



## Minutes

<b>Meeting Title:</b>	Pilbara Advisory Committee ( <b>PAC</b> )
<b>Date:</b>	4 May 2022
<b>Time:</b>	10:00am – 11:30am
<b>Location:</b>	Videoconference (Microsoft Teams)

<b>Attendees</b>	<b>Class</b>	<b>Comment<sup>1</sup></b>
Sally McMahon	Chair	
James Campbell-Everden	Independent System Operator	
Chris Adams	Contestable Customer	
Momcilo Andric	Registered Network Service Provider (Rio Tinto)	
Jacinda Papps	Registered Network Service Provider (Alinta Energy)	
David Stephens	Registered Network Service Provider (Horizon Power)	
Anne Taylor	Anne Taylor (Roy Hill)	
Neil Midolo	Excluded Network Service Provider (Fortescue Metal Group)	
Christopher Alexander	Small-use Customer	
Dora Guzeleva	Observer appointed by the Minister	Proxy for Noel Ryan
Adrian Theseira	Observer appointed by the Economic Regulation Authority	

<b>Also in Attendance</b>	<b>From</b>	<b>Comment</b>
Laura Koziol	PAC Secretariat	Observer
Nenad Ninkov	Woodside	Presenter
Reece Tonkin	Woodside	Observer
Gemma Lynch	Woodside	Presenter

Also in Attendance	From	Comment
Jonathan Holborn	Woodside	Observer

Apologies	From	Comment
Noel Ryan	Observer appointed by the Minister	

Item	Subject	Action
<b>1</b>	<p><b>Welcome</b></p> <p>The Chair opened the meeting at 10:00am with an Acknowledgement of Country.</p> <p><b>(a) introduction of the independent Chair</b></p> <p>The Chair introduced herself and noted that she would like to meet members individually.</p> <p><b>(b) introduction of the members</b></p> <p>The PAC members and meeting observers introduced themselves.</p> <p><b>(c) purpose of the PAC</b></p> <p>The Chair reminded members and statutory observers that the PAC must consider the Pilbara electricity objective when providing advice.</p> <p><b>(d) PAC Constitution</b></p> <p>The Chair summarised the content of the PAC constitution which was circulated with the meeting papers and noted that it is published on Energy Policy WA's website.</p> <p>Mrs Papps noted a minor typographical error in the PAC constitution.</p> <p>Ms Guzeleva noted that this will be corrected as soon as practical.</p>	
<b>2</b>	<p><b>Meeting Apologies/Attendance</b></p> <p>The Chair noted the attendance and apologies as listed above.</p>	
<b>3</b>	<p><b>Rule Changes</b></p> <p><b>(a) Overview of Rule Change Proposals</b></p> <p>The paper was taken as read.</p> <p><b>(b) PRC_2022_01 – Standalone Production Systems</b></p> <p>The Chair noted the recommendations outlined in the paper and invited Mr Ninkov to open the discussion.</p> <p>Mr Ninkov presented a summary of the pre-rule change proposal. The discussion was as follows:</p> <ul style="list-style-type: none"> <li>• In response to a question from Mr Adams, Ms Lynch clarified that: <ul style="list-style-type: none"> <li>○ in the first instance the solar farm will supply energy only to the Pluto LNG Project; and</li> <li>○ Woodside may sell electricity from the solar farm to third parties but any third party's facility would require their own network connection to get access to the solar farm energy and</li> </ul> </li> </ul>	

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	<p>the required network augmentation would be managed by the relevant NSP.</p> <ul style="list-style-type: none"> <li>• In response to a question from Mr Alexander, Mr Tonkin clarified that: <ul style="list-style-type: none"> <li>○ to be compliant with the network connection requirements, the solar farm will have an emergency battery to manage transient operations; and</li> <li>○ to increase reliability, Woodside is installing a 35 MWh battery at the Pluto LNG Project that can be charged from the embedded generation at the Pluto LNG Project.</li> </ul> </li> <li>• Mr Stephens noted that: <ul style="list-style-type: none"> <li>○ for the Pluto LNG Project, compliance with the Harmonised Technical Rules (<b>HTR</b>) will be achieved at the connection point; and</li> <li>○ Horizon Power and Woodside are undertaking modelling and are currently assessing the impact on the stability of the whole power system in accordance with the HTRs.</li> </ul> </li> <li>• Mrs Papps considered that: <ul style="list-style-type: none"> <li>○ the Pluto LNG Project network will not be a covered network but that it will be a part of the North West Interconnected System (<b>NWIS</b>) because it is an interconnected network;</li> <li>○ because the facility is interconnected it can affect other facilities in the NWIS for example in case of a failure; and</li> <li>○ human intervention to disconnect the facility in case of a failure would be too slow to avoid system disturbances and that additional monitoring may be required for which the cost would be borne by Rio Tinto, Horizon Power and Alinta Energy.</li> </ul> </li> <li>• Mrs Papps noted that there are already existing arrangements for excluded networks. Mrs Papps expressed concerns that the proposed rule change could set a precedence for any new facility connecting to the NWIS and considered that this is not good regulatory practice. Mr Momcilo agreed with Mrs Papps.</li> <li>• Mr Holborn noted that: <ul style="list-style-type: none"> <li>○ the Pluto LNG Project cannot be treated as an excluded network because it includes a generation facility that is greater than 10 MW;</li> <li>○ for the Pluto LNG Project to be treated as an integrated mining system, the definition would need to be amended to include LNG systems; and</li> <li>○ the parts of the HTR that cause issues for the Pluto LNG Project may still apply to integrated mining systems.</li> </ul> </li> <li>• Mrs Papps noted that Woodside could seek derogations and exemptions from various parts of the Harmonised Technical Rules instead of a blanket exemption.</li> <li>• Mr Campbell-Everden considered that he preferred applying an existing category and specific exemptions from the HTR to the Pluto LNG Project.</li> <li>• Mrs Papps asked whether the battery at the Pluto LNG Project providing essential system services could cause issues for the</li> </ul>	

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essential system services provided on the NWIS such as the ones provided by Rio Tinto.

- Mr Stephens noted that the following will need to be assessed and sorted out:
  - how the day to day frequency control on the NWIS is managed; and
  - how faults affect the system stability.
- Mr Campbell-Everden considered that:
  - it is important that Horizon Power as the network service provider is undertaking modelling but that the ISO will undertake the whole of system modelling and that the model is currently in development; and
  - the ISO needs to assess whether the Pluto LNG Project affects the essential system services on the NWIS and if so how Woodside would pay for that.
- Mr Campbell-Everden noted that:
  - based on the information provided, it is unclear whether the proposed approach impacts security and reliability of the NWIS; and
  - the preliminary advice from KPMG, the consultant contracted by ISOC, raised significant concern about exempting the Pluto LNG Project from the HTR.
- Mr Momcilo considered that:
  - the intent of the HTR is to ensure security of supply for all participants;
  - the proposed approach; could affect other parties connected to the NWIS because the Pluto LNG Project will include a significant generation system;
  - the ISO's whole of system studies are needed to assess the impact on system security and reliability; and
  - the options for exemptions from the HTR under the current PNR are sufficient.

The Chair summarised that the PAC advises Woodside that the Rule change Proposal should be amended to:

- clarify why the existing options for exemptions from the PNR/HTR are insufficient and a new exemption category is needed;
- outline the impact of not getting an exemption, as proposed by Woodside, to inform the cost-benefit analysis in the rule change process; and
- provide assurance that the proposal does not change the operation or the essential services provided by other parties connected into the NWIS.

The PAC did not support the use of the fast track rule change process for the rule change proposal.

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	<p>The PAC considered that it should be further consulted about the rule change proposal either before or after the proposal is formally submitted.</p> <p>The PAC agreed that an out of session meeting could be scheduled if Woodside wanted to consult further before formally submitting the proposal.</p>	
<b>4</b>	<b>Schedule of PAC Meetings for 2022</b>	
	<p>The paper was taken as read</p> <p>In response to a question from Mrs Papps, the Chair noted that she would prefer to hold meetings in person where possible but that, before holding a meeting in person, she would confirm with PAC members that:</p> <ul style="list-style-type: none"> <li>• meeting in person is suitable for most members; and</li> <li>• members that cannot attend in person don't feel disadvantaged by joining virtually.</li> </ul> <p>The PAC approved the proposed meeting schedule.</p>	
<b>5</b>	<b>General Business</b>	
	<ul style="list-style-type: none"> <li>• Mr Campbell-Everden noted that the ISOC Co finalised its draft budget for 2022/23 and that he would email a copy of the document to any PAC member sending him a request.</li> </ul>	

**The meeting closed at 11:30 am.**