



Meeting Agenda

Meeting Title:	Pilbara Advisory Committee (PAC)
Date:	Wednesday 4 May 2022
Time:	10:00 AM – 11:20 AM
Location:	Online, via TEAMS.

Item	Item	Responsibility	Type	Duration
1	Welcome and Agenda (a) introduction of the independent Chair (b) introduction of the members (c) purpose of the PAC (d) PAC Constitution	Chair	Discussion	20 min
2	Meeting Apologies/Attendance	Chair	Noting	5 min
3	Rule Changes			
	(a) Overview of Rule Change Proposals	Chair	Noting	5 min
	(b) PRC_2022_01 – Standalone Production Systems	Woodside	Discussion	40 min
4	Schedule of PAC Meetings for 2022	Chair	Approval	5 min
5	General Business	Chair	Discussion	5 min
	Next meeting: 9:30 AM, 3 August 2022 (TBC)			

Please note, this meeting will be recorded.



Agenda Item 1(d): PAC constitution

Meeting 2022_05_04

1. Purpose

- PAC to note the PAC constitution.

2. Background

The Pilbara Networks Rules outline the functions and composition of the PAC, as well as the procedures for appointing new members. The Pilbara Networks Rules require the Coordinator of Energy to publish a Constitution for the PAC.

The Coordinator of Energy has published the first PAC constitution on 24 February 2022.

1. Attachments

- (1) PAC Constitution



Constitution of the Pilbara Advisory Committee

13 April 2022

1. Introduction

- 1.1. The Pilbara Network Rules (**PNR**) are made under the *Electricity Industry (Pilbara Networks) Regulations 2021 (Regulations)* and in accordance with section 120K of the *Electricity Industry Act 2004 (Act)*.
- 1.2. The Coordinator of Energy's (**Coordinator**) functions are specified in clause 38 of the PNR and are:
 - (a) the functions set out in clause A2.2D of the PNR to:
 - (i) develop procedures, and amendments to and replacements for them, as required by the PNR;
 - (ii) do anything that the Coordinator determines to be conducive or incidental to the performance of the functions set out in clause A2.2D.1 of the PNR;
 - (iii) administer the PNR;
 - (iv) develop amendments and replacements for the PNR;
 - (v) consider and, in consultation with the Pilbara advisory committee, progress the evolution and development of the regime under Part 8A of the Act and the PNR;
 - (vi) provide PAC secretariat services to the Pilbara advisory committee and support its Independent Chair;
 - (vii) undertake reviews and consultation as required under the PNR; and
 - (viii) carry out any other functions conferred, and perform any other obligations imposed, on the Coordinator under the PNR,
 - (b) the functions the Coordinator are otherwise provided under the Act, the Regulations, the PNR; the *Pilbara Networks Access Code* or the *Electricity Networks Access Code 2004*.
- 1.3. The Coordinator cannot make amending rules unless they are satisfied that the PNR, as proposed to be amended or replaced, are consistent with the Pilbara electricity objective.
- 1.4. The Pilbara electricity objective is stated in clause 119(2) of the Act and the matters a person or body must have regard to in determining whether the performance of a function meets the Pilbara electricity objective is specified in clause 4 of part 2 of the Regulations.

- 1.5. This Constitution of the Pilbara advisory committee is prepared in accordance with clause A2.3.A2 of the PNR.
- 1.6. Terms used in this Constitution have the same meaning as defined in the PNR.
- 1.7. If a provision of this Constitution is inconsistent with a higher order document (the Act, Regulations, PNR or a procedure developed under the PNR), then the provision in the higher order document prevails to the extent of the inconsistency.

2. Terms of Reference

- 2.1. The Pilbara advisory committee is formed under clause A2.3.1 of the PNR and is a committee of stakeholder representatives convened by the Coordinator to:
 - (a) advise the Coordinator regarding rule change proposals and, if applicable under clause A2.10.6A of the PNR, procedure change proposals;
 - (b) advise custodians regarding procedure change proposals;
 - (c) advise the Coordinator, the independent system operator for Palabra networks (**ISO**) and the Economic Regulation Authority (**Authority**) on the development of rule change proposals where requested by the Coordinator, the ISO or the Authority in accordance with clauses A2.5.1A or A2.5.1B or A2.5.1C of the PNR; and
 - (d) advise the Coordinator regarding matters concerning, and the Coordinator's plans for, the evolution and development of the regime under Part 8A of the Act and the PNR.
- 2.2. In carrying out its functions, the Pilbara advisory committee must have regard to the Pilbara electricity objective as set out in clause 119(3) of the Act and the matters specified in clause 4 of the Regulations and any recommendations made by the Pilbara advisory committee must be consistent with the Pilbara electricity objective.
- 2.3. Pilbara advisory committee members or their proxies are required to act in the best interests of the operation, management, security and reliability of the interconnected Pilbara system and other Pilbara networks.
- 2.4. Pilbara advisory committee members do not vote on issues and must endeavour to reach a consensus on any issue before the committee. If, after allowing a reasonable time for discussion, the independent Chair of the Pilbara advisory committee determines that a consensus position either will not be achieved or is unlikely to be achieved within a time which is reasonable in the circumstances, then the independent Chair must provide advice to the Coordinator which reflects any majority view and which includes or is accompanied by the dissenting views.
- 2.5. The Pilbara advisory committee may establish Working Groups comprised of representatives of rules participants and other interested stakeholders to assist it in advising the Coordinator, the Authority, the ISO and network service providers (**NSPs**).

3. Membership Terms

- 3.1. In accordance with clause A2.3.5 of the PNR, the Pilbara advisory committee must comprise:

- (a) at least 1 and not more than 6 members representing rules participants not listed in the following paragraphs;
 - (b) at least one independent member nominated by the Minister to represent the interests of contestable customers;
 - (c) for each registered NSP, a member to represent the NSP;
 - (d) for each excluded NSP, if the NSP so chooses, a member to represent the NSP;
 - (e) at least one independent member nominated by the Minister to represent the interests of small-use customers;
 - (f) a member to represent the ISO; and
 - (g) an Independent Chair, to be appointed by the Minister under clause A2.3.8A of the PNR.
- 3.2. The Minister may appoint a representative to attend Pilbara advisory committee meetings as an observer, as outlined in clause A2.3.6 of the PNR.
- 3.3. The Authority may appoint a representative to attend Pilbara advisory committee meetings as an observer, as outlined in clause A2.3.7 of the PNR.
- 3.4. The Coordinator or the independent Chair may invite a person to attend Pilbara advisory committee meetings as an observer, either for a specified meeting or meetings or until further notice.

Classes of Members

- 3.5. Members who represent a single entity (each registered NSP, any excluded NSP and the ISO) and the members nominated by the Minister to represent contestable customers or small-use consumers are compulsory class members.
- 3.6. Members who represent rule participants under clause 3.1.(a) are discretionary class members.

Proxies

- 3.7. Compulsory class members who are unable to attend a meeting can send an appropriate proxy with similar skills and experience to attend meetings in their place.
- 3.8. Discretionary class members who are unable to attend a meeting can request the attendance of an appropriate proxy who must have similar skills and experience. Discretionary class members cannot send a proxy by right. Permission for the attendance by proxies will be at the independent Chair's discretion and must not be withheld unreasonably.
- 3.9. Observers appointed by the Minister or the Authority can send proxies to attend meetings in their place.

Meeting Attendance

- 3.10. The Pilbara advisory committee may continue to perform its functions under clause A2.3.1 of the PNR despite any vacancy, provided that a quorum is met (see clauses 6.3 and 6.4 of this Constitution).

- 3.11. Each member is required to make themselves reasonably available for all meetings. Members who have not been reasonably available for all meetings may be removed by the Coordinator under clause 4.11 of this Constitution. Proxies sent by compulsory class members count towards attendance by the compulsory class members. Proxies sent by discretionary class members do not count towards attendance by the discretionary class members.
- 3.12. Each member and observer is required to:
- (a) be prepared for all Pilbara advisory committee meetings, to read the papers and to actively contribute to discussions; and
 - (b) not use their position or information gained as a member or observer improperly to gain an advantage for themselves or anyone else, or to cause detriment to the Coordinator or anyone else.
- 3.13. Each member, other than small-use customer representatives under clause 3.1(e) of this Constitution, and observer must pay their own expenses associated with participating in the Pilbara advisory committee.

4. Appointing and Replacing Members

- 4.1. The Coordinator may appoint members and terminate membership of the Pilbara advisory committee in accordance with clauses A2.3.8, A2.3.10 and A2.3.11 of the PNR and section 4 of this Constitution.
- 4.2. Compulsory class members who represent registered NSPs, excluded NSPs or the ISO must be nominated to the Coordinator by the represented entity.
- 4.3. The Coordinator will seek nominations for discretionary class members of the Pilbara advisory committee on the Coordinator's Website, by email to recipients of Energy Policy WA's weekly RulesWatch newsletter, and via direct contact with appropriate industry groups or any other means the Coordinator considers appropriate. Any company or individual can make nominations.
- 4.4. Each member appointed following an annual composition review will usually be appointed for a term of two years, subject to any earlier termination.
- 4.5. The Coordinator may appoint members following an annual composition review for a term shorter or longer than two years, including to ensure that the terms of half of the discretionary members expire each year.
- 4.6. Where a member is appointed to a vacated position on the Pilbara advisory committee that is not vacated due to the expiration of the position's term, the term of the replacement member is for the duration of the previous member's remaining length of tenure.
- 4.7. A member may be reappointed to the Pilbara advisory committee unless they have been a member for the six or more consecutive years immediately before the proposed reappointment period begins.
- 4.8. No more than one individual from the same employing organisation can be a member of the Pilbara advisory committee at any one time.

- 4.9. When appointing and removing members of the Pilbara advisory committee, the Coordinator will consult with the independent Chair, and take nominations from rules participants and industry groups that they consider relevant to the regime under Part 8A of the Act or the PNR.
- 4.10. If practicable, and taking into account the requirements of the PNR regarding the Pilbara advisory committee composition, the Coordinator will choose members from among those persons nominated.
- 4.11. Each year the Coordinator will review the performance and attendance of all Pilbara advisory committee members in consultation with the independent Chair. Following the review, if the Coordinator determines that a member has not met the requirements of membership as set out in this Constitution, then the Coordinator may:
- (a) for a compulsory class member, request the party that has appointed the member to nominate another member; or
 - (b) for a discretionary class member, terminate the membership of, or decide to not reappoint the member, and must then follow the process to fill the vacancy as set out in clauses 4.9 and 4.10 of this Constitution.
- 4.12. The Coordinator may also remove a member of the Pilbara advisory committee at any time in the circumstances described in clause A2.3.11 of the PNR.
- 4.13. A member of the Pilbara advisory committee may resign by giving notice to the Coordinator in writing. The Coordinator, in accordance with clause A2.3.13 of the PNR, may appoint a replacement member for the duration of the previous member's remaining length of tenure.
- 4.14. When a position on the Pilbara advisory committee is vacant at any time for any reason, the Coordinator must, in accordance with clause A2.3.13 of the PNR, use reasonable endeavours to appoint a suitable person to fill the position. For the avoidance of doubt, the Pilbara advisory committee can continue to perform its functions despite any vacancy.
- (a) For compulsory class members, the Coordinator will request that a suitably qualified replacement nominee is provided to attend meetings.
 - (b) For discretionary class members, the Coordinator will appoint a suitable representative, in accordance with clauses 4.9 and 4.10 of this Constitution, and in accordance with the requirements of the PNR.

5. Convening the Pilbara Advisory Committee

- 5.1. The independent Chair must convene the Pilbara advisory committee:
- (a) in relation to a rule change proposal, if the independent Chair or the Coordinator considers that advice is required from the Pilbara advisory committee or if the rule change proposal involves amendments to the harmonised technical rules, in which case the meeting will be called before the due date for submissions on the proposed changes;
 - (b) in relation to a Procedure Change Proposal, if the independent Chair, the Coordinator or a custodian considers that advice is required from the Pilbara

advisory committee, in which case the meeting will be called before the due date for submissions on the proposed changes;

- (c) in relation to a rule change proposal or procedure change proposal, if two or more members of the Pilbara advisory committee have informed the independent Chair in writing that they consider that advice is required from the Pilbara advisory committee;
- (d) in relation to an application for exemption from one or more requirements under the PNR where the ISO refers the application to the Pilbara advisory committee under clause 57(5) of the PNR;
- (e) on any occasion when two or more members of the Pilbara advisory committee have informed the independent Chair in writing that they wish to bring a matter regarding the evolution or the development of the regime under Part 8A of the Act or the PNR before the Pilbara advisory committee for discussion;
- (f) on any occasion the Coordinator has informed the independent Chair that they wish to bring a matter regarding the evolution or the development of the regime under Part 8A of the Act or the PNR before the Pilbara advisory committee for discussion; and
- (g) where practicable, consistent with the provisional schedule of Pilbara advisory committee meetings issued annually by the PAC secretariat.

6. Conduct of Meetings

- 6.1. The independent Chair may determine procedures for meetings of the Pilbara advisory committee.
- 6.2. The Pilbara advisory committee may provide advice or make recommendations to the Coordinator on any issue relating to the regime under Part 8A of the Act in accordance with clause 2.4 of this Constitution.
- 6.3. The Pilbara advisory committee can only make a recommendation to the Coordinator if a quorum of members is present at the relevant discussion.
- 6.4. A quorum requires at least the following to be present at the meeting:
 - (a) 50% of total current members;
 - (b) one member representing contestable customers;
 - (c) one member representing small-use customers; and
 - (d) all but one members representing registered NSPs.
- 6.5. Meetings of the Pilbara advisory committee:
 - (a) may be held at a location nominated by the independent Chair;
 - (b) may be held using on-line technology determined by the independent Chair; and
 - (b) must allow remote participation by electronic means.
- 6.6. Meetings of the Pilbara advisory committee are recorded for the purpose of ensuring the accuracy of meeting minutes. These recordings are therefore considered

temporary and are no longer considered necessary once the minutes of a meeting are confirmed and will be periodically deleted.

7. Role of the PAC Secretariat and independent Chair

- 7.1. The PAC secretariat will provide secretariat services to the Pilbara advisory committee and support the independent Chair, including in performing the functions in clauses 7.2 and 7.3 of this Constitution.
- 7.2. The PAC secretariat will:
- (a) develop and issue a provisional schedule of meetings (under the direction of the independent Chair) and maintain the diary of the Pilbara advisory committee;
 - (b) compile the meeting papers and send them by email to all members and observers of the Pilbara advisory committee and publish the papers on the Coordinator's Website. The PAC secretariat will endeavour to issue papers to all members and observers, at least five Business Days before each meeting, except for any late papers approved by the independent Chair;
 - (c) prepare the minutes of each Pilbara advisory committee meeting and endeavour to send them by email to all members and observers of the Pilbara advisory committee within ten Business Days of the meeting; and
 - (d) publish the minutes on the Coordinator's Website.
- 7.3. The independent Chair may develop and submit rule change proposals based on advice received from the Pilbara advisory committee regarding the development of the regime under Part 8A of the Act or the PNR.
- 7.4. The independent Chair may, at their discretion, approve late papers for a Pilbara advisory committee meeting.

8. Interaction between the Pilbara Advisory Committee, the Coordinator and the independent Chair

- 8.1. All written communications related to the activities of the Pilbara advisory committee from the members and observers of the Pilbara advisory committee must be sent to the PAC secretariat via e-mail at: energymarkets@energy.wa.gov.au.
- 8.2. Communications between the members and observers of the Pilbara advisory committee and the PAC secretariat will be via email to the email addresses published on the Coordinator's Website and must copy in the PAC Secretariat on: energymarkets@energy.wa.gov.au.
- 8.3. The Coordinator will provide the independent Chair, members and observers of the Pilbara advisory committee with information in their possession that is directly relevant to the issues being addressed (subject to the Coordinator's obligations of confidentiality).
- 8.4. The Coordinator will, where reasonably practicable, notify the Pilbara advisory committee of a submitted rule change proposal and give the Pilbara advisory

committee an opportunity to comment on the process to be used for progressing the rule change proposal.

- 8.5. The Pilbara advisory committee may request that a rule change proposal is subjected to the fast track rule change process or the abridged standard rule change process.
- 8.6. The Coordinator may decide to subject a rule change proposal to the fast track rule change process or the abridged standard rule change process upon request of the Pilbara advisory committee.
- 8.8. After the publication of a notice of a rule change proposal, the Coordinator will provide a copy of the notice to the Pilbara advisory committee.
- 8.9. The Coordinator will include in their draft rule change reports (in accordance with clause A2.7.7 of the PNR) a summary of the views expressed by the members of the Pilbara advisory committee (or Pilbara advisory committee working group), if the Pilbara advisory committee (or Pilbara advisory committee working group) has met to consider a rule change proposal.
- 8.10. The Coordinator will include reasons in their Final Rule Change Reports (in accordance with clause A2.7.8(bA) of the PNR) if they have decided not to follow partially or fully the advice received from the Pilbara advisory committee.
- 8.11. A custodian will include in their procedure change reports (in accordance with clause A2.10.13 of the PNR) a summary of the views expressed by the members of the Pilbara advisory committee (or Pilbara advisory committee working group), if the Pilbara advisory committee (or Pilbara advisory committee working group) has met to consider a procedure change proposal.

9. Governance Arrangements Between the Pilbara Advisory Committee and Working Groups

- 9.1. The Pilbara advisory committee may establish and disband Working Groups as per clause A2.3.17 of the PNR.
- 9.2. The Pilbara advisory committee must determine the scope of work and terms of reference for each working group. The Pilbara advisory committee may approve any amendments to the terms of reference or membership of any working group at any time.
- 9.3. The terms of reference for a working group will be tailored to the specific requirements of each working group and typically include the:
 - (a) background (reason for the establishment of the working group);
 - (b) purpose and scope of work of the working group;
 - (c) roles and responsibilities of members of the working group;
 - (d) membership of the working group;
 - (e) administration, secretariat and meeting arrangements for the working group; and
 - (f) reporting arrangements to the Pilbara advisory committee.

- 9.4. Working Groups must report to the Pilbara advisory committee at least once every two months, unless otherwise specified in the terms of reference for the working group. Reporting will be via the working group secretariat. The working group will report to the Pilbara advisory committee at any other times requested by the Pilbara advisory committee. Day-to-day interaction between the Pilbara advisory committee and the working group will be via the PAC secretariat.
- 9.5. Working groups must refer issues outside the scope of the working group's terms of reference back to the Pilbara advisory committee for consideration.
- 9.6. Once a working group has been established, the Pilbara advisory committee delegates to the working group the ability to discuss the matters within the scope of the working group's terms of reference. The working group must report back to the Pilbara advisory committee any of its recommendations.
- 9.7. The independent Chair must, through the PAC secretariat, inform the Coordinator if the Pilbara advisory committee establishes a working group, and must provide the Coordinator with a copy of the terms of reference for each working group.



Agenda Item 3(a): Overview of Rule Change Proposals (as of 27 April 2022)

Pilbara advisory committee (**PAC**) Meeting 2022_05_04

There are currently no rule change proposals that have been submitted or that are being processed through the formal rule change process. There is one pre-rule change proposal, to be discussed by the PAC on 4 May 2022.

The PAC secretariat proposes to include the below tables as a standing agenda item at every PAC meeting. The tables will be updated as proposals are submitted and progressed through the rule change process.

- Changes to the report since the previous PAC meeting are shown in **red font**.
- The next steps and the timing for the next steps are provided for rule change proposals that are currently being actively progressed by the Coordinator of Energy (**Coordinator**) or the Minister.

Indicative Rule Change Activity Until the Next PAC Meeting

Reference	Title	Events	Indicative Timing
None			

Rule Change Proposals Commenced

Reference	Submitted	Proponent	Title	Commenced
None				

Rule Change Proposals Awaiting Commencement

Reference	Submitted	Proponent	Title	Commencement
None				

Rule Change Proposals Rejected

Reference	Submitted	Proponent	Title	Rejected
None				

Rule Change Proposals Awaiting Approval by the Minister

Reference	Submitted	Proponent	Title	Approval Due Date
None				

Formally Submitted Rule Change Proposals

Reference	Submitted	Proponent	Title	Urgency	Next Step	Date
None						

Pre-Rule Change Proposals

Reference	Proponent	Description	Next Step	Date
PRC_2022_01	Woodside	Standalone Production Systems	Consult with the PAC on the pre-rule change proposal	4.5.2022

Rule Changes Made by the Minister and Awaiting Commencement

Gazette	Date	Title	Commencement
None			



Agenda Item 3(b): PRC_2022_01 – Standalone Production Systems

Meeting 2022_05_04

1. Purpose

- PAC to provide feedback to Woodside on its pre-rule change proposal before the proposal is submitted into the formal rule change process.
- PAC to provide advice to the Coordinator of Energy on whether the rule change proposal should be progressed if it is formally submitted.

2. Recommendation:

That the PAC:

1. discusses the pre-rule change proposal and provides feedback to Woodside, including on:
 - a. whether there are any specific concerns with the proposed arrangements for standalone production systems;
 - b. whether the proposal would better address the Pilbara electricity objective;
 - c. any expected costs and benefits of the proposed changes; and
 - d. the use of the fast track rule change process, as requested by Woodside.
2. if the PAC recommends substantial changes to the rule change proposal, agrees whether the rule change proposal should be returned to the PAC for further consideration;
3. if the PAC agrees that the rule change proposal should not be returned to the PAC for further consideration, provides advice to the Coordinator whether the rule change proposal should be:
 - a. progressed if submitted without any material changes;
 - b. progressed only if specific changes are made before it is formally submitted and the reasons why; or
 - c. not be progressed if it is formally submitted and the reasons why;
4. if the PAC agrees that the rule change proposal should not be returned to the PAC for further consideration and should be progressed if submitted, indicates whether the PAC requests the use of the fast track rule change process.

3. Process:

- Woodside provided the pre-rule change proposal to the PAC secretariat on 21 April 2022. The issue is to be discussed for the first time at the 4 May PAC meeting.

- Woodside has requested that the rule change proposal is progressed using the fast track rule change process. Clause A2.5.9 of the Pilbara Network Rules outlines under what circumstances a rule change proposal can be progressed using this process:

A2.5.9. **{Fast track process}** The Coordinator may decide to subject a *rule change proposal* to the *fast track rule change process* if —

- (a) in her or his opinion, the *rule change proposal* is of a minor or procedural nature; or
- (b) the *Pilbara advisory committee* requests the use of the *fast track rule change process*.

4. Background

Woodside provided a Pre-Rule Change Proposal PRC_2022_01 to the PAC secretariat on 21 April 2022 (**Attachment 1**) for review and comment by the PAC.

Woodside is proposing to:

- Introduce a new network class for disconnecting LNG electricity network forming part of the NWIS, and which is not a covered network;
- requiring that a disconnecting LNG network must be capable of being disconnected from the NWIS by the owner of the disconnecting LNG network, the ISO and the registered NSP of any network to which the system is connected; and
- limit the application of the Harmonised Technical Rules to disconnecting LNG networks to the connection point between the disconnecting LNG network and a covered network.

1. Attachments

- (1) Pre-Rule Change Proposal PRC_2022_01 – Standalone Production Systems



Pilbara Networks Rule Change Proposal Form

Rule change proposal ID: [to be completed by Energy Policy WA]

Date received: [to be completed by Energy Policy WA]

Change requested by:

Name:	
Phone:	
Email:	
Organisation:	Woodside Energy Ltd.
Address:	Mia Yellagonga Karlak, 11 Mount Street, Perth WA 6000
Date submitted:	
Proposed urgency:	Fast track process
Rule change proposal title:	"Standalone Production Systems"
Pilbara Networks Rule(s) affected	All Pilbara Network Rules are affected, on the basis that this document proposes a rule change exempting certain networks and facilities from the operation of the Pilbara Network Rules in their entirety.

Introduction

Clause A2.5.1 of the Pilbara Networks Rules provides that any person may make a rule change proposal by completing a rule change proposal form and submitting it to the Coordinator of Energy (**Coordinator**).

This rule change proposal can be sent by:

Email to: energymarkets@energy.wa.gov.au

Post to: Coordinator of Energy
Attn: Director, Wholesale Markets
C/o: Energy Policy WA
Locked Bag 11, Cloisters Square
PERTH WA 6850

The Coordinator will assess the proposal and will notify you within 5 business days of receiving this form whether the rule change proposal will be further progressed.

All of the fields below must be completed for the proposal to be progressed, and the proposal must:

- provide any proposed specific changes to particular Pilbara Networks Rules; and
- describe how the proposed rule change would allow the Pilbara Networks Rules to better address the Pilbara electricity objective.

The Pilbara electricity objective, as defined in section 119(2) of the *Electricity Industry Act 2004*, is to promote efficient investment in, and efficient operation and use of, services of Pilbara networks for the long-term interests of consumers of electricity in the Pilbara region in relation to —:

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of any interconnected Pilbara system.

Regulation 4 of the *Electricity Industry (Pilbara Networks) Regulations 2021* sets out matters to which the Coordinator must have regard when applying this objective. Those matters include:

- (a) the contribution of the Pilbara resources industry to the State's economy;
- (b) the nature and scale of investment in the Pilbara resources industry;
- (c) the importance to the Pilbara resources industry of a secure and reliable electricity supply;
- (d) the nature of electricity supply in the Pilbara region, including whether or not regulatory approaches used outside the Pilbara region are appropriate for the region, Pilbara network users and Pilbara networks; and
- (e) any other matter the Coordinator considers relevant.

Details of the proposed rule change

1. Describe the concern with the existing Pilbara Networks Rules that is to be addressed by the proposed rule change:

Pilbara Electricity Reforms

1. The Pilbara Network Rules (**PNR**) and Harmonised Technical Rules (**HTR**) (together, the **Rules**) are a central aspect of the Pilbara Electricity Reforms (**Reforms**) which were introduced to cater both for the unique operating environment of the Pilbara and provide for the long-term supply of electricity to industrial and retail consumers in the Pilbara region.
2. The Reforms acknowledge that the parties operating in the Pilbara are unique in that many are vertically integrated (they generate, transport and sell electricity) and many parties in the region self-supply, which accounts for the majority of electricity consumption in the Pilbara. The Reforms sought to balance this operating environment with a regime that prioritises long-term consumer interests particularly in relation to price, quality, safety, reliability and security of supply.
3. As part of these Reforms, there has been a focus on improving access to the North West Interconnected System (**NWIS**). Currently, 40% of generation capacity in the Pilbara is connected to the NWIS and 60% is not connected to the NWIS. This reflects the fact that minerals and energy companies have historically developed self-supporting solutions for their resources projects, rather than adopting an integrated, coordinated approach.

Standalone Production Systems

4. The Rules include exceptions to aspects of the Rules which do not align well with the unique circumstances of resources industry operators. In particular, there is a carve out for 'integrated

mining networks' which limits the reach of the Rules to encourage operators in the mining industry to connect to the NWIS but enable them to do so in a way which does not undermine their operations and projects or, importantly, the reliability of supply to those operations and projects. Similarly, rule 23 of the PNR identifies three specific networks that are designated 'excluded networks' and are therefore treated as 'facilities' rather than 'networks' for the purposes of the PNR, recognising the unique needs of the operators of those networks.

5. However, the specific circumstances of LNG producers, a key resources industry in the Pilbara region, have not been catered to in the same way.
6. Electricity for LNG facilities operating in the Pilbara is typically self-supplied by on-site open-cycle gas turbines using the LNG facility's own gas supplies, together with a small, self-contained distribution network (**Standalone Production Systems**). These Standalone Production Systems are crucial to maintaining the operation of integrated offshore and onshore production systems that are common to the end-to-end nature of the LNG industry.
7. For example, Woodside operates two such Standalone Production Systems, supporting the following operations:
 - (a) (**Pluto LNG Project**) Gas is extracted from the offshore Pluto, Xena and Pyxis gas fields in Western Australia. It is then transported through an approximately 180km-long trunkline from the offshore Pluto-A platform to a 4.9 million tonnes per annum (**Mtpa**) LNG processing train, condensate production facilities and domestic gas infrastructure. Woodside is proposing a brownfield expansion of Pluto LNG through the construction of a second gas processing train. Pluto Train 2 would have a capacity of about 5Mtpa (100%); and
 - (b) (**North West Shelf Project**) Gas is transported from the offshore North Rankin, Goodwyn-A and Angel offshore production platforms to Karratha Gas Plant (**KGP**) for processing via subsea infrastructure and trunklines. Onshore facilities at the KGP include five LNG trains with 16.9 Mtpa capacity, condensate production facilities, a domestic gas plant and LPG production facilities. Woodside is also progressing the Pluto–KGP Interconnector, a pipeline connecting the two existing Woodside-operated onshore gas facilities.
8. These Standalone Production Systems were constructed prior to the implementation of the Reforms. They were designed on the basis that:
 - (a) LNG producers would need to be self-sufficient and meet their own specific load and high reliability requirements; and
 - (b) for most such systems (and certainly for those operated by Woodside in the Pilbara) there was no interconnected grid available to provide support in the case of planned or unplanned interruptions to the supply or load to which such systems could be connected, largely due to the fragmented, ad-hoc manner in which electricity infrastructure in the Pilbara had evolved to that point.
9. The need to control one of the critical inputs into the LNG process means that the Standalone Production Systems (including the systems operated by Woodside described above) are, in

almost all cases, owned and operated by the LNG producer, dedicated to the LNG facility and co-located on, or in the vicinity of, the LNG facility site. The risks of electricity supply outages or reliability issues have resulted in power systems where an individual LNG facility controls the whole supply chain as part of an integrated production process, no part of which relies on third party facilities.

10. Given that design philosophy, most Standalone Production Systems (including those operated by Woodside at the Pluto LNG facility and KGP) would, if connected to the NWIS, operate on an import-only basis. In other words, they would only draw electricity from the NWIS, and would not seek to supply electricity into it.
11. Further, given the nature of these systems, Woodside would ensure that the relevant system could be islanded from the NWIS by Woodside, the registered NSP or the ISO whenever a system security event occurs (either at the site of the LNG facility or within the NWIS) before it would propose or agree to connect it to the NWIS.

The Pluto Proposal

12. Woodside is currently considering a project involving the connection of the Standalone Production System at its Pluto LNG facility to the NWIS. The project would involve Woodside:
 - (a) developing a solar photovoltaic (PV) power plant approximately 15 km southwest of Karratha, Western Australia, complemented by a battery energy storage system and other associated infrastructure; and
 - (b) (subject to commercial arrangements and regulatory approvals) using existing, upgraded, or new NWIS infrastructure constructed, owned and operated by Horizon Power to transmit power from the solar power plant to customers (including, but not limited to, the Pluto LNG facility),

(the **Pluto Proposal**).
13. Woodside plans to implement the Pluto Proposal through a phased approach. Initial generation capacity is expected to be up to 100 MW with battery storage capacity expected to be 200 MWh for each 50 MW of solar PV generation capacity. As additional customer demand arises, the solar PV farm may also be expanded in phases up to a maximum capacity of 500 MW.
14. Indicatively, each 50 MW of solar PV generation capacity would have a construction period of six to nine months. The operating life of each phase is expected to be around 30 years and, ultimately, the Pluto Proposal is expected to generate electricity for up to 70 years.
15. Under the current Rules, connecting a Standalone Production System (such as the system at the Pluto LNG facility) to the NWIS requires it to comply with (for example) the technical standards under the HTR and system operations directions issued by the ISO or a relevant Network Service Provider (**NSP**) (which directions may deal with any matter and require the recipient to do or not do any thing, presumably including with respect to facilities forming part of a Standalone Production System). It is not, in Woodside's view, practically necessary, in pursuit of the Pilbara Electricity Objective, to require Standalone Production Systems to comply with:

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- (a) the HTR, except at the connection point between a Standalone Production System and another NWIS network; or
 - (b) system operations directions, except for directions requiring the Standalone Production System to reduce its withdrawal or injection of electricity at the connection point, or to disconnect from the NWIS.
16. Additionally, connecting the Pluto LNG facility to the NWIS would render Woodside as operator of that facility subject to the obligations of an 'NSP' and 'controller' of 'generation facilities' under the PNR. That is inappropriate in circumstances where:
- (a) the functions of NSPs under the PNR all relate to coordinating and managing a network with third party access; and
 - (b) the Pluto LNG facility will behave only as a load, and not as a generator exporting electricity into the NWIS.
17. The fact that a Standalone Production System like Pluto would become subject to those obligations and standards on connection to the NWIS acts as a significant disincentive for operators of such systems to connect to the NWIS, undermining the aim of the Reforms to create a more interconnected system and to secure and coordinate supply for consumers in the Pilbara area.
18. Subjecting Standalone Production Systems to the Rules also undermines the incentive for operators of such systems to underwrite new renewable projects in the Pilbara which (given the land constraints at any plant site) may require either the connection of Standalone Production Systems to the NWIS or the construction of a dedicated additional line (as is contemplated for the Pluto Proposal where it is proposed that the Pluto LNG project be connected by way of an extension of the NWIS to the Pluto LNG project and the Maitland Strategic Industrial Estate, for example). Again, this undermines the aim of creating a more interconnected system and promoting efficient investment in, and operation of, Pilbara networks and generation assets.
19. Accordingly, Woodside proposes a rule change exempting Standalone Production Systems constructed or sanctioned before the implementation of the Reforms from the operation of the PNR and HTR in certain respects. Specifically, under the proposed rule change Standalone Production Systems would:
- (a) be regulated under the PNR as consumer facilities and network users (but not as NSPs or generators); and
 - (b) only be subject to the requirements of the HTR that apply at the connection point between the Standalone Production System and the NWIS.
20. The specific features of Standalone Production Systems that justify the proposed rule change are explored in further detail in section 4 below. Woodside also wishes to note at the outset that Horizon Power support this rule change proposal in principle.

2. Explain the reason for the degree of urgency:

21. Woodside respectfully requests that the Coordinator target completion of the rule change process by 2 April 2022. Woodside would be grateful if this process could be progressed through a fast-tracked process, given that first construction for the Pluto Proposal is targeted in 2022 (to be ready for operations by approximately 2023) and a number of commercial and regulatory matters will need to be finalised well in advance of construction. However, Woodside appreciates that the nature of this rule change may require that it be subject to the abridged standard rule change process.

3. Provide any proposed specific changes to particular Pilbara Networks Rules: (for clarity, please use the current wording of the rules and place a ~~strike through~~ where words are deleted and underline words added)

See Appendix 1.

4. Describe how the proposed rule change would allow the Pilbara Networks Rules to better address the Pilbara electricity objective:

22. As described above, the proposed rule change would address a current barrier to LNG producers connecting to the NWIS. This change can be expected to encourage more LNG producers to connect to the NWIS which will advance the Pilbara electricity objective by creating a more coordinated, reliable network.
23. In particular, the proposed rule change will promote the Pilbara electricity objective the following key ways:
- (a) no adverse effect on safety, security and reliability of the NWIS (for the reasons set out above and below);
 - (b) maintaining the security and reliability of the connected Standalone Production Systems (in the case of planned and unplanned interruptions and system shutdowns);
 - (c) promoting efficient investment in upgrading / supplementing Pilbara networks and generation facilities and increasing their use-profile, rather than incentivising producers to construct separate infrastructure to develop a standalone grid;
 - (d) lowering the cost for consumers, by driving an overall increase in electricity production on the NWIS; and
 - (e) recognition of the contribution of the LNG industry and its impact in the Pilbara resources industry and the State economy.

Safety, security and reliability of the NWIS

24. Ensuring secure and reliable supply to consumers connected to the NWIS is the key objective of the Reforms. The proposed rule change will not harm or undermine the security and reliability of the NWIS for the following reasons:
- (a) as mentioned above, Standalone Production Systems would typically only seek to import electricity from the NWIS. This is the case for the Pluto LNG and KGP power systems

operated by Woodside, although Woodside cannot speak for power systems operated by other LNG producers;

- (b) Standalone Production Systems occupy a far more limited footprint, and will have a far more limited impact on the NWIS, than the transmission networks that supply mining operations and which have been granted the status of 'integrated mining networks' under the PNR; and
- (c) Standalone Production Systems would, once connected, typically have the ability to island themselves (or to be islanded by the ISO or by the relevant NSP if necessary), which is a significant protective measure to (i) enable LNG producers to maintain self-supply to the relevant LNG facility if an issue arises in the NWIS; and (ii) enable the ISO or relevant NSP to maintain the security and reliability of the NWIS if an issue arises within the Standalone Production System. Taking the Pluto system as an example, it is contemplated that the system (if and when connected as part of the Pluto Proposal) will be configured so that:
- (i) Horizon Power or the ISO will be able to island the Pluto system in response to any fault or threat to the reliability or security of the NWIS arising from the Pluto system. The proposed rule change expressly provides for the power to do so at any time and for any reason (provided it is reasonably necessary under good electricity industry practice, and subject to giving as much notice of the proposed disconnection as reasonably practicable in the circumstances); and
 - (ii) Woodside will be able to island the Pluto system in response to any fault in the NWIS which may impact the Pluto system or where load shedding is required to maintain system integrity, in order to protect its own operations.

25. As alluded to in paragraph 15 above, the Standalone Power System would still be subject to constraint directions taking effect at the connection point (as well as any direction to disconnect issued in accordance with good electricity industry practice).
26. These factors should give the Coordinator significant confidence in the lack of disruption or threat to safety likely to occur by virtue of Standalone Production Systems connecting to the NWIS and, in particular, removes the rationale for the broad power to issue system operations directions of any nature in respect of the facilities within a Standalone Power System as there will be a physical ability to insulate either system from disturbances in the other.

Security and reliability of the connected systems

27. Security of power supply is critical to the operation of LNG facilities. They require a secure, stable and quality power supply on a continuous basis over the long term to meet the highest reliability standards. Since most LNG purchasers require supply on an uninterruptible basis, the financial and reputational consequences of any supply interruption are significant, possibly amounting to millions of dollars given the impact on domestic energy supply and international energy exports.

28. The sensitivity of an LNG train to electrical fluctuations means minor interruptions (even those lasting only seconds or even milliseconds) or system operations directions can have significant impacts.
29. Offshore facilities are typically run from an onshore facility and/or remotely from Perth. Therefore, interruptions at the onshore facilities may result in interruptions in the operation of the offshore facilities as well, which is why any interruption is so financially significant. The cascading impact of such an interruption on the integrated offshore and onshore production process means that (depending on the plant) it can take up to a week to restore normal operations. This is a significant and unique consequence of interrupting power supply to an LNG facility, and highlights the extent of the current barrier for these facilities in connecting to the NWIS.
30. The proposed rule change is designed to exempt Standalone Power Systems from certain system operations directions (and other aspects of the Rules) which do not align with their particular sensitivities around security of supply, while safeguarding security and reliability on both sides.

Recognition and inclusion of the LNG industry as part of the Pilbara resources industry

31. The LNG industry is a key Pilbara industry which should be catered for and supported under the PNR and HTR. As explained above, Standalone Production Systems have unique characteristics that justify differential treatment under the Rules as against other kinds of systems, including integrated mining networks.
32. The proposed rule change will remove the current disincentive for operators of Standalone Production Systems to connect those systems to the NWIS, recognising the important contribution of the LNG sector as part of the resources industry in the Pilbara region.
33. The connection of more LNG facilities to the NWIS should create a more reliable system for electricity consumers in the Pilbara as there will be greater interconnection and coordination, and a more diverse range of systems connected.

Efficient investment in Pilbara networks

34. Facilitating the connection of Standalone Production Systems is likely to:
- (a) promote more efficient investment in renewable generation projects in the Pilbara by operators of those systems, such as the investment contemplated as part of the Pluto Proposal;
 - (b) reduce the emissions intensity of generation in the Pilbara;
 - (c) expand the NWIS, enhancing the quality and reliability of power supply in the expanded zones and generating positive long-term outcomes for consumers in the Pilbara area; and

- (d) encourage other customers and industry participants to invest in, connect to and make use of currently under-utilised infrastructure in the NWIS.

5. Provide any identifiable costs and benefits of the change:

35. The key benefits of the proposed change, as set out above, are:
- (a) the encouragement of increased connection of LNG facilities, expanding the reach of the NWIS;
 - (b) making the NWIS more robust (by expansion and diversity of the network and generation assets) and greener (through the connection of facilities with renewable generation);
 - (c) the advancement of State and Federal policy in relation to climate change and net zero emissions via investment in further renewable generation; and
 - (d) attendant economic and social benefits to the State, including the creation of new renewable energy jobs in WA, the economic development of the Pilbara and the reduction of greenhouse gas emissions.



Annexure 1 – marked up changes to the Pilbara Network Rules

Chapter 1 – Introduction

Subchapter 1.1 – Commencement and application

...

4 Application of these rules and the harmonised technical rules

- (1) The table to this rule specifies how these rules (including the *harmonised technical rules*) apply to each class of network

Class	Networks in class	Extent to which these rules apply to a network in the class
1A	A <i>covered network</i> forming part of the <i>NWIS</i>	All rules apply.
1B	An <i>integrated mining network</i> forming part of the <i>NWIS</i> , and which is not a <i>covered network</i>	Subject to rule 5, all rules apply, unless expressly limited to <i>covered networks</i> .
1C	<u>A <i>disconnecting LNG electricity network</i> forming part of the <i>NWIS</i>, and which is not a <i>covered network</i></u>	<u>Subject to rule 5A, all rules apply, unless expressly limited to <i>covered networks</i>.</u>
1D	An <i>excluded network</i> forming part of the <i>NWIS</i>	Treated in these rules as a “facility”, not a “network” – see Subchapter 1.5. All rules that apply to a “facility” apply to it.
1E	A <i>non-covered network</i> forming part of the <i>NWIS</i> , which does not fall in Class 1B, 1C or 1D.	All rules apply, unless expressly limited to <i>covered networks</i> .
2	A <i>covered network</i> which does not form part of the <i>NWIS</i>	Subject to Subchapter 1.6, all rules apply.
3	A <i>non-covered network</i> which does not form part of the <i>NWIS</i>	Rules do not apply unless explicitly stated.

{Notes to the above table –

- If a *NWIS network* which was previously an *integrated mining network*, a *disconnecting LNG electricity network* or *excluded network* becomes *covered*, then on its *coverage commencement date* it will convert to Class 1A.

...

5A Disconnecting LNG electricity networks

- (1) Subject to rule 5A(2), these rules apply to a *disconnecting LNG electricity network* which forms part of the *NWIS*.
- (2) These rules apply to a *disconnecting LNG electricity network* only to the extent reasonably necessary to achieve or promote a *GEIP* standard. [Woodside Drafting Note: Clause 5A(3) has

been included to illustrate how the rules will in practice apply to a disconnecting LNG electricity system, and clarify the operation of rule 6.]

- (3) To illustrate the concept in rule 5A(2) above:
- (a) subject to rule 5A(3)(d), these rules do not apply to a generation facility within a disconnecting LNG electricity system or a controller of such a facility;
- (b) the controller of a disconnecting LNG electricity network or a disconnecting LNG electricity system will not be considered a NSP for the purposes of the rules;
- (c) all rules apply:
- (i) subject to rule 5A(3)(d), to any consumer facility forming part of a disconnecting LNG electricity system and to the controller of such a facility;
- (ii) a network user under a network access contract by which a disconnecting LNG electricity network obtains access to a covered network; and
- (d) the harmonised technical rules only apply to a disconnecting LNG electricity system at the connection point between the relevant disconnecting LNG electricity network and a covered network. [Woodside Drafting Note: The carveout from the HTR will leave the vast majority of the HTR intact (refer to rule 3.3.1(g) of the HTR which explains that unless otherwise specified, all technical requirements for generating units apply at the connection point).]
- (4) Unless the contrary intention is expressed, this rule 5A applies throughout these rules, and no inference to the contrary is to be drawn from the fact that this rule 5A is specifically referenced in some places but not others.

Subchapter 1.2 – Interpretation

{A word or phrase defined in the Act or the regulations has the same meaning when used in these rules.}

8 Glossary

- (1) A word or phrase defined in the following table has the meaning given.

...

<u>disconnecting LNG electricity network</u>	<u>means a non-covered network which forms part of a disconnecting LNG electricity system.</u>
<u>disconnecting LNG electricity system</u>	<u>means the system comprising the following, to the extent that together they are operated in an integrated fashion predominantly for the purpose of carrying on a Pilbara LNG business –</u> <u>(a) one or more networks constructed or operated as at the rules commencement date as those networks were in existence as at the rules commencement date, provided that the owner of the network or networks was not, at the rules commencement date, required to hold any licence under section 7 of the Act in respect of the network or networks (each a "relevant network");</u>

	<p><u>(b) any expansion of a <i>relevant network</i>'s capacity which is conducted to facilitate an increase in, or modification of, the production of LNG and associated products at the site, provided the extension is designed, constructed and operated in such a way that, during normal system operations, it has a normally-closed electrical interconnection with a <i>relevant network</i>; and</u></p> <p><u>(c) any generation facilities, consumer facilities, storage works and other equipment connected to a <i>relevant network</i> or expansion of a <i>relevant network</i> referred to in paragraphs (a) or (b) of this definition, whether constructed or installed before or after the <i>rules commencement date</i>.</u></p> <p><u>provided that, when such a system is connected to the NWIS:</u></p> <p><u>(d) all networks (including expansions), facilities, storage works and equipment referred to in paragraphs (a) to (c) of this definition are capable of being disconnected from the NWIS by the owner of the system, the ISO and the registered NSP of any network to which the system is connected;</u></p> <p><u>(e) the system produces (and, if applicable, stores) electricity solely for consumption by facilities forming part of the system, as may be supplemented by electricity imported from the NWIS; and</u></p> <p><u>(f) the system will not inject material amounts of electricity into the NWIS for a sustained period of time.</u></p> <p><u>If equipment, storage works, a facility or a network element ("relevant thing") falls outside the definition of <i>disconnecting LNG electricity system</i>, this does not affect the application of the definition to any other equipment, storage works, facility or network element to which the <i>relevant thing</i> may be connected.</u></p> <p><u>{Example — If a new 400 km transmission line is connected to a <i>relevant network</i>, the new line will not be part of the <i>disconnecting LNG electricity system</i>, but that will not of itself cause the <i>relevant network</i> to fall outside the definition. However, if the <i>relevant network</i> ceased to be operated in an integrated fashion with the other parts of the system predominantly for the purpose of carrying on a <i>Pilbara LNG business</i>, it would fall outside the definition.}</u></p>
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...

non-covered NWIS network	<p>means a <i>non-covered network</i> which forms part of the NWIS.</p> <p>{“non-covered NWIS network” includes an integrated mining network, <u>a <i>disconnecting LNG network</i></u> and an excluded network.}</p>
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...

<u>Pilbara LNG business</u>	<p><u>means the business of importing gas into a processing facility located in the Pilbara region, processing gas into liquefied natural gas, condensate</u></p>
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	and liquefied petroleum gas, and exporting those products for sale internationally and domestically.
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Chapter 3 – Instruments

Subchapter 3.7 – The protocol framework and protocols

77 ISO to prepare and maintain protocol framework

- (1) The *ISO* must, in consultation with (at least) *registered NSPs* and *registered controllers*, develop a *procedure* (“**protocol framework**”) for the purposes of this Subchapter 3.7.
- (2) The *ISO* must have regard to rule 5 [and rule 5A](#) when developing the *protocol framework*.

Chapter 4 – Administration

Subchapter 4.2 – Communications and systems requirements

103 ISO to develop procedure for notices, communications and systems requirements

- (1) The *ISO* must develop a *procedure* in respect of —
 - (a) notices and communications required under, contemplated by or relating to, these rules; and
 - (b) communications and control system requirements; and
 - (c) data and information management system interface requirements for *registered NSPs* and *registered controllers*; and
 - (d) cyber-security requirements,
 necessary to support its and *rules participants*’ functions and activities under these rules.
- (2) The *ISO* must have regard to rule 5 [and rule 5A](#) when developing the *procedure*.

Subchapter 4.3 – Visibility

105 ISO to maintain visibility list

- (1) The *ISO* must develop a *procedure* (“**visibility list**”) which lists the content, characteristics and timing of signals and data which must be *visible* to the *ISO control desk*, in accordance with this

Subchapter 4.3, from locations within the *power system* or *facilities* connected to the *power system*, with a view to achieving the objectives in rule 104.

- (2) The *ISO* is to *publish* the initial *visibility list* as soon as reasonably practicable after this rule 105 commences.
- (3) A person may submit a *procedure change proposal* to add a *visibility item* to the *visibility list*, but the *procedure change proposal* is not to proceed unless —
- (a) it is determined under Appendix 2 that the benefits of the addition in terms of the objectives in rule 104 outweigh the disadvantages, and justify the costs, of doing so; and
 - (b) an appropriate mechanism is provided —
 - (i) to compensate the person required to provide the *visibility* for any associated capital or operational costs; and
 - (ii) to permit the person a period of time to start providing the *visibility*, which period is reasonable to a *GEIP* standard; and
 - (c) if the *visibility item* involves *visibility* of a location within a *private power system*, the inclusion is consistent with rule 5 [and rule 5A](#); and
 - (d) rule 101 is complied with.

Chapter 5 – Measurement

Subchapter 5.1 – Metering

136 Metering at interconnectors between covered and non-covered networks

{This rule 136 applies in respect of non-covered *excluded networks* as well as non-covered *registered networks*.}

- (1) If a *non-covered network* (including an *integrated mining network*, [a disconnecting LNG electricity network](#) and an *excluded network*) is *interconnected* with a *covered network*, then an *interconnection point* on the *non-covered interconnector* between the two networks —
- (a) must be metered in accordance with the *metering procedure*, to at least the standard necessary in accordance with *GEIP* to facilitate the operation of Chapter 8, the *Access Code*, the *Customer Transfer Code* and *network access contracts*; and
 - (b) must be included in the *covered NSP's metering database*, unless the *metering procedure* provides otherwise under rule 136(4).
- (2) The *covered NSP* and the *non-covered NSP* may agree and notify the *ISO*, and failing such notification the *ISO* is to *direct*, whether the metering referred to in rule 136(1)(a) is to be undertaken by the *covered NSP* or by the *non-covered NSP*.
- (3) If the metering is to be undertaken by the *non-covered NSP*, it must (in accordance with the *metering procedure*, if applicable, and otherwise in accordance with *GEIP*) make available the metering data to the *covered NSP*, unless the *metering procedure* provides otherwise under rule 136(4).

- (4) The *metering procedure* may, if the *non-covered NSP* consents, make alternative provision for the metering of an *interconnection point* on a *non-covered interconnector* and the holding and provision of the associated metering data, in which case the *metering procedure* must specify how this Chapter 5 is to be read in connection with the data.

...
141 Metering procedure

- (1) The *ISO* may develop a *procedure* (“**metering procedure**”) governing the gathering, storage, updating and communication to it and other persons of metering and other data under this Chapter 5.
- (2) The *metering procedure* must, so far as practicable consistent with meeting the requirements of these rules, seek to minimise compliance costs.
- (3) The *ISO* must have regard to rule 5 [and rule 5A](#) when developing the *metering procedure*.

...
Chapter 6 – Generation adequacy

152 Generation adequacy in non-covered networks

- (1) Subject to rule 152(3) —
- (a) this Chapter 6 does not apply in respect of a *non-covered network* (including an *integrated mining network* [and a disconnecting LNG electricity network](#)); and
- (b) instead, the *ISO* may at reasonable intervals require the *non-covered NSP* to confirm to the *ISO* (with such reasonable supporting information, if any, as the *ISO* may request having regard to the secondary objective in rule 150(2)) that the balance between *generation* and *load* in its *network* is appropriate in accordance with *GEIP*, having regard to the objective in rule 150(1).

...
Chapter 7 – System Operations

...
Subchapter 7.2 – Standards of behaviour

...
172 Grounds for non-compliance

- (1) A person does not have to comply with —
- (a) rules 168, 169 or 170; or
- (b) a *procedure* (including the *protocol framework*), a *protocol* or a *direction*,
to the extent that the person believes in good faith that compliance —
- (c) is impossible; or
- (d) is inappropriate due to prevailing emergency circumstances; or

- (e) would be contrary to any law; or
- (f) may cause or exacerbate a situation which risks physical injury or death to any person or material damage to any *equipment*; or
- (g) would be contrary to the *system security objective*.
- (2) Rule 172(1) does not authorise a person to not comply with an obligation listed in paragraphs (a) or (b) of that rule, on any or all of the following grounds —
- (a) that compliance may be inconvenient; or
- (b) that compliance may cause the person to breach a contract or an *instrument of delegation*; or
- (c) that compliance may cause the person to incur additional costs.
- (3) If a person purports to rely on rule 172(1) to not comply with an obligation listed in paragraphs (a) or (b) of that rule, the person must *promptly* notify the *ISO control desk*, and must provide details of its reasons during any post-incident discussion or investigation.
- (4) A controller of a consumer facility forming part of a disconnecting LNG electricity system and a network user under a network access contract by which a disconnecting LNG electricity network obtains access to a covered network do not have to comply with a notice issued under rule 191 or any procedure (including the protocol framework), protocol or direction under these rules unless the rule 191 notice, procedure (including the protocol framework), protocol or direction requires the controller or network user (as applicable) to:
- (a) reduce its *withdrawal of electricity at the relevant connection point*.
- (b) disconnect the relevant *connection point*; or
- (c) reduce its *injection of electricity at the relevant connection point* but only if the *controller or network user* believes in good faith it can do so in a way which does not affect the reliability, stability and or safety of the *disconnecting LNG electricity system* or compliance with laws.
- (5) If a controller or network user forms the view in accordance with rule 172(4)(c) or rule 188(4)(e) that it cannot reduce its *injection of electricity* in accordance with a notice issued under rule 191 or any *procedure* (including the *protocol framework*), *protocol* or *direction*, then it can disconnect the relevant *connection point*.
- (6) If a person purports to rely on rule 172(4) or 172(5) to not comply with any rule 191 notice, procedure (including the protocol framework), protocol or direction, the person must promptly notify the ISO control desk, and must provide details of its reasons during any post-incident discussion or investigation.

...

Subchapter 7.4 – Notifying planned and unplanned outages

...

182 Resolving scheduling conflicts

- (1) A “**scheduling conflict**” arises for a planned outage if the *ISO* determines that the outage taken together with all currently proposed or anticipated *notifiable events*, may cause the *power*

system to be *outside the technical envelope*, or otherwise poses an unacceptable risk to *security and reliability*.

- (2) Wherever possible, *scheduling conflicts* are to be resolved by consensus between the *registered NSPs*, facilitated as necessary by the *ISO*.
- (3) If the *ISO* determines that a consensus will not be reached in time for the relevant *notifiable events* to be managed appropriately, the *ISO* may resolve the *scheduling conflict* by giving a *direction* to one or more of the affected parties.
- (4) If the *scheduling conflict* involves, or involved *facilities* in, both a *covered network* and a *private power system*, the *ISO* must have regard to rule 5 [and rule 5A](#) in determining the content of a *direction* under rule 182(3).
- (5) A *direction* under rule 182(3) may specify which *notifiable event* is to have priority for scheduling purposes, and may contain such scheduling or other information or instructions as the *ISO* considers reasonably necessary to resolve the *scheduling conflict* and achieve the *system security objective*.

Subchapter 7.5 – Operating the power system

188 System operations directions

{Rule 86 sets out the obligation to comply with *directions*, and the circumstances in which compliance is excluded, e.g. where compliance may be illegal or unsafe.}

{Except when it is acting as an *incident coordinator* under rule 188(2), this rule 188 does not empower the *ISO* and *ISO control desk* to issue an operational *direction* of the sort contemplated here. The *ISO* does have other *direction* powers, e.g.

- a residual emergency power in rule 189;
- a limited power in respect of *pre-contingent actions* under rule 186;
- to manage *ESS* under Chapter 8;
- a *constraint direction*.)

- (1) **{Registered NSP’s general power}** Subject to rules 188([54](#)) and 188([65](#)), a *registered NSP* may at any time, for the purposes set out in rule 184(1), issue a *direction* in accordance with rule 188(3) to —
 - (a) the *controller* of any *facility connected to its network*; and
 - (b) a *network user* of its *network*.
- (2) **{Incident coordinator’s power under a protocol}** Subject to rule 188([65](#)), the *incident coordinator* may at any time when permitted by rule 186 or while a *protocol* is *active* if permitted by the *protocol*, issue a *direction* in accordance with rule 188(3) to —
 - (i) a *registered NSP* other than the *NSP* of an *integrated mining network*; and
 - (ii) the *controller* of any *facility connected to a covered network*; and
 - (iii) an *ESS provider*; and
 - (iv) a *network user* of a *covered network*; and

- (v) if necessary, to the *registered NSP* of an *integrated mining network*, or to the *controller* of a *facility* connected to an *integrated mining network*, but only to the extent and for the purposes set out in rule **Error! Reference source not found.**

{Rules 5 and 5A sets out the extent to which these rules may affect the operation of a *private power system*.}

(3) **{Permitted content}** A *direction* under this rule 188 —

- (a) must be limited to what is reasonably necessary to achieve the primary objectives set out in rule 184(1), having regard to the secondary objective set out in rule 184(2); and
- (b) subject to rule 188(65), must respect *equipment limits* and *security limits*; and
- (c) must not exceed any limitations in, and must comply with any requirements of, the *protocol framework* or an *active protocol*,

but otherwise, subject to rules 188(3)(a), 188(3)(b), ~~and~~ 188(3)(c) and 188(4) may deal with any matter, and may require the recipient to do or not do (or continue doing or not doing) any thing, that the *registered NSP* or *incident coordinator* (as the case may be) considers reasonably necessary or convenient under *GEIP* to achieve the primary objectives set out in rule 184(1).

{Examples — A *system operations direction* under this rule 188 may —

- (**dispatch** and **constraint**) *direct* a *facility's controller* to increase or decrease its *electricity injection* or withdrawal, either directly (for example, by manual intervention from a *control centre*) or indirectly or automatically (for example by establishing or changing the configuration, settings or pre-programmed setpoints of automatic control systems); and
- (**settings**) requiring a *generator* to activate/deactivate machine settings such as Isoch/AGC; and
- (**outages**) cancel or defer a planned outage that has not yet commenced, or in extreme circumstances recall a facility from outage; and
- (**network**) perhaps, requiring a *registered NSP* to enable an alternative network path; and
- (**dealing with long outages**) if an outage is expected to last for some time, the *direction* may include taking steps to prepare for the next (i.e. second) contingency, i.e. to adapt to the post-contingent state as the 'new normal'.

(4) **{Permitted content for directions regarding a disconnecting LNG electricity system}** A *direction* issued under this rule 188 (or rules 189 or 191) to:

(a) a controller of a consumer facility forming part of a disconnecting LNG electricity system;
or

(b) a network user under a network access contract by which a disconnecting LNG electricity network obtains access to a covered network.

may only require the controller or network user (as the case may be) to:

(c) decrease its withdrawal of electricity at the relevant connection point.

(d) disconnect the relevant connection point, or

(e) reduce its injection of electricity at the relevant connection point but only if the controller or network user believes in good faith it can do so in a way which does not affect the reliability, stability and or safety of the disconnecting LNG electricity system or compliance with laws.

- ~~(4)~~~~(5)~~ **(Directions and contractual powers)** If a *registered NSP* is empowered by this rule 188 to give a *direction* to a person, and also has a contractual power to impose a comparable requirement on the person, then the same notice can have effect as an exercise of the contractual power in accordance with its terms, and as a *direction* under this rule 188.
- ~~(5)~~~~(6)~~ **(Use of overload ratings)** Unless the *protocol framework* or a *protocol* provides otherwise, a *direction* seeking to utilise the *overload rating* of a *facility* or *network element* should not be given without first consulting the relevant *registered controller* or *registered NSP*.

188A Power to disconnect a disconnecting LNG electricity system

- (1) A registered NSP or incident coordinator may, at any time and for any reason, disconnect a disconnecting LNG electricity system from the NWIS if it considers doing so is reasonably necessary under GEIP to achieve the primary objectives set out in rule 184(1), provided that (subject to rule 188A(2)) the registered NSP or incident coordinator gives the relevant controller or network user as much notice as practicable in the circumstances.
- (2) The obligation imposed on a registered NSP or incident controller under rule 188A(1) to provide as much notice as practicable in the circumstances may be satisfied by providing no notice where the need to disconnect is so urgent under GEIP to achieve the primary objectives set out in rule 184(1) that prior notice cannot reasonably be given.

189 Directions in emergencies

Despite anything in this Subchapter 7.5, or in the *protocol framework* or a *protocol* (but subject to rule 188(4)) —

- (a) a *registered NSP* may give a *direction* to a recipient named in rule 188(1); and
- (b) the *ISO* or the *ISO control desk* may give a *direction* to a recipient named in rule 188(2),

in whatever form and with whatever content it judges necessary, if it believes in good faith that emergency circumstances exist which justify its doing so under *GEIP*, including in order to maintain the *power system inside the technical envelope*, prevent death or injury or damage to *equipment*, or avoid *load shedding*.

...

191 ISO may intervene in respect of equipment which jeopardises security or reliability

- (1) If at any time the *ISO* determines that *equipment* being, or remaining, connected to a *network* creates a *credible* risk to *security* or *reliability*, and that the risk is not adequately being managed by the *registered NSP*, it may give a notice to any or all of the *registered NSP*, a *network user* or the *controller* of equipment requiring the recipient of the notice to take steps to remedy the situation.
- (2) A notice under section 191(1) may, subject to rule 188(4), do any or all of the following —
 - (a) require the *registered NSP* to decline permission to connect *equipment*; and
 - (b) require the *registered NSP* to perform a function or exercise a power under these rules in a particular way; and
 - (c) require the recipient of the notice to disconnect *equipment* or procure its disconnection; and

- (d) require the recipient to take, or procure the taking of, any other reasonable measure with a view to achieving the *system security objective*; and
- (e) specify the time within which a thing is to be done, including immediately; and
- (f) withdraw, amend or supplement a previous notice under section 191(1).

Subchapter 7.6 – Post-incident discussion and investigation

193 Objectives of this Subchapter 7.6

- (1) This Subchapter 7.6's primary objective is to enable and promote —
 - (a) continuous improvement of these rules, the *procedures*, and the operation of the *power system*; and
 - (b) appropriate accountability for *rules participants*,
with a view to *maintaining* and improving *security* and *reliability*.
- (2) This Subchapter 7.6's secondary objective is to pursue the primary objective —
 - (a) as efficiently as possible, having regard to the compliance burden and cost of post-incident discussion and investigation for both the *ISO* and other *rules participants*; and
 - (b) having regard to rule 5 [and rule 5A](#); and
 - (c) in a manner which balances transparency with candour.

Chapter 10 – Planning and reporting

Subchapter 10.1 – Long term coordination and planning

277 Network coordination and planning objectives

- (1) Subject to rule 276, the primary objective of this Subchapter 10.1 is to produce reports which —
 - (a) provide credible, independent information over substantial forecast periods for potential developers of *electricity networks*, *generating works* and *loads* in the Pilbara, with the aim of —
 - (i) promoting efficient use of and investment in; and
 - (ii) facilitating efficient and coordinated development of,
existing, new and *augmented Pilbara networks*; and
 - (b) to facilitate access under the *Access Code* to the services of *covered networks*.
- (2) The secondary objective of this Subchapter 10.1 is to pursue the primary objective in a manner which —

(a) so far as reasonably practicable, minimises cost and disruption to *rules participants*; ~~and~~

(b) in connection with an *integrated mining network* — has regard to rule 5, but only until evolution occurs as contemplated by rule 276; ~~and~~

~~(b)~~ (c) in connection with a *disconnecting LNG electricity network* — has regard to rule 5A, but only until evolution occurs as contemplated by rule 276.

Appendix 4 – Transitional rules

Sub-appendix 4.4 – Power system operation without an ISO

Directions in emergencies

A4.28 (1) A *registered NSP* may give a direction to —

(a) the *controller* of any *facility* connected to its *network*; and

(b) a network user of its network,

in whatever form and with whatever content it judges necessary, if it believes in good faith that emergency circumstances exist which justify it doing so under *GEIP*, including in order to pursue the *system security objective*, prevent death or injury or damage to equipment, or avoid *load shedding*.

(2) A *controller* of a *disconnecting LNG electricity system* does not have to comply with a *direction* under A4.28(1) unless the *direction* requires the *controller* to:

(a) reduce its *withdrawal* of electricity at the relevant *connection point*.

(b) disconnect the relevant *connection point*; or

(c) reduce its *injection* of electricity at the relevant *connection point* but only if the *controller* or *network user* believes in good faith it can do so in a way which does not affect the *reliability, stability and or safety* of the *disconnecting LNG electricity system* or compliance with laws.

(3) If a *controller* forms the view under A4.28(2)(c) that it cannot reduce its *injection* of electricity, then it can disconnect the relevant *connection point*.

Sub-appendix 4.7 – Harmonised technical rules

Harmonised technical rules apply

A4.54 Subject to exemptions under the rules and legacy rights under **Error! Reference source not found.**, ~~and~~ to rule **Error! Reference source not found.** {Integrated mining systems}, and to rule 5A {Disconnecting LNG electricity networks} the *harmonised technical rules* apply.

A4.55 However, rules **Error! Reference source not found.** to **Error! Reference source not found.** apply in respect of any *ISO* function under the *harmonised technical rules*.

A4.56 Until a *covered NSP* publishes content for Attachments 5, 10, 11 and 12 of the *harmonised technical rules* in accordance with Attachment 1 of the *harmonised technical rules*, the

corresponding attachment of the *Horizon Power Technical Rules* of October 2020, read with appropriate amendments, may be used as a non-binding guideline in its place.

DRAFT



Agenda Item 4: Schedule of PAC Meetings for 2022

Meeting 2022_05_04

The Pilbara advisory committee (**PAC**) is scheduled to hold its first meeting on 4 May 2022.

The PAC secretariat proposes that the PAC initially meet:

- on Wednesday mornings;
- on a twelve-weekly cycle (i.e. quarterly), with the meeting for the first and second quarter being combined and held on 4 May 2022; and
- avoiding meetings on public holidays and school holidays.¹

Once the workload of the PAC becomes clearer, the PAC members can agree to:

- hold in-fill meetings, as needed; and
- amend this schedule, if needed.

PAC members are asked to consider and approve this approach to setting PAC meeting times and the following schedule of meetings for 2022.

Month	Proposed PAC Meetings
January	
February	
March	
April	
May	9:30 AM, Wednesday 4 May 2022
June	
July	
August	9:30 AM, Wednesday 3 August 2022
September	
October	
November	9:30 AM, Wednesday 9 November 2022
December	

¹ Note that:

- the Market Advisory Committee (**MAC**) meets on Tuesday mornings, on a six-weekly cycle, commencing in February each year; and
- the Gas Advisory Board (**GAB**) meets on Thursday afternoons, twice a year in March and September, with ad hoc meetings as required.