is energised.</p> <p>Industry queried who will be looking at Western Power’s ‘reasonableness’ with regard to references of Western Power ‘acting reasonably’. MG noted that under the new framework, Western Power is required to justify its rationale for rejecting standards. CJ also noted that the standards themselves are highly improved, with a negotiating range, which provides clarity for industry. LA believes that the ‘reasonableness’ of Western Power should be included in the disputes process. MR thinks having transparency in ‘reasonableness’ helps, but if the only option is to go to court, there is still a lot of leverage on one side. MR and LA believe the disputes process is more appropriate. MG noted that there is still an opportunity to amend the WEM Rules through the rule change process if Western Power is not acting reasonably over time, but will take under consideration.</p>
<p>3A.6 GPS Monitoring Plans</p>	<p>MR, LA and AC noted 2 days is not long enough to provide the outcomes of the monitoring plan. MG noted that this is after the monitoring has taken place, so this is just the outcomes. Notwithstanding, will consider allowing for additional time.</p> <p>MR noted that there are references to the generator providing information to more than one party. CJ noted that this is in reference to the ERA, AEMO and Western Power potentially asking for participants for data on the outcomes of the monitoring plan. MG noted that this is just the outcome of the monitoring plans and is unlikely that more than one party will request this, but even so, it will simply be sending them information that is already readily available from undertaking the plan. MG noted that in relation to 3A.6.12 there is a requirement to provide the monitoring plan to Western Power because they are responsible for the register. However, there might be the option for AEMO to provide this directly to Western Power.</p> <p>There was a general preference expressed by stakeholders for the ERA to be prevented from publishing information about the outcome of a monitoring plan or otherwise keeping the information confidential.</p>
<p>3A.7 GPS Register</p>	<p>MR noted that the register information is classed and Rule Participant Market Restricted, but the monitoring plan outcomes have not been classified in this way.</p> <p>JL queried why we chose Rule Participant Market Restricted. MG will get back to JL with the rationale.</p>
<p>3A.8 Commissioning, Interim Approval to Generate Notification and Approval to Generate Notification</p>	<p>LA clarified the order of commissioning plans and the Interim Approval to Generate. CJ confirmed that commissioning tests come first. LA queried how this works in relation to commissioning tests for part of their existing generator. CJ noted that they already have approval to generate so this section does not apply to them. MG noted that 3A.8.1 states that you cannot generate until you have either an Interim or Final Approval to Generate notification, which existing will generators already have.</p> <p>Tom Froid (TF) queried whether there is a lower limit under the WEM Rules whereby you don’t need approval to operate. MG clarified that if you are a market participant with a Transmission Connected Generating System you will be required to have an interim or final approval to operate notification.</p>

	<p>AC queried 'observed risks'. CJ clarified that this is based on observed performance with commissioning tests.</p> <p>AC queried whether 'immediately' in relation to a compliance issue can be replaced with 'as soon as practical'. MG noted that in compliance instances it is important to use 'immediately' as it is easier to determine than 'as soon as practical'.</p> <p>MR queried the party to immediately notify. This might be better with AEMO than Western Power. MG agreed to investigate this.</p> <p>Industry clarified whether 'immediately' under 3A8.5 applies to the notification or the sub-clauses. MG and CJ stated that it relates to the notification, ETIU will ensure this is clarified.</p> <p>MR queried whether the civil penalty provision applied to sub-clauses as well. MG confirmed that it does. After some discussion, industry indicated a preference for the civil penalty provision not to apply to the sub-clauses, given that there is the ability to revoke the Interim Approval to Generate notification on this basis.</p> <p>AC queried whether a level of reasonableness is applied to 'differ' from standards under 3A.8.9(a). MG noted that there is no buffer with compliance in relation to Registered Generator Performance Standards. Furthermore, this clause is only relevant where action is not being taken to address non-compliance.</p>
<p>3A.9 Testing and Compliance</p>	<p>No comments from stakeholders were made on this section.</p>
<p>3A.10 Reporting Obligations</p>	<p>MG provided an overview of the section.</p> <p>LA noted a reference error in clause 3A.10.8.</p> <p>A query was raised on clause 3A.10.6 and the ordering of reporting on non-compliance. Further queries were raised in relation to the drafting, which could imply that the ERA is advised of a non-compliance, even where a rectification plan is proposed, and potentially before the generator is advised of the non-compliance. MG noted that the ERA is always advised of non-compliance, even where a rectification plan is proposed, but it is not the intention for the ERA to be advised before the generator. MG will look to clarify the drafting. MR would also like to see all clauses around notification in one place.</p> <p>AC is of the view that 3A.10.7 and 3A.10.8 are very similar. MG will consider options to simplify section 3A.10.</p> <p>RB queried clause 3A.10.1 and the use of 'immediately'. MG noted that it has been intentional to use 'immediately' in relation to compliance clauses as this is a serious matter requiring urgent notification and is also easier to prove. MR noted that the wording of this clause is more aligned with what he is looking for with clause 3A.10.7.</p>
<p>3A.11 Rectification Plans</p>	<p>RB requested that any reasons for rejecting a plan is passed onto recipients under clause 3A.11.7.</p> <p>MR requested that communication requirements in this section are consolidated.</p> <p>AC requested that 2 business days is changed to 5 business days under 3A.11.11(b). MG agreed to consider amendments to this section but noted that we are in a non-compliance situation at this point, and there is a need to minimise the period of non-compliance. Another option can be to add a longer timeframe, if agreed.</p> <p>RB queried the timeframe for 3A.11.11 for AEMO to approve amendments requested by the generator. MK noted that AEMO have an incentive to minimise the timeframe for responding as we are in a non-compliance situation. MG noted that a generator is still required to adhere to the original rectification plan until such time that any amendments are approved, hence it seems reasonable to limit that timeframe for AEMO approval.</p>

<p>3A.12 Effect of a Rectification plan</p>	<p>RB queried whether the generator has immunity while it is developing a rectification plan. MK noted that there is no immunity at this stage but that there is also no incentive for the ERA to investigate while the generator is developing their rectification plan. MK noted that there is also a carve out in Chapter 2, which notes 'subject to section 3A.12'.</p> <p>MG also noted that there is a related work package looking at WEM compliance, whereby the ERA will be able to publish a prioritisation of non-compliance that it investigates. Aditi Varma (AV) who manages this project also noted that the ERA will also be required to outline how it uses it various compliance response options in a compliance and monitoring protocol. AV also noted that rectification plans have been contemplated in their project, with the ERA suspending compliance action when a rectification plan is provided.</p>
<p>3A.13 & 3A.14 Potential Relevant Generator Modifications and Relevant Generator Modifications</p>	<p>Concern was expressed that the drafting would allow the approval to generate notification to be revoked before the work was undertaken. MG noted that this was not the intention and that she will look to clarify the drafting.</p> <p>RB noted her earlier concerns that higher standards could be applied to the entire generating unit through a Relevant Generator Modification. MG noted the difficulty in applying this section to a wide variety of potential modifications. Some modifications will not easily be able to be applied only to the modified portion. Notwithstanding, MG and MK will look at options to clarify this section, specifically as it relates to replacement works.</p> <p>AC queried whether 13.2 to 13.6 could have timeframes applied. MG noted that this goes back through the process for renegotiating standards and monitoring plans, which includes some timeframes. Notwithstanding, ETIU will take another look to ensure that timeframes are incorporated, where appropriate.</p>
<p>Glossary</p>	<p>MG noted previous comments in relation to the definition of GPS and of Transmission Connected Generating System.</p> <p>RB noted that some of the definitions appear a bit circular. MG believes that when considering alongside Appendix 12, this will become clearer, as it references terms used under that section.</p> <p>MR believes Potential Relevant Generator Modification is quite long and could be a clause in itself. MK can see the point and will look to make a change.</p> <p>JL notes references to 'the' Network Operator. MG will ensure these are addressed.</p> <p>RB discussed the three Generator Performance Standard definitions. The ideal and minimum refer to appendix 12, but it is not clear what it is. CJ notes that these refer to whole sections of Appendix 12. MK noted that they will look at this again when Appendix 12 is finalised.</p>
	<p>MG thanked industry participants for their input and closed the meeting at 5:30pm AWST.</p>