



**Energy Transformation  
Implementation Unit**

# **Dispute Resolution Mechanism for Existing Transmission Connected Generating Systems**

**WRIG Meeting  
25 February 2021**





# Dispute resolution is a last resort...

- All Existing Generators are required to transition to the new framework, with registered GPS and approved Monitoring Plans in place by August 2022.
- Dispute resolution available where GPS and Monitoring Plans cannot be agreed, but it is a last resort.
- WEM Rules processes for negotiation are intended to allow for balance between power system security and reliability, and existing generator needs.
  - When negotiating, WP/AEMO must accept the minimum for a relevant Technical Requirement if proposed (subject to PSSR being maintained)
  - WP/AEMO must consider a range of factors when deciding to approve/reject a negotiated access standard
  - If rejecting a proposed standard, WP/AEMO must justify the rejection and propose alternative that is acceptable.
  - Testing and interrogation of data can be used to determine an agreed standard.
- Frivolous or vexatious disputes are discouraged:
  - The arbitrator can refer the parties back to negotiation or make a binding decision without a detailed process; and
  - Costs can be allocated unevenly based on the conduct of the parties.

# The Coordinator must...

Appoint the arbitrators and technical panel

Develop WEM Procedure for arbitration process

Accept dispute applications and determine whether to refer to arbitration

By 1 April 2021

Between 1 Feb 2021 and end of disputes period

# WEM Procedure





# Coordinator must develop a WEM Procedure

Clause 1.42.10 outlines the matters which must be set out in a WEM Procedure including:

- Administrative support provided by the Coordinator – limited to referral
- How the Coordinator will assess whether a Secondary Arbitrator is required against specific criteria (conflict, insufficient time or ill health) or any other reason the Coordinator might choose.
- The process the Coordinator will follow in referring a dispute for arbitration (pre-requisites, templates etc).
- The detail of how the dispute is to be resolved including the manner in which evidence is presented
- How an Arbitrator may appoint experts to provide advice and the awarding of costs is outlined in Rules.

The Rules allow the Coordinator to appoint additional Arbitrators/Experts following the initial process if required (or if Parties to Dispute agree).

# Draft WEM Procedure



## Energy Transformation Implementation Unit

### Consultation on WEM Procedures for generator performance standards, monitoring and compliance frameworks

Dear Brooke

The Energy Transformation Taskforce (Taskforce) is pleased to announce the release of four draft Wholesale Electricity Market (WEM) Procedures related to the Tranche 1 Amending Rules, which were gazetted on 24 November 2020.

Once finalised, these WEM Procedures will underpin the WEM Rules to implement a new framework for Generator Performance Standards in the South West Interconnected System, for both new and existing generators, and the associated monitoring and compliance regime.

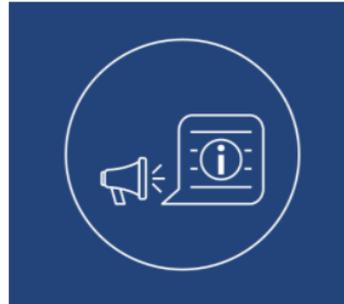
An outline of these draft WEM Procedures was presented to the WEM Reform Implementation Group on 26 November 2020.

Stakeholders are invited to provide feedback on these draft WEM Procedures by **5:00pm, 8 January 2021** by submitting comments on each WEM Procedure to the relevant organisation:

AEMO: [wa.ets@aemo.com.au](mailto:wa.ets@aemo.com.au)

Coordinator: [energytransformation@energy.wa.gov.au](mailto:energytransformation@energy.wa.gov.au)

Western Power: [RegulatoryReforms@westernpower.com.au](mailto:RegulatoryReforms@westernpower.com.au)



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# Feedback on WEM Procedure

Most were relatively minor:

- Use of terms: *Referring Party* and *Responding Party*
- Include 'reasonable' in relation to the Coordinator's referral process and procurement of support services (and recovery of costs)
- Timeframes for the Coordinator advising of the *Generator Arbitration Commencement Date* and if the timeframe for resolving the dispute will not be met
- Added some words re confidentiality and confidential information
- Inclusion of a flowchart for steps undertaken by the Coordinator in the process (Appendix)
- Minor editorial changes



# GPS Dispute Resolution Templates

The Coordinator will assess how parties have attempted to resolve matters through information provided in the *GPS Dispute Resolution Notice* and *GPS Dispute Resolution Notice: Response* templates

The templates were released for consultation on 11 February – no submissions were received

The templates ask for detailed information on how the processes outlined in 1.39-1.41 have been followed in relation to the matter(s) under dispute (which must be related to 1.40 and 1.41)

Detailed guidance is provided (Appendix) of the types of information which should be covered in order to demonstrate that the dispute is genuine

# Coordinator functions





# Appointing Arbitrators and Experts

The Coordinator must appoint 1 Primary Generator Arbitrator, at least 2 Secondary Generator Arbitrators and an independent panel of not less than three experts, by 1 April 2021.

The EOI process for these appointments was open from 24 December 2020 – 22 January 2021.

EPWA established two Assessment Panels to review applications before making recommendations to the Coordinator.

- 14 applications for Generator Arbitrator positions
- 7 individual and 1 organisation applications for Technical Panel of Experts

Selection criteria were set out in EOI documents:

- Arbitrators – assessed against all 4 criteria
- Experts – asked to demonstrate experience in one or more of the 6 criteria

Expect appointments to be made in next week or so – noting that there is a requirement to publish the details of appointments within 5 business days.

Stakeholders will be informed via email once this has been completed.