



A Brighter Energy Future

Newsletter
Issue 4 – October 2019

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Welcome from the Chair of the Energy Transformation Taskforce



Welcome to the fourth issue of *A Brighter Energy Future*.

As many of you may have done, last month I attended the 19th Energy in Western Australia Conference, an event co-hosted by the Australian Institute of Energy (Perth branch) and Energy Policy WA.

The conference theme – Delivering in Uncertain Times – certainly captures the challenge for the Energy Transformation Strategy.

I was particularly encouraged by the widespread support of the conference attendees for the work agenda being undertaken by the Energy Transformation Taskforce. It is important that we deliver each element of the Strategy on time.

It has now been five months since the establishment of the Taskforce, so I thought it was timely to provide you with a program status update.

Our program plan has unbundled deliverables across our work streams into ‘quantum packs’ or interim project milestones.

I am pleased to report that, overall, our work program is tracking slightly ahead of schedule, with substantial progress having been made across all work streams. Almost 20 per cent of our interim project milestones have now been completed.

As we turn our focus to the delivery of the *Distributed Energy Resources (DER) Roadmap* by December 2019, the implementation of a DER Register and revised DER connection standards is experiencing a minor delay, although this delay will not compromise the critical path for completion of both projects.

And, as shown in the dashboard on page 3 of this newsletter, all other projects are progressing as planned or ahead of schedule.

While this level of progress is very positive, our work program is very ambitious, and its delivery

timelines are tight. There is no room for complacency.

The final quarter of 2019 will be decisive, as we will be working to deliver the Minister for Energy’s ‘Christmas present’ (the *DER Roadmap*). We will also be bedding down decisions on critical design elements of the constrained network access framework and the modernised Wholesale Electricity Market (WEM).

Over the next months the Taskforce will be considering aspects of the design of the Reserve Capacity Market and the Essential System Services market, as well as outage management and market settlement arrangements. As we have been doing with other elements of our work program, we will be publishing information papers on these topics once they have been considered by the Taskforce.

We will also commence consultation in the next two months on proposed changes to regulatory instruments for the modernised WEM, starting with the proposed arrangements for developing network ‘constraints’ for use in market systems and new change management arrangements for Western Power’s Technical Rules.

As for the Whole of System Plan, this project is in what the project team likes to call ‘the sausage factory stage’ or, in other words, the scenario modelling stage. The Taskforce will see the initial iterations of the scenario modelling work before the new year and will be sharing these with you in early 2020.

I hope you find this update on the status of our work program useful.

A handwritten signature in blue ink, appearing to read 'Stephen Edwell'.

Stephen Edwell
Chair
Energy Transformation Taskforce

Work program status at a glance

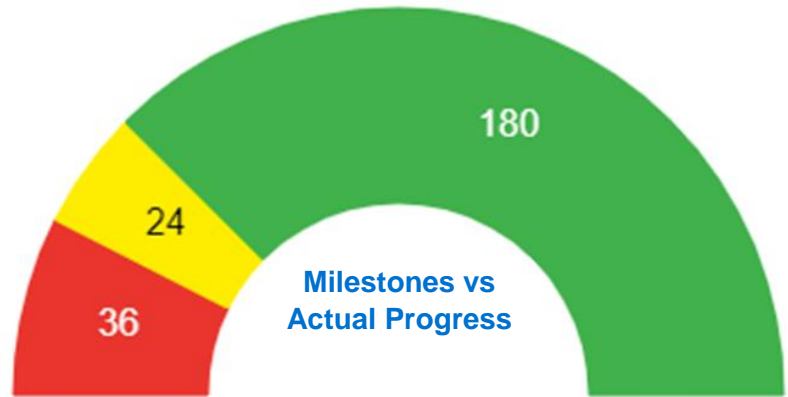
Whole of Program ●

End Date
31 October 2022

Planned % Complete
13%

Actual % Complete
18%

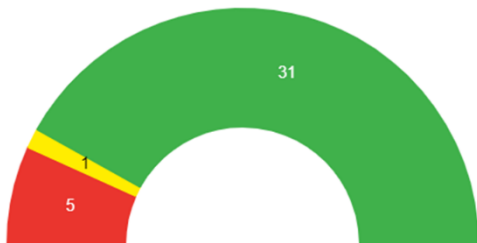
Variance
5%



Note: The program and project status reports record progress made against both interim and final milestones. While some interim actions are tracking slightly behind schedule, others are ahead of schedule. Overall the Taskforce is on track to meet all key deliverable timelines.

- Progress Rating Key**
- Where a variance is equal to or greater than -10%.
 - Where a variance is between 0 and -10%.
 - Where a variance is equal or greater than 0 or a task is not due to commence until a future date.

Whole of System Planning ●



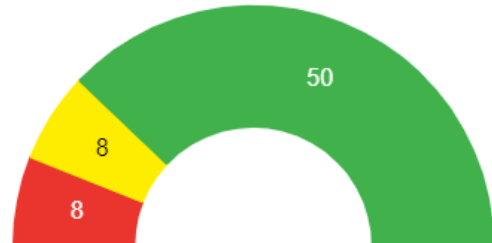
End Date
29 July 2020

Actual % Complete
35%

Planned % Complete
35%

Variance
0%

DER Program ●



End Date
28 August 2020

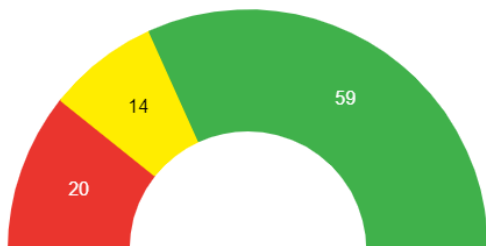
Actual % Complete
25%

Planned % Complete
29%

Variance
-4%

Roadmap
66% Complete
12% Variance

Improving Access to the Network ●



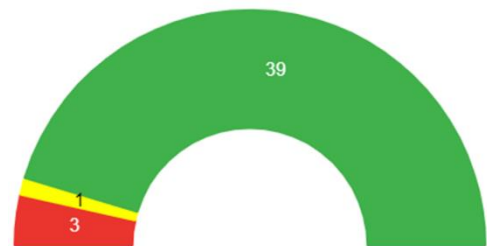
End Date
14 October 2022

Actual % Complete
12%

Planned % Complete
11%

Variance
1%

Delivering the Future Power System ●



End Date
31 October 2022

Actual % Complete
15%

Planned % Complete
13%

Variance
2%

Energy Transformation Taskforce meetings



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

Meeting 6, 2019
Held on 20 September 2019

Meeting 7, 2019
Held on 18 October 2019

DER Roadmap

The Taskforce considered the structure and content of the *DER Roadmap*, which will include recommended actions and clearly indicate the parties responsible for their implementation.

The structure and an overview of the *DER Roadmap* will be presented to stakeholders at the industry forum scheduled for 29 October 2019, which will also provide an opportunity for the project team to show how it has incorporated input from the workshop held in July.

The Taskforce also considered a draft of the *Current State Summary*, a document containing a detailed summary of the existing regulatory arrangements that affect the uptake of DER in the South West Interconnected System. The *Current State Summary* will be an appendix to the *DER Roadmap*.

Delivering the Future Power System

With regard to the modernisation of the WEM, the Taskforce endorsed the following key market settlement parameters.

- The alignment of the dispatch and settlement intervals to five minutes, as the misalignment of these intervals may have adverse consequences on the operation of the WEM. Recognising the likely substantial implementation task for this change, the Taskforce agreed this feature would be implemented after the new market commences in 2022.
- The adoption of a weekly settlement timeline for all settlement components to decrease barriers to entry and administration costs.
- The retention of the existing approach to the allocation of settlement residues to the Notional Wholesale Meter, noting that this matter should be reviewed in the future.

The Taskforce has published an information paper on these components of the design of the future WEM.

Whole of System Plan

The Taskforce considered the modelling assumptions and methodology to be used in developing the inaugural Whole of System Plan.

The Taskforce was also provided with an overview of the outcomes of the extensive stakeholder consultation undertaken by the project team.

The Taskforce is scheduled to hold its next formal meeting (Meeting 8, 2019) in November 2019.

Our latest publications

The following publications are now available on the Energy Transformation website – www.energy.wa.gov.au

Delivering the Future Power System

- *Foundation Settings for Market Settlement – Information paper*

Program Management

- *Energy Transformation Strategy Program Implementation Plan*

Transformation Design and Operations Working Group – Meeting of 9 September 2019

- *Minutes*
- *Presentation*

Upcoming consultation

November – December 2019

- Draft changes to the WEM Rules for the development of power system constraints.
- Draft changes to the Electricity Networks Access Code and WEM Rules for the management of changes to the Technical Rules.

Upcoming publications

November – December 2019

Delivering the Future Power System Information papers

- *Essential System Services – Scheduling and Dispatch*
- *Non-Frequency Essential System Services*
- *Settlements – Reserve Capacity Mechanism, Essential System Services and Energy*
- *Outage Management*

Newsletter

- *A Brighter Energy Future – Issue 5*

Upcoming events



Date	Event
29 October 2019	Strategic Consultative Group Meeting
29 October 2019	DER Roadmap – Industry Forum
31 October 2019	Program Implementation Coordination Group Meeting
November 2019 (Date to be confirmed)	Energy Transformation Taskforce Meeting 8, 2019
19 November 2019	Transformation Design and Operation Working Group Meeting
25 November 2019	Transformation Design and Operation Working Group Meeting
28 November 2019	Program Implementation Coordination Group Meeting

To stay up to date, contact us at energytransformation@energy.wa.gov.au or visit our website (www.energy.wa.gov.au).