

# Minutes

## WEM Reform Implementation Group – Meeting 3, 2022

**Time:** 9:30am – 12:00pm

**Date:** 24 March 2022

**Venue:** Teleconference

**Attendees:** \*due to technical error this attendance list is from the previous WRIG

Name	Organisation	Name	Organisation
Alan McDonald	Bluewaters	Simon Middleton	AEMO
Alex Gillespie	AEMO	Shelley Worthington	EPWA
Aditi Varma	EPWA	Stacey Fontein	Western Power
Ben Connor	Synergy	Stuart MacDougall	AEMO
Brad Huppatz	Synergy	Sumar Kaur	Shell
Christopher Wilson	AEMO	Teresa Smit	AEMO
Claire Richards	Enel X	Tinna Needham	Western Power
Dimitri Lorenzo	SSC Power	Toby Price	AEMO
Dora Guzeleva	EPWA	Vanessa Page	Western Power
Elizabeth Aitken	Aitken Energy	Wendy Ng	Shell
Erin Stone	Point Global		
Gavin White	ERA		
Harry Street	Entego		
Jo-Anne Chan	Synergy		
Judy Hunter	Western Power		
Katelyn Rigden	ERA		
Liam Staltari	AEMO		
Lynda Venables	Synergy		
Mariusz Kovler	AEMO		
Mark McKinnon	Western Power		
Mark Riley	AGL		
Mike Chapman	Western Power		
Mike Hales	AEMO		
Mike Reid	AEMO		
Nicki Eastman	AEMO		
Oscar Carlberg	Alinta		
Patrick Peake	AGL		
Paul (Guest)			
Peter Huxtable (Guest)	Water Corporation		
Raymond Lobo	ERA		
Rebecca Petchey	AEMO		
Rebecca White	Collgar		
Rhiannon Bedola	Synergy		
Sally Campbell	Western Power		
Sara O'Connor	ERA		
Sarah Graham	EPWA		
Simon Akero	Shell		

Slide No.	Issue
1-4	<ul style="list-style-type: none"> <li>• Dora Guzeleva (DG) introduced the meeting               <ul style="list-style-type: none"> <li>• Agenda – Introductions</li> <li>• JIP - Updates</li> <li>• Market Readiness Update</li> <li>• Procedure Updates</li> <li>• EPWA Update on upcoming reviews</li> <li>• Next Steps</li> </ul> </li> </ul>
<b>Joint Industry Plan – Plan and Progress Updates (Mak Reid, AEMO, Mark McKinnon, Western Power, Ben Connor, Synergy)</b>	
See AEMO slide pack	<ul style="list-style-type: none"> <li>• Mike Reid (MR) provided a reform program status update from AEMO’s perspective:           <ul style="list-style-type: none"> <li>○ programs on track for go live October 2023</li> <li>○ program status at the moment is amber, this is reflective of significant challenges in terms of securing and then retaining a technical resource due to tight labour market, however we have a strategy to mitigate that</li> <li>○ key activities over the past month:               <ul style="list-style-type: none"> <li>• finalized deferral of the 2022 reserve capacity cycle, this is just a reflection of the scale of work required to implement that NAQ framework</li> <li>• RTMS systems been in testing for a month, good engagement there. We are hoping that more come in and test their systems</li> <li>• showcase for the outage submission user interface, work on building out functionality for that is continuing</li> <li>• received results from the market readiness survey and have published a report off the back of that which is showing good and growing participation and preparation</li> <li>• completed a further 10 WEM procedures consulted on 5</li> <li>• internally showcased the dispatch engine and progressed the certification of the dispatch algorithm within it</li> </ul> </li> <li>○ priority over the next month is to implement that sourcing strategy, which is the key mitigation to those resourcing challenges already mentioned. We are also looking to make greater use of some external service providers in key areas</li> <li>○ software development activities are continuing, focusing on the critical path projects:               <ul style="list-style-type: none"> <li>• WEMDE</li> <li>• outages management participant UI</li> <li>• settlement system</li> <li>• by the end of this month, hoping to complete the RCM phase one production releases</li> </ul> </li> <li>○ we will be briefing stakeholders today on the NAQ consultation approach for the WEM procedures. Next week for the NAQ phase of the RCM project, providing an overview of the program approach</li> <li>○ we will respond to the AR6 draft determination from the ERA</li> <li>○ we will assist EPWA, with the Tranche 4 exposure draft package 1 then progress onto the next revision of the of the WEM design summary.</li> <li>○ WRIG - IT next week</li> <li>○ towards the end of April, we are looking to release the next of the market readiness surveys with a view to the report coming out the following month</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Mark McKinnon (MM) provided a WEM Reform Program Status update from Western Power’s perspective:           <ul style="list-style-type: none"> <li>○ WEM Procedure Limit Advice development, is out for consultation at the moment until 8 April</li> <li>○ in future WRIGS we are proposing to bring two GPS guidelines to the May WRIG               <ul style="list-style-type: none"> <li>• relevant generator modification guideline</li> <li>• the assessment of technical requirements for generating units</li> </ul> </li> <li>○ project teams are busy, consulting with AEMO around the shortfalls requirements, specification system restart, outage management and planning</li> <li>○ in regard to generator performance standards, we are still working directly with various market participants               <ul style="list-style-type: none"> <li>• tested some submissions through the AEMO GPS portal, which has worked well</li> <li>• working with participants now around getting their submissions ready and managing any extension requests case by case</li> </ul> </li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• Ben Connor (BC) provided an update WEM Reform Program Status update from Synergy's perspective: <ul style="list-style-type: none"> <li>○ readiness program is progressing substantially according to schedule</li> <li>○ Pinjar operations centre will take over the first stage of the transition to operating our gas turbine fleet immediately after Easter and then progressively take over more of the operation as the year progresses</li> </ul> </li> <li>• Rebecca White (RW) asked a question of MM, will these documents be consulted on in the same way AEMO consults on its procedures?</li> <li>• MM replied that he didn't think the requirements were identical to WEM Procedures in the Rules, but the plan is still to bring those and share the content with WRIG</li> <li>• RW added, even though they may not be a rule requirement good practice would be to have opportunity to review the documents and provide written submission</li> </ul>
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**Amending Rules – Tranche 5 and Tranche 6 (Dora Guzeleva, EPWA)**

6	<ul style="list-style-type: none"> <li>• DG provided update on Tranche 5 and Tranche 6: <ul style="list-style-type: none"> <li>○ there has been a slight change to slide 6 since last WRIG to make sure the various steps are clearer</li> <li>○ exposure draft #1 for Tranche 6 is still being worked on, hopefully to be published next week</li> <li>○ changes since last WRIG <ul style="list-style-type: none"> <li>• Chapter 3 changes on outage management and hybrid</li> <li>• Chapter 7 changes to the RTM submissions have moved to exposure draft #2. The reason for that is AEMO is developing its processes and systems and feels it is better to wait until exposure draft #2 to capture any changes that may be required</li> </ul> </li> <li>○ in exposure draft #1, we are going to include some RCM NAQ related changes, now that AEMO has turned its mind around the development of the NAQ modelling and framework more generally. There also some relatively minor changes to the NCASS framework</li> <li>○ the colour has changed on the slide to indicate that we are drafting and then we are consulting</li> <li>○ somewhere in April/May will be the first TDOWG looking into exposure draft #1 changes and the second exposure draft somewhere around August/ October</li> <li>○ the idea is still to submit a full package out of the two exposure drafts, the full package of amending Rules going to the Minister later in the year around November</li> <li>○ we might find that more issues are discovered but currently the known issues are on this slide (6)</li> </ul> </li> <li>• RW asked which Tranche the Market Power Mitigation rules will be in.</li> <li>• DG replied they would be in Tranche 6, not necessarily through exposure draft #2, there will be a separate consultation. The amending rules that are required, the plan is to for them to go to the Minister in Tranche 6</li> </ul>
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**WEM Reform Market Readiness Report No. 2 (Mike Reid, AEMO)**

See AEMO slide pack	<ul style="list-style-type: none"> <li>• Mike Reid (MR) provided a WEM Reform Market Readiness Report No. 2: <ul style="list-style-type: none"> <li>○ the report is online, and it is also on the Reformer</li> <li>○ we had a 60% response rate, which was better than survey 1 <ul style="list-style-type: none"> <li>• partly because we added some new respondents in</li> <li>• partly because we rationalized the invitation lists to remove a couple of market participants that are not active market participants</li> </ul> </li> <li>○ we are capturing most of the generation market</li> <li>○ we have more work to do in relation to load, we have about 11% of the load still not represented in the survey</li> <li>○ result is split it up by those key focus areas <ul style="list-style-type: none"> <li>• program set up - the important thing is to see what the trends are and the trend here was positive relative to survey one</li> <li>• early execution - we received comments such as it is difficult to finalize this procurement work until we have got greater certainty around the specification</li> <li>• risk areas - there was an improvement in in people's perception of impact, there is still the risk areas, particularly around IT, but the reduction in impact assessment probably reflects a better and more nuanced understanding of what changes are required</li> </ul> </li> <li>○ confidence that people expressed around getting the work done improved a lot. Improvement in both people's perception of impact and their perception of how likely they are to succeed, was quite pleasing to see</li> <li>○ improving engagement in and of itself is not delivery but it's still a really important prerequisite for successful delivery. We still have more work to do with a few of the smaller participants, but particularly amongst the larger participants it is an indication it is heading in the right direction</li> <li>○ overall relative to the first survey we are obviously in a better readiness position</li> <li>○ see slide for key insights on: <ul style="list-style-type: none"> <li>• improvements in WEM Reform engagement</li> <li>• work program been established</li> </ul> </li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>• vendor agreements been a critical focus</li> <li>• challenges identified</li> <li>• overall improved market readiness position</li> <li>○ Next Steps <ul style="list-style-type: none"> <li>• another one of these general criteria surveys is coming in April with the with the report to follow in May</li> <li>• it will look very similar to the survey that people have just completed and then we'll transition to reporting against the specific readiness criteria, which will be more granular and more targeted, with the intention of allowing us to understand better, whether specific participants are at relative to their specific business ready readiness requirements</li> <li>• we will consult on those specific readiness criteria. The timetable for that has shifted out as we undertake a further internal review of what those criteria ought to be in consultation form</li> </ul> </li> </ul>
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**NAQ WEMP Development (Katelyn Rigden, AEMO)**

<p><b>See AEMO slide pack</b></p>	<ul style="list-style-type: none"> <li>• Katelyn Rigden (KR) provided and update in the NAQ WEMP Development: <ul style="list-style-type: none"> <li>○ unlike other RCM procedures, NAQ WEMP Development is heavily dependent on our system build and our implementation plan</li> <li>○ dependent on the fact that we have also delayed the 2022 reserve capacity timetable</li> <li>○ some key reasons for that deferral: <ul style="list-style-type: none"> <li>• for AEMO to resolve some of the complexities that we have in the NAQ framework - to figure out what our methodologies and logics are for running the model, determining NAQs and taking into account that complex prioritization order in Appendix 3</li> <li>• to give participants more time to understand the framework and understand any changes made in the certification process, such as the Network Augmentation Funding Facility decisions that you may make</li> <li>• to allow participants more time to engage with us on the WEM procedure. It is a really important procedure because not a lot of the detail about how we run the model is in the Rules at all, it's a bit of a black box at the moment for a lot of you. This procedure is really going to provide all of that detail therefore we need significant time to engage with you throughout that over the next year or so</li> <li>• to give a Western Power and AEMO more time to develop the limit advice and the RCM constraint equations for the first time</li> </ul> </li> <li>○ updated timetable is on our website</li> <li>○ opening the CRC window for the 2022 cycle in October rather than in April</li> <li>○ window will close now in mid-April then we will assign NAQs and capacity credits at the end of June in 2023</li> <li>○ see AEMO slide 4 and 5 for NAQ WEMP Content and Considerations</li> <li>○ any feedback on this procedure probably will impact our systems. If participants come to us with specific feedback and we agree that that will be an improvement, then it might mean that we need to amend our system slightly. So obviously we would need time to do that before we go live</li> <li>○ we are proposing to delay the commencement of the procedure, currently it is meant to go live on 1 September 2022 we want to delay that to 1 March 2023</li> <li>○ this is what we are going to be focusing on in the next 12 months</li> <li>○ proposing to develop this procedure in two key phases to consult with participants as early as possible to give participants enough time to build their knowledge and also give AEMO enough time to continue to test the outcomes</li> <li>○ NAQ Solution slide is depicted to give an appreciation of exactly what it AEMO have to build over the next 12 months. It is not just a NAQ model, it's about four or five separate subsystems that we need to integrate to communicate to get the outcome that we need</li> <li>○ NAQ Engine takes all those facility dispatch scenarios, all of the constraint equations and then determines whether there's any violating constraints and therefore do we need to adjust the output of any specific facilities to ensure that they are no longer violating. There is a whole bunch of rules around how we can adjust facilities within that NAQ engine</li> <li>○ we don't exactly know how many scenarios we will need at this point to reach convergence, but for example, our ballpark figure at the moment is around 10,000. It will do those 10,000 times and determine an outcome for every facility in every facility dispatch scenario. Then we will have to calculate the 95th percentile of that outcome and that will be the NAQ result for that specific NAQ model run</li> <li>○ it will spit that value back out into our workflow engine and then we will look at the priority order and Appendix 3 to determine the next step in the model that we need to run: <ul style="list-style-type: none"> <li>• have we met our reserve capacity requirement yet?</li> <li>• can we stop the process now or do we have to keep on going?</li> </ul> </li> </ul> </li> </ul>
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- we could continue on this loop for about six or seven runs depending on what sort of shortfall or access scenario we have, depending on whether we have fixed price facilities
- it will spit all of that information back out into the RCM portal. So, where you currently view your capacity credit information, you'll now be able to view what network access quantities were assigned to your facilities, what's your highest network access quantity and any capacity credit uplift quantities if that's applicable to your facility as well
- we have a data storage and publication management system
- you can imagine - if we have 100 facilities, 10,000 dispatch scenarios and we have run the Model 6 or 7 times, that we are looking at millions of data points
- we need to store a lot of it for auditing purposes, but we also need to publish a lot of it for participants as well, so you can understand why your NAQ has changed or how it's changed across the multiple runs in any reserve capacity cycle
- this relates to our consultation plan and why we have decided to split it up into two major milestones
- at the moment we are focusing on building the NAQ engine and the FDS builder as they are the most important parts of our system build, and the RCM constraint management system as well
- our goal is by June that we will have completed the FDS builder and NAQ engine core, by core it is the minimum requirement we need to and in order to calculate network access quantities; the basic methodologies that we need
- the next milestone is more complex, it is looking at possible but potentially edge case scenarios. Important things that we need to consider and have a robust plan for and it is still detail that we need to include in the procedure, but we are not at a stage where we can start talking to participants about it because it requires more testing, more analysis to test these scenarios, so we can be confident when we come to you with our plan
- Some of those will include for example
  - a shortfall scenario - at the moment when we're creating dispatch scenarios because we have so much excess in the market, we have a lot of flexibility with how we dispatch facilities to ensure the facility output equals the demand. However, if you can imagine a shortfall scenario even if we dispatched every facility to its maximum output, we wouldn't necessarily meet the demand. Therefore, we need a specific methodology for how we would run the builder and run the engine in that scenario
  - another one is the non- cooptimised essential system services. If you've got a facility with an NCASS contract participating in the RCM, there may be specific ways in which we would expect that facility to operate in a peak demand scenario in accordance with their NCASS contract. We need the ability to reflect that in our methodologies when we're dispatching that facility or potentially when we're adjusting them in response
  - the big one is infeasible solutions, this was something we kind of came up against when we were working on the NAQ prototype during the rule development
  - you may all remember that one of the most important NAQ rules is that an existing facility that already has NAQs should not lose NAQs to any new facilities, so you can't be disadvantaged by new facilities that are entering the market and potentially putting more strain on constraints
  - how we do that in the model is by giving facilities a NAQ floor, you can be dispatched anywhere within your dispatch possible range, but if a constraints binding, you cannot be adjusted down below your NAQ floor. That ensures that you keep on receiving the same amount of network access quantities
  - we were we were coming up against issues where we were adding in new facilities, constraints were binding. We weren't able to move majority of the facilities in the solve because they all had very strict NAQ floors and therefore we could not solve the solution it was an infeasible solution. Now we have some ideas about how we're going to address this, but we just need more time to test
  - another key one need to think about that one and test that logic is the tiebreak logic. For example, where we have got two facilities that have the same coefficient in terms of, they've got the same impact on any constraint. Which facility do we decide to constrain down as that will impact their NAQ result
  - Consultation schedule
    - the plan is to complete all milestone one activities by June and the first time we will come to WRIG is in July where we will provide detailed slides and examples about that core methodology and come out for our first round of consultation
    - in the background we will continue working on our milestone two activities
    - we will then come back to WRIG in October where we will start building on what we've already presented and start presenting our options for those more complicated scenarios
    - the procedure will be published around November/December for consultation for a minimum of three weeks, but we are aiming for four
    - in January we will present on that feedback we received for the procedure to be published in March

	<ul style="list-style-type: none"> <li>• see AEMO slide 9 for proposed WRIG content</li> <li>• Oscar Carlsberg (OC) queried if there be much room in the procedure to balance the quantity complexity of scenarios with the likelihood of them impacting capacity credits, or is this mostly defined by the rules?</li> <li>• Ben Connor (BC) added, to what extent are the outcome determined by the choice of scenarios versus taken out of math and rules or procedures?</li> <li>• KR replied, if you are referring to the facility dispatch scenarios, that is actually something we are currently testing and want to test in milestone one. We currently have got two methodologies for how we will create those facility dispatch scenarios, looking at different ways in which facilities could possibly dispatch be dispatched at peak demand times. We want to assess how that actually impacts the NAQ result.</li> <li>• OC clarified his query, it seems like there's a lot of kind of different things we can consider here and I wondered how we could use the procedure to try and strike the right balance of that and make sure that we are not putting in something that's quite sophisticated, when maybe the result to capacity credits isn't there. The RCM review working group last week, was weighing on my mind seeing other jurisdictions that actually maybe don't pay as much attention to constraints in certification?</li> <li>• DG added there are lots of protection for existing facilities, it doesn't matter how the scenarios operate there will always be this ultimate protection that flows through the priority order. There is some sort of risk mitigation there for existing facilities. So, your question is probably more relevant to the new ones.</li> <li>• KR responded, correct, we do have a lot of discretion in how we're designing. We don't want to build something that's overly complex when we don't need to. We've already started removing complexity wherever we can, but in order to make that call, we need to actually understand what is the marginal level of improvement we are getting from the complexity. The two different methodologies we are testing at the moment for their creation of facility dispatch scenarios, one is really simple one far more complex and it is easy for us to test them both. I am pretty sure which one we are going to go with. We want to understand exactly where the accuracy of NAQs is coming from because there are so many things that are feeding into it.</li> <li>• DG added everybody will have a chance to comment on the draft procedure when this comes around and the intent is to make all of the inputs into the model available to participants so they can try and replicate whatever outcomes they may expect from the model.</li> <li>• DG noted this would require is going to the Minister and asking the Minister to change the commencement date of the procedure from 2 September to 1 April which is quite considerable, so please advise now if there are any concerns before we start processing advice to the Minister. Please advise today or shortly after this meeting so that we can safely say to the Minister that everybody is comfortable with this.</li> <li>• KR added if there is any feedback on how we are proposing to consult or anything that you think would make it easier for you, please also reach out and we can amend this plan <a href="mailto:WA.ETS@aemo.com.au">WA.ETS@aemo.com.au</a> (cc <a href="mailto:katelyn.rigden@aemo.com.au">katelyn.rigden@aemo.com.au</a>)</li> </ul>
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**Certification of Reserve Capacity for the 2022 and 2023 Reserve Capacity Cycle (Katelyn Rigden, AEMO)**

<p><b>See AEMO slide pack</b></p>	<ul style="list-style-type: none"> <li>• KR provided update on feedback received on the procedure covering the Certification of Reserve Capacity for the 2022 and 2023 cycle: <ul style="list-style-type: none"> <li>○ Procedure published 1 March; the main changes related to: <ul style="list-style-type: none"> <li>• Inclusion of that Network Augmentation Funding Facility requirements</li> <li>• Removal of the Constrained Access Entitlement references and calculation</li> <li>• Update to the Facility Upgrade definition</li> </ul> </li> <li>○ Please see relevant AEMO slides (3 and 4) for AEMO's response to comments</li> </ul> </li> </ul>
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**System Restart WEM Procedure and Standard (Edwin Ong and Russell Frost, AEMO)**

<p><b>See AEMO slide pack</b></p>	<ul style="list-style-type: none"> <li>• Edwin Ong (EO) and Russell Frost (RF) provided a System Restart WEM Procedure and Standard update: <ul style="list-style-type: none"> <li>○ AEMO currently has three system restart contracts in place, two of which were only awarded last year</li> <li>○ The transitional provisions mean that the three system restart contract that are in place are deemed to comply with the new System Restart Standard until expiry of the contract terms</li> <li>○ based on the rule requirements, the WEM procedure will document the process that AEMO will take to determine the standard and the system restart plan</li> <li>○ AEMO will review the standard and restart plan within three years of commencement of the documents, following that every three years from the last review or when AEMO more believes the standards are no longer effective</li> <li>○ RF provided an overview on the New System Restart Standard to be published 1 June 2022 in line with the rule amendments 3.7.2</li> <li>○ AEMO differentiates between what is Restart and what is Restoration</li> <li>○ Restart- just being the phase of bringing on some of the crucial network elements in generators prior to turning on automatic generation control</li> <li>○ key elements in this standard will include <ul style="list-style-type: none"> <li>• electrical subnetworks</li> <li>• diversity of services</li> <li>• technical requirements</li> </ul> </li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>• reliability and timing <ul style="list-style-type: none"> <li>○ at this stage the standard will only include synchronous generation for services, but will be reviewed for the next revision</li> <li>○ see relevant AEMO slides for required elements of system restart according to 3.7.2 <ul style="list-style-type: none"> <li>a. minimum time for System Restart Service to operate continuously</li> <li>b. technical requirements to be eligible</li> <li>c. diversity guidelines, including diversity locations within the SWIS</li> <li>d. requirements for mitigating against the risk of unviability of any System Restart Service</li> <li>e. any other matter that AEMO determines are necessary for a successful SWIS restart</li> </ul> </li> </ul> </li> <li>• Patrick Peake (PP) asked, in respect to fuel supply are you assuming that the gas system will remain stable during the electricity system black?</li> <li>• Clayton James (CJ) answered for Russell - that is a good question, with respect to the fuel supply the answer is no, we don't assume that anything will remain stable or available in a system restart situation. That is part of building this standard up - to allow for us to procure services that cover different fuel sources where we see that is a risk in terms of being able to restart the power system following a black start event, so that definitely part of this, securing perhaps different contracts from different providers that have different fuel sources help us to make that kind of diversity and cover that risk. <ul style="list-style-type: none"> <li>○ EO advised on next steps: <ul style="list-style-type: none"> <li>• we are looking to commence WRIG consultation next month so that you have the opportunity to read the procedure, understand it and provide feedback during that period in order to finalize documents for publication on 1 June</li> <li>• following that we will be commencing development and consultation on the standard form contract with the aim of finalizing and publishing that prior to the new commencement date</li> </ul> </li> </ul> </li> <li>• MR asked if they had thought about issuing some drafts of what you think at the standard form contract might look like, I'm sure anyone who's interested in applying for this work would be interested in the contractual T&amp;Cs as well.</li> <li>• EO replied at this stage we were planning on doing them separately, I can see the benefit of doing them at the same time but given the timeframes imposed by the Rules, we really need to publish the procedure and standard by 1 June.</li> <li>• MR added I'm not suggesting that you make things tie together. The procedure takes priority. Getting a sense of the contract while the procedures being developed and tweaked will help identify glitches in the contract. I'm just suggesting people would be interested in seeing it early to give you feedback on the issues regarding the contract early on and its relationship to the procedure.</li> <li>• EO replied that AEMO will endeavour to publish a draft of the standard form contract along with the draft of the WEM Procedure but it will likely occur after publication of the WEM Procedure.</li> <li>• PP asked if the restart plans will be made public, or at least provided to restart providers.</li> <li>• EO replied, the plan won't be made public but depending on how negotiations go during the procurement process, we may make that plan available to potential restart providers.</li> <li>• MR asked if there would there be potential for a high-level version to be made available to industry participants so that they know if one of these is called and started, they kind of know what to expect will happen and can assist or prepare themselves for that.</li> <li>• CJ added, we went through some of these discussions when we were developed the Rules and the framework for that. Now that the system restart plan itself is a confidential document because it obviously has a lot of strategic content in there that we don't necessarily want to make public. There was provision added to the framework to share some of that content, or at least a summary version of that with prospective providers during the negotiations to assist in that negotiation phase. So, I'm fairly certain that is in the framework that we that we put forward I just need to double check the clauses, but I I'm fairly certain that was included as a result of the consultation that we did back when we were developing the framework itself.</li> <li>• MR clarified I was thinking more of a general document just for participants, not public who are not necessarily intending providers or providers, to ensure that they have something in their processes and know how to respond.</li> <li>• CJ replied, no, not of the system restart</li> <li>• Alex Gillespie (AG) reminded participants that procedures are able to be amended after they have been published as final, if there was anything that was glaringly obvious that needed to be updated, or if any participants do raise any feedback.</li> </ul>
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<b>WEM Procedure (Alex Gillespie, AEMO)</b>	
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<b>See AEMO slide pack</b>	<ul style="list-style-type: none"> <li>• AG provided update as to next steps. <ul style="list-style-type: none"> <li>○ Next month we'll be coming to WRIG with a discussion regarding <ul style="list-style-type: none"> <li>• content of the LT PASA WEM procedure</li> <li>• covering off the feedback that we received as part of the Capacity Credit Allocations WEM Procedure consultation, which is out of consultation at the moment, the consultation period will end tomorrow. So, if you haven't already, please have a look at that WEM procedure and provide any feedback if you do have any</li> </ul> </li> <li>○ Upcoming consultations <ul style="list-style-type: none"> <li>• Early April – RCM Constraint Formulation and System Restart</li> </ul> </li> </ul> </li> </ul>
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- Upcoming Publication
  - Early April – Capacity Credit Allocation (Provisional Final)
- Provisional Final means procedure and obligations within the procedure do not commence until a later date - for this one, it is new WEM commencement October 2023
- we are going to be publishing that procedure for access by all of the stakeholders, so that way you can plan for that procedure to become in effect. That procedure will still be subject to change, if anything is identified
- AG noted changes to AEMOs consultation process
  - in December last year updates were made to Tranche1, 2 and 5 of the WEM Rules
  - the updates require AEMO or any of the other relevant parties that create and publish WEM Procedures to develop them and issue the procedures for consultation for a minimum of 15 business days
  - it also requires the entities that are responsible for creating the WEM Procedures to publish with the final procedure a summary of the submissions received and the response by that party to those issue raised in those submissions
  - previously AEMO an informal approach to the consultation, which was just reflected under the Rules AEMO used to receive any consultation feedback as part of an email or potentially sometimes even a phone call, so we allowed all of this admission to be made in any means that the market participants wanted and then we would take that feedback back to WRIG
  - now that it is more of a formalized process under the WEM Rules we want to adapt our process a little bit more to make sure it reflects the intent of the Rules as well
  - we are following the 15-business day minimum requirement and have done for the past procedures in this year that we have published for consultation
  - we are also now including all of our feedback that we received and our responses to those feedback on the summary of submissions, which have been published on the Reformer, and EPWA is also including that on their consultation page
  - we have created a stakeholder WEM Procedure submissions template, essentially, it's just a bit more of a structured approach to providing some consultation feedback for the procedure. That procedure, that submissions template will now be available for each consultation, each time we publish a request for consultation that it's submission template will be attached to that specific publication
- please refer to relevant slide for what the template covers
  - we don't want you to include any confidential or commercially sensitive information and we don't want informal questions or feedback that's not really relevant to the WEM Procedure, as we now have to publish this information. Therefore, if it's not specific feedback to that template we would really like you to make that very clear
  - we encourage you to still have those conversations with us, we do have some very frank conversations with market participants, which really assists us to develop the procedure and take feedback into account we do still want those conversations to take place and please do continue to ask those questions and submit that to us, however if you could just include that in the email body and outline that it doesn't actually form part of your formal stakeholders admission that would be really handy. So then that way we're not actually required to publish this information as part of the summary of submissions. We want to lower their risk of a more potentially publishing any of the confidential or commercially sensitive information
  - none of this is actually a formalized requirement under the Rules, so you can essentially do whatever you like, however, this is the way that we encourage you to submit your feedback to us
- MR agreed about the confidential commercial information, but noted they have run into this in past consultations, when you're linking and looking at rules and procedures, it's not unusual to find something else and what the AEMO gas team have done previously is included a specific question at the end of the consultation to say if you found something else, want it flagged and put into a list of things to be fixed, then put it in here now. That way it is captured, published and other people know about it. It is put on a list of things that can be looked at by industry about how to prioritize fixing it. I think that sort of thing is really worthwhile, particularly in this environment where there are so many changes going on that, there is a good chance we're going to spot stuff elsewhere that is not directly relevant but should be captured and logged.
- AG emphasised that this isn't a specific requirement, so the discretion is up participants at the end of the day, if you would like that to be part of your formal feedback, please do include in the submission template. It just means that we will also publish that externally. The difference is just basically what you want published and what you don't want published. If you would like us to essentially include that specific feedback in the publication and come to the next WRIG and have that discussion then please do put it in there, but if you don't want it, then exclude it from that submission template and advise us that it doesn't form part of your formal feedback.
- MR commented that it was meant as more of a reminder for people that if they do spot something to make sure they capture it.
- AG responded it is essentially open to participants and stakeholders to include whatever they like in there.

	<ul style="list-style-type: none"> <li>• Brad Huppatz (BH) queried when are revised technical specifications for operation data points and ABC agency interface requirements plan to be released.</li> <li>• CJ answered, we have released the last version of the operational data points of the draft version of that some sometime back. There's still a few tweaks that we're making to it, but we're just working on those finalizations now that won't be too far away. The technical specification, the ABC one is still under development we haven't gotten back in tidy that up yet, it's still on the list of work to be done, it won't be too far away.</li> <li>• BH noted that it is challenging, building changes in our SCADA system to documentation that isn't a definitive published standard.</li> <li>• CJ responded; yes understood we will work on getting those as soon as we can</li> </ul>
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**EPWA Update on upcoming reviews (Dora Guzeleva, EPWA)**

<b>13-14</b>	<ul style="list-style-type: none"> <li>• DG provided an overview of several reviews that are going on and inviting any questions for those that are not directly involved <ul style="list-style-type: none"> <li>○ Several reviews are going on in parallel <ul style="list-style-type: none"> <li>• RCM Review</li> <li>• Market Power Mitigation Review</li> <li>• Cost Allocation Review</li> </ul> </li> <li>○ RCM Review and Cost Allocation Review under the umbrella of MAC</li> <li>○ Market Power Mitigation Review continues from ETS stage number one and the taskforce paper which was published in May, that is outside of Mac, but MAC but MAC will obviously be informed on any at any key points</li> <li>○ see relevant EPWA slide (14)</li> <li>○ RCM Review - the reason for this being right at the front of the agenda is because when we picked up the governance function of the rules and market development, we inherited a very long list of 70/80 plus issues from the previous operation of MAC and quite a number maybe 70/80% did relate to the RCM framework</li> <li>○ some of them were logged in 2017 or maybe even earlier. We know that the task force did not do a complete review of the RCM it did, however, introduce the NAQs regime. On 1 October, the government commenced a pricing reform rules both of those are out of scope, however, there is lots more to be done with respect to how the RCM should evolve or must evolve in the future to meet the new demands of the system and the transition to zero carbon by 2050</li> <li>○ we appointed RBP come and to assist with the work</li> <li>○ MAC formed a working group, and it has met three times and is very well attended, the contribution is very much appreciated</li> <li>○ in February MAC supported modelling assumptions, which was very important because the consultants could then go ahead and model the various scenarios for 2030 and then 2050</li> <li>○ next MAC meeting is 5 April</li> <li>○ heading to a consultation paper in August</li> <li>○ Market Power Mitigation Review - the taskforce published a paper in May</li> <li>○ we have planned to commence this work for a long time, and appointed Rennie Partners to assist with the analysis. Plan to publish a consultation paper in July /August, once the paper is published it will go to TDOWG</li> <li>○ the scope of works have not been circulated, they were just developed to procure the right consultancy services. Happy to include all of this in the paper we come to it. It is a very important piece of work and there are some very strong views about it. Notably it will look at all aspects of the strategy including: <ul style="list-style-type: none"> <li>• The energy price limits - task force has made, as have our consultants from made observations about the energy price limits. There was a proposal to potentially converge them and put a price limit on the ESS offers, all of this will form part of the work.</li> </ul> </li> <li>○ we will publish a consultation paper, consult with TDOWG, potentially have one to ones with those that want to talk to us. Then we will refine this have a second round, then publish an information paper and subsequently develop rules. We don't expect the market power mitigation to be very extensive, so the hope is still to submit them to the Minister as part of Tranche 6</li> </ul> </li> <li>• RW commented it would be useful if you can please give an overview of what it covers, does it include price floor.</li> <li>• DG replied no, it doesn't include price floor. There were some new rules that were introduced in 2020 for the ERA to review the price flow on an annual basis, it's not necessarily something we would consider as part of the Market Power Mitigation work, we will leave that to the ERA to continue to do its annual review with both public consultation and stakeholders</li> <li>• RW asked does it include visiting include consideration of total value stack available to market participants, including from RCM and whether that is sufficient.</li> <li>• DG both reviews RCM and the Market Power Mitigation Review would involve extensive modelling of the value stack and any proposal, including any option, that fits into that proposal, will be modelled before a solution is selected.</li> <li>• PP stated that I still think that you should consider market power in the RCM.</li> </ul>
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	<ul style="list-style-type: none"> <li>• DG replied yes, I am it is extremely valuable point is an interesting proposition. Currently there is not much in the Rules that deals with market power in the RCM I think the scope for the Market Power Mitigation review doesn't necessarily cover that, but I would strongly encourage participants to think about any market power mitigation issues in the RCM when we go through the modelling of any options for the RCM review. I will take this on board with the Market Power Mitigation work and see if that makes sense.</li> <li>• BC commented, not sure how you can meaningfully consider ESS price limits without consideration of the price floor ESS price limits must be high enough for recovery of entitlement losses when the market is clearing end of floor.</li> <li>• DG replied that any issues that emerge with respect to ESS price limits would be obvious in the modelling. If it turns out that the modelling suggests there is an issue with the price cap, that would definitely be considered. We will consult extensively on the ESS price limits, so if participants believe that there are issues about the price floor that the ERA has not uncovered in its annual review, we are obviously very happy to hear about that, but clearly, that is something we have to feed into the review and make a note of that and see if it can be properly covered.</li> <li>• RW commented if the Market Power Mitigation Review includes price limits caps out it include a price, given this is the effective price cap for batteries.        DG responded I am very concerned about duplicating effort across this market, previous comments were made about costs and minimizing costs. The ERA is fully capable of reviewing the price floor and does that on an annual basis. Clearly, if the modelling suggests this needs to be examined through the market power mitigation work, we will do that, but for the time being the assumption is that the ERA is doing a good job.</li> <li>• Query from unknown participant - How are you considering the combined impact of the RCM Review and the Market Power Mitigation Review on participants rather than each being done in isolation.</li> <li>• DG replied they are not being done in isolation; they are done by the same team. One will fit into the other and vice versa, though we have two different consultants, the same team is conducting both reviews from EPWA's point of view, and I'm sure participants will be watching very closely both of them. We are also trying to align the consultations, so they are very close together and follow a logical sequence. I don't believe we can have one review that looks at because this is way too much to do in the same space. Equally a lot of market power mitigation work was done by the taskforce, so we are not starting from a blank page. There is a lot about the price limits to in that review and makes some suggestions that would allow sufficient room for participants to be able to comfortably operate between the caps. I take the comments on board on the minimum price and how that may feature in to this. We will continue to work closely with the ERA.</li> <li>• RW commented there seems merit in a comprehensive review rather than fragmented between the ERA considering one part and EPWA considering other part and risking that together they don't create an optimal framework.</li> <li>• DG replied I hear the concern, the modelling would consider the current minimum prices of \$1000 and this is how the modelling for market power mitigation will be done. If there is any problem identified, obviously that would have to be looked at. All of you will be involved, and we clearly expect people to react to whatever results we put out there. I will just in in conclusion say, all of you will be involved. These reviews are done in parallel. They are done by the same team. They are done through public consultation. If you see any issue, we should be the first to know.           <ul style="list-style-type: none"> <li>○ Cost Allocation review</li> <li>○ This is open to people outside of MAC, so if you're interested put your hand up. This is done through working groups and in consultation with parties. I do appreciate that those that have a resource operating in the market will be very concerned to be able to recover all of their costs. Both modelling exercises will be focusing on that</li> </ul> </li> </ul>
<b>Next Steps (Dora Guzeleva, EPWA)</b>	
16	<ul style="list-style-type: none"> <li>• DG gave an overview of the next steps:           <ul style="list-style-type: none"> <li>○ Next WRIG 9:30am Thursday 28 April 2022</li> <li>○ Next WRIG-IT meetings scheduled 31 March 2022</li> </ul>           WRIG members please continue to provide offline feedback, queries and suggestions on topics you would like further information on at <a href="mailto:wa.ets@aemo.com.au">wa.ets@aemo.com.au</a> </li> </ul>