

## Strategic Consultative Group Terms of Reference

### 1. Background

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The Western Australian electricity sector is experiencing a major transformation as a result of the rapid uptake of Distributed Energy Resources (DER) such as rooftop solar photovoltaic (PV) and battery storage systems, and increasing levels of large-scale renewable generators.

Large-scale renewables and DER offer great opportunities for low cost, low emissions energy. However, the intermittent and uncontrolled nature of these new energy sources is presenting challenges to maintaining the security, reliability and affordability of the power system.

To maximise the benefits and manage the challenges of this transition, a number of initiatives are being undertaken as part of the Energy Transformation Strategy (Strategy) announced by the Minister for Energy on 6 March 2019.

This Strategy is designed to help deliver the Government's overarching objectives for the energy sector, which are to:

- maintain a secure and reliable electricity supply;
- ensure affordable electricity for households and businesses;
- reduce energy sector emissions;
- transition affected workers in the Collie region from the move away from coal; and
- promote local jobs and growth.

### 2. Energy Transformation Taskforce

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The Energy Transformation Taskforce (Taskforce) was established on 20 May 2019 and reports directly to the Minister for Energy. The Taskforce is responsible for overseeing a two-year program of work to deliver the initiatives outlined in the Strategy, which span three interconnected areas.

1. The development of a Whole of System Plan for the South West Interconnected System (SWIS), to inform investment and regulatory decisions, policy and market development, and to manage the security and reliability impacts of transitioning from traditional energy sources to new low-emissions technologies.
2. Modernising the foundation regulatory frameworks that govern the connection of generators to Western Power's network and the operation of the Wholesale Electricity Market in the SWIS, including changes to the type of system security services provided to the power system and the way they are supplied, as well as removing barriers to the connection of new technologies.

3. Managing the integration of DER by:
  - a. developing a Roadmap to identify ways to maximise the benefits provided from DER in the power system of the future;
  - b. specifying the connection requirements and performance standards for distributed technologies like solar PV and battery storage; and
  - c. improving visibility of these systems on the power grid.

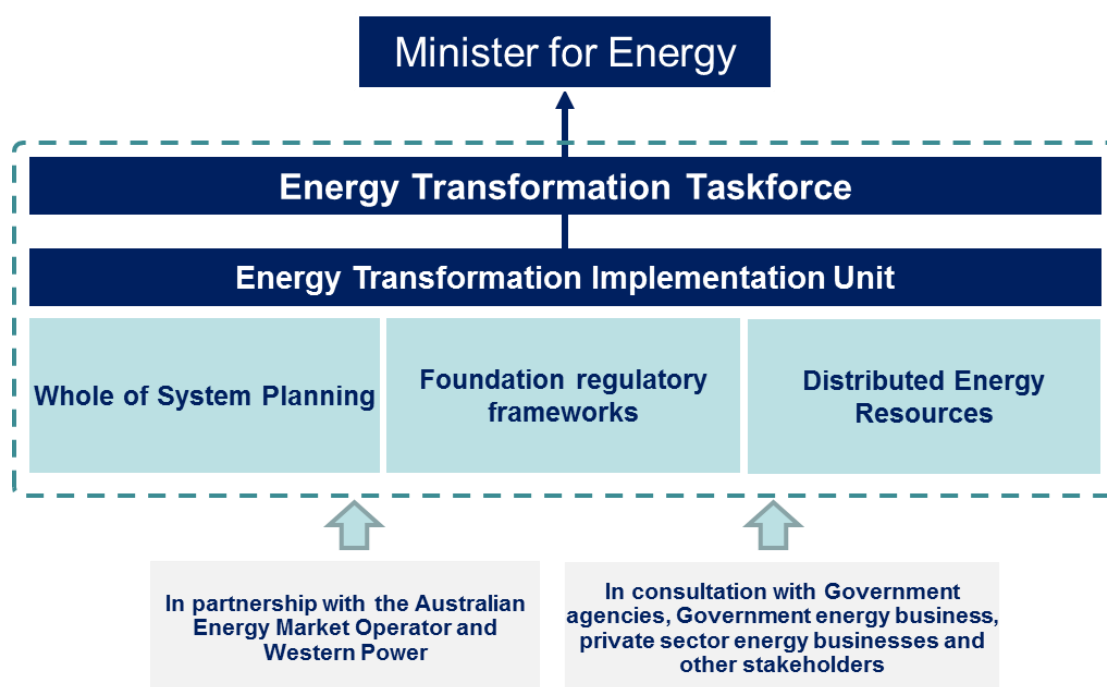
The members of the Taskforce are provided in Table 1.

**Table 1 Energy Transformation Taskforce Members**

Organisation	Position
Independent Chair	Mr Steven Edwell
Department of Treasury	Mr Michael Court, Deputy Under Treasurer
Department of Treasury	Mr Zaeen Khan, Executive Director – Public Utilities Office
Department of the Premier and Cabinet	Mr Brett Sadler, Director – Economic and Environment Policy
Office of the Hon Bill Johnston MLA	Ms Katharine McKenzie – Principal Policy Adviser (Energy)

The Taskforce is supported by a dedicated business unit within the Department of Treasury – the Energy Transformation Implementation Unit (ETIU).

The governance arrangements for the Taskforce are summarised in the following diagram.



### 3. The Strategic Consultative Group

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The Strategic Consultative Group was initially established in 2018 to support the (then) Wholesale Electricity Market (WEM) Reform Program being undertaken by the Public Utilities Office. With the establishment of the Taskforce in May 2019, the WEM Reform Program became part of the Taskforce’s Foundation Regulatory Frameworks work stream.

Recognising the vital role of energy sector stakeholders in the delivery of the Strategy, the Taskforce agreed to retain the Strategic Consultative Group and expand its scope and membership to support the Taskforce in the delivery of the Strategy.

The role of the Strategic Consultative Group is to engage directly with the Taskforce, represented by the Taskforce Chair, providing strategic advice and feedback on the initiatives led by the Taskforce, including:

- the timing of the initiatives, including consultation, design, and implementation;
- the scope of the initiatives; and
- risks associated with implementation of the initiatives.

The Strategic Consultative Group is a consultation body only, providing input to the Taskforce to support its role in overseeing the delivery of the Strategy. The Minister, on the advice of the Taskforce, retains authority for determining the scope and direction of policy matters pursued under the Strategy.

Strategic Consultative Group members are expected to provide advice to the Taskforce in good faith, acting in a manner consistent with the Government’s overarching objectives for the sector, outlined in the Strategy. Strategic Consultative Group members should endeavour to be clear as to which perspective they are representing in discussion: the views of an individual member, their organisation, a class of market participant (such as large customer, generator, etc.), or the electricity industry as a whole.

#### 3.1 Strategic Consultative Group Membership

The Consultative Group is comprised of senior electricity industry representatives, providing a cross-section of the industry. The composition of the Group is outlined in Table 2, below.

**Table 2 Strategic Consultative Group Members**

Position	Organisation
Market and System Operator	Australian Energy Market Operator
Network and Integrated Service Providers	Horizon Power Western Power
Generators/Retailers	Alinta Energy Southern Cross Power Holdings Pty. Ltd. Synergy
Large Customer	Simcoa Operations

Position	Organisation
Industry Peak Bodies	Australian Energy Council Clean Energy Council WA Independent Power Association

Other members of the Taskforce and the ETIU are expected to attend Strategic Consultative Group meetings, from time to time.

The Strategic Consultative Group is not expected to provide input on matters of detail that are most effectively managed through the various working groups, stakeholder workshops and other groups that have been specifically established by the Taskforce or ETIU.

Noting that the Strategic Consultative Group does not have representatives of all end-use customers, it is acknowledged that it is the responsibility of the Taskforce and the ETIU to consider the implications of the Energy Transformation Strategy for all electricity customers, including small-use customers.

## **3.2 Meeting and administration arrangements**

### **3.2.1 Meetings**

The Strategic Consultative Group will meet with the Taskforce approximately once every three months. Attendance by phone/video will be facilitated as required.

Meetings of the Strategic Consultative Group will be chaired by the Taskforce Chair (or delegate). Other Taskforce members may also attend meetings.

Representations from Strategic Consultative Group members will be considered by the Taskforce Chair out-of-session where required and appropriate.

### **3.2.2 Secretariat**

The ETIU will provide secretariat services for the Strategic Consultative Group.

### **3.2.3 Confidentiality**

All papers and discussions by the Strategic Consultative Group are to be treated as confidential within the participating organisations, unless agreed otherwise or it is clear from the subject matter that the material may be made public at an appropriate point in time (e.g. a paper to be released for consultation).