

Newsletter – Issue 2 – August 2019

# A Brighter Energy Future



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Welcome to the second issue of *A*Brighter Energy Future – the monthly newsletter of the Energy Transformation Taskforce.

Since the publication of our first issue, the delivery of the Energy Transformation Strategy has continued to gain momentum.

If I were asked to choose a highlight of our activity over the past month, that would be, without a doubt, our engagement with our stakeholders.

As noted by the Hon Bill Johnston MLA, Minister for Energy in his media statement of 30 July 2019, industry and government have well and truly joined forces to deliver a brighter energy future.

The response to attend the Whole of System Plan and the Distributed Energy Resources industry workshops we held in July was remarkable, with both events oversubscribed.

The response was equally positive for the presentation delivered by Dr Gabrielle Kuiper on her Churchill Fellowship report – *The Future of Electricity Distribution Networks*.

Our formal stakeholder groups are also offering a valuable platform to work with industry in the delivery of our work program.

The Program Implementation
Coordination Group has met on two
occasions, while the Strategic
Consultative Group held its inaugural
meeting on 1 August 2019 under its
renewed Terms of Reference. These
groups are tasked with providing
guidance and input on the work of the
Taskforce at a strategic level.

With the Market Design and Operation Working Group and the Power System Operation Working Group disbanded in late July, we have now established a new Transformation Design and Operations Working Group. The purpose of this industry group is to provide input at a more detailed and technical level. The TDWOG is chaired by the Energy Transformation Implementation Unit and met for the first time on 12 August 2019.

It has definitely been a busy time for the Taskforce, the Implementation Unit and our industry stakeholders, and we intend to continue to work at the same pace.

I would like to take this opportunity to thank our industry, community and government stakeholders for assisting us in delivering the Energy Transformation Strategy.

Stephen Edwell

Chair

**Energy Transformation Taskforce** 





## Taskforce meeting outcomes

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

#### Meeting 3, 2019 Held on 26 July 2019

The Taskforce was provided with a detailed briefing on the outcomes of the industry forum held on 12 July 2019 on the scenarios to underpin the Whole of System Plan.

The Taskforce noted the main areas of interest that emerged from the consultation process and stakeholders' support for the four scenarios proposed.

With the endorsement of the proposed scenarios by the Taskforce at the meeting, the project has now moved into the detailed set up of the power system and economic modelling for the Plan.

The Taskforce also endorsed the high-level regulatory framework to apply to power system security and reliability in the South West Interconnected System, as well as the process to manage changes to Western Power's Technical Rules.

#### Meeting 4, 2019 Held on 6 August 2019

At its fourth meeting, the Taskforce endorsed the foundation parameters for the design of the new Wholesale Electricity Market.

The new WEM will be underpinned by three parameters that are essential to enable the benefits of a constrained network access regime and to address inefficiencies in the current market design.

- A security-constrained market design that incorporates real-time network constraints in the dispatch of energy.
- Individual facility bidding and dispatch for all market participants.
- Co-optimised dispatch of energy and Essential System Services (ESS).

The Taskforce also endorsed the design of new energy scheduling and dispatch arrangements for the WEM, along with the findings of a technical review of ESS, which will form the basis of the design of new ESS arrangements for the SWIS.

The Taskforce is scheduled to hold its next meeting on 23 August 2019.



## Joining forces with industry

During July, the Energy Transformation Taskforce and the Implementation Unit joined forces with industry to deliver the Western Australian Government's Energy Transformation Strategy.

#### Whole of System Plan

On 12 July 2019, the Taskforce, supported by Western Power and the Australian Energy Market Operator, convened a Whole of System Plan industry forum, with over 100 people attending across the energy sector.

Attendees were provided with information on the objectives of the Plan, the way it will be developed, and the proposed modelling scenarios that will underpin the inaugural Plan.

Interested parties were invited to provide feedback on the proposed scenarios via email or in person. All feedback received has been used in finetuning the scenarios, which have been recently approved by the Taskforce.

A description of the final scenarios and a summary of stakeholder feedback will be published later this month.

#### **Distributed Energy Resources**

On 30 July 2019, the Taskforce hosted its first industry workshop on the Distributed Energy Resources Roadmap.

The full-day workshop was fully subscribed and attended by a diverse range of stakeholders from across the sector.

The day included presentations identifying the complex risks and opportunities presented by DER, and co-design sessions involving extensive attendee participation facilitated by design-thinking experts ThinkPlace.

The Taskforce welcomed high quality and diverse input from stakeholders and would like to thank all who attended. The next steps are for the Roadmap team to review and consolidate the stakeholder input as part of the building blocks to develop the Roadmap.

#### Presentation by Dr Gabrielle Kuiper

On 22 July 2019, the Taskforce welcomed Dr Gabrielle Kuiper to present on her Churchill Fellowship report – <u>The Future of Electricity Distribution</u>
Networks.

Dr Kuiper gave an extensive overview of her research into how international jurisdictions (including the USA, UK, Belgium, France and Germany) are approaching the challenges and opportunities presented by DER.

Her presentation provided insights into the responsibilities of distribution networks, the role of regulators and changing regulatory approaches, and visions for the management of distribution networks in a high DER future.

The Taskforce would like to thank
Dr Kuiper for her insightful presentation,
Western Power for hosting the event,
and all those who attended.





## Our latest publications

The following publications will soon be available on our Energy Transformation website –

http://www.treasury.wa.gov.au/Energy-Transformation/Publications/

#### **Delivering the Future Power System**

Information papers outlining Taskforce decisions on the following.

- Foundation Market Parameters
- Power System Security and Reliability Regulatory Framework
- Scheduling and Dispatch of Energy
- Technical Rules Change Management

External consultant's report.

 Technical Framework Review of Essential System Services

### Strategic Consultative Committee Meeting of 1 August 2019

Presentations.

- Energy Transformation Strategy Work Program
- Energy Transformation Strategy Progress Update

### Presentations from industry forums and workshops

 Whole of System Plan Industry Forum, 12 July 2019  Distributed Energy Resources Roadmap Industry Workshop, 30 July 2019

### Upcoming publications

#### **Program Management**

• Energy Transformation Strategy Program Implementation Plan

#### Whole of System Plan

Whole of System Plan Scenarios
 Information paper

## **Delivering the Future Power System**

- Essential System Services
   Acquisition Framework –
   Information paper on Taskforce decision
- Governance Framework for Power System Constraint Equations – Information paper on Taskforce decision

#### **Newsletter**

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# Upcoming events

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Week

Date	Event
12 August 2019	Transformation Design and Operation Working Group Meeting 1, 2019
14 August 2019	Chamber of Minerals and Energy Industry Committee Meeting Presentation on Whole of System Plan
23 August 2019	Energy Transformation Taskforce Meeting 5, 2019
5 September 2019	Program Implementation Coordination Group Meeting 3, 2019
9 September 2019	Transformation Design and Operation Working Group Meeting 2, 2019
Early September 2019	A Brighter Energy Future Publication of Issue 3
20 September 2019	Energy Transformation Taskforce Meeting 6, 2019

To stay up to date, register your interest on our website, or contact us at energytransformation@treasury.wa.gov.au