



**Energy Transformation
Taskforce**

A Brighter Energy Future

Newsletter
Issue 6 – March 2020

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Update from the Chair of the Energy Transformation Taskforce



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Welcome to the first issue of *A Brighter Energy Future* for 2020.

The world is a different place since our last Newsletter with the COVID-19 pandemic impacting day to day life. The work of the Energy Transformation Taskforce continues apace, but with different working arrangements. We will continue to follow the advice of the State Government.

We are implementing social distancing measures, and have been piloting phone/web hook ups for meetings with stakeholders. We have been testing Microsoft Teams for our working groups with good results. Thank you for your patience as we roll out these new ways of working with stakeholders.

Despite the challenges, our work remains on track and in some cases, such as the Delivering the Future Power System project, is entering an exciting new phase.

Delivering the Future Power System – a new phase

The Taskforce's detailed redesign of the Wholesale Electricity Market is now substantively complete. In total, 17 Taskforce Information Papers have been published since July 2019, containing the detailed policy and design decisions of the Taskforce and providing direction for stakeholders on the Government's transition of the power system. These publications include detail on the implementation of security-constrained economic dispatch, a cutting-edge framework for the acquisition and delivery of essential system

services, how Western Power's Technical Rules will evolve to meet the needs of customers, the framework for generator performance standards, and how facilities will settle, register and participate in the new market.

In developing and consulting on the new wholesale market design, the Taskforce has kept at the forefront the need to:

- ensure continued power system security and reliability;
- 'right-size' solutions for the South West Interconnected System;
- avoid unnecessary costs and complexity for Market Participants; and
- provide the right incentives for efficient investment and participation in the market, including for new technologies such as energy storage.

The Taskforce's design decisions have also been guided by the outcomes of extensive consultation with stakeholders. This consultation has included one-on-one meetings, workshops, and sessions of the Transformation Design and Operation Working Group (TDOWG), which often attracts over 50 participants from across the energy sector. The Taskforce sincerely thanks Market Participants for the investment they have made in engaging with TDOWG and other consultation processes.

The Taskforce's Information Papers are available on the Energy Transformation Strategy [website](#).

New market design, new rules

The Taskforce is now developing amending Wholesale Electricity Market (WEM) Rules, Market Procedures, and subsidiary legislation (such as the Electricity Networks Access Code 2004) to give effect to the Government's Energy Transformation Strategy.

Amending Rules and regulations will be subject to public consultation. We will be developing the new rules in packages, with most packages being open for comment for at least four weeks. During this period, the Energy Transformation Implementation Unit will hold dedicated rule-drafting workshops with TDOWG participants, as well as being available to meet one-on-one (consistent with social distancing policies). Finalised packages will then be subject to a further one-week exposure period to enable stakeholders to see how their feedback has been reflected.

An overview of the Taskforce's approach to the development of Amending Rules and regulations will be provided at the next meeting of TDOWG, currently scheduled for 7 April 2020. To register your interest in TDOWG and receive updates, please email energytransformation@energy.wa.gov.au.

The first packages of draft Amending Rules and regulations are on track for release in early-April 2020. Packages to be released include:

1. Final Amending Rules and Access Code changes to give effect to the Taskforce's decisions on the framework for the governance of power system constraints information; and
2. Draft Access Code changes to give effect to the Taskforce's decisions regarding the change management process for Western Power's Technical Rules.

First WEM Reform Implementation Group meeting held

The Taskforce has established a WEM Reform Implementation Group (WRIG) to guide the detailed design of new market arrangements. The Taskforce held its first meeting of the WRIG on 17 March 2020. Matters discussed at the WRIG meeting included AEMO's high-level assessment of its future market system needs, progressive implementation of market system testing and compliance, and transitional arrangements

required following the commencement of the new market.

The WRIG was well-attended by industry representatives via the online platform Webex and will be a vital forum for enabling AEMO, the industry, and government to plan for the coordinated and progressive implementation of new market arrangements by 1 October 2022. Meetings of the WRIG are planned to be held monthly.

For more information regarding the WRIG or to register your interest, please contact Aden Barker, Project Leader, Future Power System Delivery, on (08) 6551 4692 or email energytransformation@energy.wa.gov.au.

Other updates

In our December 2019 newsletter, we reported providing the Minister for Energy the **DER Roadmap**, which seeks to guide the integration of Distributed Energy Resources more meaningfully into the power system. The Roadmap is currently with the Government for review, albeit we didn't envisage a pandemic complicating things! The team continues to plan for the implementation of Roadmap actions, and we hope to be able to release it publicly soon.

The Taskforce has endorsed the key design parameters of the **Network Access Quantity framework** and work is now progressing to complete the detailed design and to prepare drafting instructions to amend the WEM Rules to implement the new framework. Industry consultation on the detailed design and drafting instructions will commence in May 2020. The final design of the framework is expected to be endorsed by the Taskforce in mid-2020.

Work is also progressing to identify necessary amendments to Western Power's connection and access instruments such as the Applications and Queuing Policy and the standard access

contract. Consultation with industry is expected to commence in July 2020.

The **Whole of System Plan** (WOSP) team has been successfully running the Resource Planning Model, inclusive of Essential System Services constraints. In parallel the team has been building the dispatch model and is forming the constraint equations required to run the dispatch model and incorporating a commercial analysis test.

The team will be re-iterating between the two models over the coming months and expects to be recommencing one on ones with the industry, on a virtual basis, as soon as possible.

I look forward to continuing working with you as we enter into this exciting new phase of the delivery of the State Government's Energy Transformation Strategy.

Stay safe!

A handwritten signature in blue ink, appearing to read 'Stephen Edwell', is displayed on a white background.

Stephen Edwell
Chair
Energy Transformation Taskforce

Energy Transformation Taskforce meetings



The Taskforce has held three formal meetings since the publication of the fifth issue of *A Brighter Energy Future*.

Meeting 1, 2020
Held on 7 February 2020

Meeting 2, 2020
Held on 28 February 2020

Meeting 3, 2020
Held on 27 March 2020

DER Roadmap

The Taskforce considered the DER Roadmap Program Implementation Plan, noting the DER Roadmap is currently being considered by Government.

Improving Access to the Western Power Network

The Taskforce endorsed the key design parameters of the Network Access Quantity framework and considered transitional implementation arrangements.

Delivering the Future Power System

The Taskforce:

- approved the design of the outage management framework to be implemented in the new Wholesale Electricity Market (WEM);
- approved changes to the operating states and contingency events frameworks;

- approved a new framework for registration and participation in the WEM, to accommodate more technologies providing services in more elements of the WEM; and
- approved a new compliance and monitoring framework to apply to generator performance standards for generators connected to Western Power's transmission network and registered to participate in the Wholesale Electricity Market.

Whole of Program

The Taskforce also endorsed, for submission to the Minister for Energy, a consultation on the proposed changes to the Electricity Networks Access Code 2004.

The Taskforce is scheduled to hold its next formal meeting (Meeting 4, 2020) on 24 April 2020.

Upcoming events



Date	Event
15 April 2020	Program Implementation Coordination Group Meeting 3, 2020
21 April 2020	Strategic Coordination Group Meeting 2, 2020
24 April 2020	Energy Transformation Taskforce Meeting 4, 2020
31 May 2020	Publication of issue 7 of <i>A Brighter Energy Future</i>
Ongoing	Stakeholder Engagement – Whole of Program Project working group meetings 1:1 (virtual) conversations