



Pilbara Networks Rules Rule Change Proposal Submission

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Integrated LNG Systems

Submitted by:

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1. Please provide your views on the proposal, including any support, objections, or suggested revisions.

Overarching view on the rule change proposal

Horizon Power is supportive of the Rule Change Proposal (RCP) to govern the operation of interconnected Integrated LNG Systems to the North-West Interconnected System (NWIS).

We note that one of the key design objectives of the Pilbara electricity reform process, is to actively promote and encourage the connection of new and existing facilities to the NWIS, and actively promote the development of common use infrastructure.

It is Horizon Power's view that this RCP is entirely consistent with these objectives.

The current version of the Pilbara Network Rules (PNR) would categorise an interconnected Integrated LNG Systems as a 1D category network (a non-covered network forming part of the NWIS, which does not fall in Class 1B or 1C). The effect of this categorisation is that the Pilbara ISO is not required to have regard for the private ownership nature of the network in developing protocols, procedures or managing outage scheduling conflicts. This is in contrast to the 1B categorisation (An integrated mining network forming part of the NWIS, and which is not a covered network) to which Integrated LNG Systems more closely aligns. There is significant merit in having an Integrated LNG System managed in a similar manner to integrated mining networks in this context, hence the rule change should be adopted in a timely fashion.

Further Considerations

Horizon Power has the following further considerations with the RCP as currently drafted. Horizon Power considers that the following considerations can be resolved with relatively minor amendments to the RCP.

In Horizon Power's view, many of the changes sought in the RCP seek to provide more certainty for Integrated LNG Systems. For all other participants of the regime, load shedding/disconnection is to be treated as a last resort (Rule 171), however as a trade-off to this certainty of connection, the participants are subjected to uncertainty in ISO involvement and direction. The RCP seeks a different trade-off for an Integrated LNG System by reducing the uncertainty associated with ISO involvement and direction in exchange for more robust ISO disconnection powers.

Technical Assessment

Horizon Power has been and continues to progress detailed technical assessments for Woodside in respect to their proposed connection of the Pluto LNG Facility and 50 MW solar farm at Maitland industrial area to the NWIS. To date, the technical assessments are indicating the connections to the NWIS are viable.

As per the PNR, final approval to connect the Pluto LNG Facility will be determined by the Pilbara ISO, with any associated assessments being in accordance with this RCP (if approved). Horizon Power expects the approval process to differ from the connection of a typical Network User due to the Network Service Provider (NSP) categorisation of the connecting party.

Once connected, Horizon Power understand that the application of the PNR (inclusive of the RCP if approved) to the Pluto LNG Facility and its associated NSP and controllers comes into effect.

Application of the HTR at point of interconnection to Covered Network – Rule 5A(g)

We note that the RCP proposes that Integrated LNG Systems have their HTR compliance assessed at the point of interconnection to another network. Horizon Power supports this and recommends that a guidance note on how HTR compliance should be assessed at the point of interconnection for Integrated LNG Systems be developed by the Pilbara ISO once the RCP is accepted.

Separate and independent to the RCP as part of the process for assessing connection of Woodside's Integrated LNG System to the NWIS, Horizon Power also recommend Pilbara ISO work with Woodside to ensure:

1. a suitable technical compliance assessment against the HTR of their network performance is completed;
2. the Pluto LNG facility model is validated; and
3. adequate assessment of relevant modelling and system studies is completed,

such that it can be demonstrated that Woodside will be able to meet technical compliance with the HTR at the point of interconnection.

Interconnected NSP right to disconnect an Integrated LNG System – Rule 188A

Registered NSPs only have responsibility for the impacts of their own networks.

As the RCP effectively seeks to resolve system security threats originating from an Integrated LNG System through disconnection from the NWIS, it is only appropriate for the Pilbara ISO, an ISO delegate or the NSP of the Integrated LNG System to have the ability to disconnect an Integrated LNG System for system security purposes under the PNR.

The current RCP seeks to also grant this right to an interconnected NSP. Horizon Power is concerned that granting such a right under the PNR incorrectly implies that the interconnected NSP will be actively monitoring the behaviour of the Integrated LNG System, primed to take action in the event they threaten the broader system. Such monitoring behaviour is reflective of an NSP monitoring a Network User for which it is responsible for. As that is not the case for an interconnection between two networks, the right for one NSP to disconnect another should not be embedded in the PNR (as is currently the case for the legacy NSPs).

Horizon Power recommends that the following aspects of the RCP be amended as follows:

- Remove “registered NSP of any network to which the system is connected” from Definition of Integrated LNG Network.
- Remove “The registered NSP of a network to which an integrated LNG system is connected” and “Registered NSP” from Rule 188A.

Horizon Power also note interconnected NSPs may have separate agreements governing the terms of interconnection which may include rights to disconnect under certain scenarios. These are separate arrangements however to the governance of the interconnected system to which the PNR relates.

2. Please provide an assessment whether the change will better facilitate the achievement of the Pilbara electricity objective.

In Horizon Power’s view the RCP supports the Pilbara Electricity Objective by facilitating the connection of an islanded system to the Pilbara. The successful connection of the Pluto LNG Facility will serve as a significant precedent for the connection of future islanded systems in the Pilbara, resulting in cost savings to the industry through centrally procured essential system services and alternative supplier arrangements.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing the changes.

The proposed change is not expected to have any direct impacts on Horizon Power’s compliance requirements with the PNR.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

The proposed change is not expected to have any direct impacts on Horizon Power’s compliance requirements with the PNR.
