



## Minutes

<b>Meeting Title:</b>	Pilbara Advisory Committee ( <b>PAC</b> )
<b>Date:</b>	9 November 2022
<b>Time:</b>	2:00pm – 3:25pm
<b>Location:</b>	Videoconference (Microsoft Teams)

<b>Attendees</b>	<b>Class</b>	<b>Comment</b>
Sally McMahon	Chair	
Jacinda Papps	Registered Network Service Provider ( <b>NSP</b> )	
David Stephens	Registered NSP	
Momcilo Andric	Registered NSP	
Chris Bossong	Excluded NSP	
Neil Midolo	Excluded NSP	
Geoff White	Small-Use Consumer	
James Campbell-Everden	Independent System Operator ( <b>ISO</b> )	
Noel Ryan	Observer appointed by the Minister	
Richard Cheng	Observer appointed by the Economic Regulation Authority ( <b>ERA</b> )	Proxy for Adrian Theseira

<b>Also in Attendance</b>	<b>From</b>	<b>Comment</b>
Dora Guzeleva	PAC Secretariat	Observer
Rex Vines	EPWA	Observer
Tonia Curby	PAC Secretariat	Observer
Virginia Miltrup	City of Karratha	Observer
Li-Lin Ang	Rio Tinto	Observer
Brad Leggo	Woodside	Observer for items 6(b) and 6(c)
Gemma Lynch	Woodside	Observer for items 6(b) and 6(c)
Reece Tonkin	Woodside	Observer for items 6(b) and 6(c)
Jonathon Holborn	Woodside	Observer for items 6(b) and 6(c)

Apologies	From	Comment
Adrian Theseira	ERA	
Anne Taylor	Excluded Network Service Provider	
Chris Adams	Contestable Customer	

Item	Subject	Action
<b>1</b>	<b>Welcome</b>	
	<p>The Chair opened the meeting at 2:00pm with an Acknowledgement of Country and welcomed the PAC members.</p> <p>The Chair noted her appointment as Commissioner on the Australian Energy Market Commission (<b>AEMC</b>) commencing from 10 October 2022. The Chair noted that, due to this appointment, there has been a review of potential conflicts of interest and as a result she:</p> <ul style="list-style-type: none"> <li>• will continue as the Independent Chair of the PAC, Market Advisory Committee and Gas Advisory Board;</li> <li>• will resign from the Electricity Review Board Panel of Experts;</li> <li>• has concluded her role as Special Advisor to the Coordinator of Energy (<b>Coordinator</b>);</li> <li>• has declared her share portfolio, noting some shares relate to the energy sector in the Pilbara including Fortescue Metals Group (FMG), Woodside and Mineral Resources. This has been discussed with the Coordinator and agreed that these do not material interfere with her judgement in the activities of the Independent Chair. She has disposed of the FMG and Woodside Shares and retain the Mineral Resources Shares.</li> </ul>	
<b>2</b>	<b>Meeting Apologies/Attendance</b>	
	The Chair noted the attendance and apologies as listed above.	
<b>3</b>	<b>Competition Law Statement</b>	
	The PAC noted the obligations under the Competition Law Statement.	
<b>4</b>	<b>Minutes</b>	
	<p>The Chair noted that, as a result of her role as Commissioner at the AEMC, she declares that all views and advice resulting from these meetings are from the PAC and are not necessarily the views of the Independent Chair.</p> <p><b>(a) Minutes of Meeting 2022_08_03</b></p> <p>The PAC accepted the minutes of the 3 August 2022 PAC meeting as a true and accurate record of the meeting.</p> <p><b>(b) Minutes of Meeting 2022_09_28</b></p> <p>The PAC accepted the minutes of the 28 September 2022 PAC meeting as a true and accurate record of the meeting.</p>	

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	<b>Action: The PAC Secretariat to publish the minutes of the 3 August 2022 and 28 September 2022 PAC meeting on the Coordinator’s Website as final.</b>	<b>PAC Secretariat</b>
<b>5</b>	<p><b>Action Items</b></p> <p>The closed action items were taken as read.</p> <p>Action item 1 is now complete. Action item 3 is outstanding.</p>	
<b>6</b>	<p><b>Rule Changes</b></p> <p><b>(a) PRC_2022_01 – Overview of Rule Change Proposals</b></p> <p>The paper was taken as read and there were no comments from the PAC on this item.</p>	
	<p><b>(b) PRC_2022_01 – Technical Working Group (Stage 2 Outcomes)</b></p> <p>The Chair invited Mr Campbell-Everden, as the Chair of the Technical Working Group (<b>TWG</b>) to summarise the views of the TWG and submissions of these matters.</p> <p>Mr Campbell-Everden presented a summary of the TWG meeting on 24 October 2022, as follows:</p> <ul style="list-style-type: none"> <li>• The TWG discussed compliance criteria at the point of interconnection and system operations during a contingency event. These two issues arose from risks identified in Stage 1 of the TWG.</li> <li>• In the TWG’s view: <ul style="list-style-type: none"> <li>○ the compliance criteria developed by Horizon Power provided some assurance to the TWG that there will be a technical assessment of the facility against the Harmonised Technical Rules (<b>HTR</b>);</li> <li>○ there is flexibility in how non-compliance issues will be addressed, whether at the point of interconnection or elsewhere;</li> <li>○ the system is stronger with the interconnection and no examples were found where the interconnection could not be managed operationally; and</li> <li>○ the rule changes, as drafted, would work from a system operations perspective given the in-depth quantitative assessment done by the TWG.</li> </ul> </li> </ul> <p>Mr White sought assurance that security and reliability risks will not increase under the Woodside proposal.</p> <ul style="list-style-type: none"> <li>• Mr Campbell-Everden responded that the compliance criteria developed by Horizon Power will assist the connection being managed appropriately through the access process.</li> <li>• Mr Campbell-Everden noted that the access and connection process applies for anyone that wants to connect and that the ISO</li> </ul>	

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	<p>has a role in assessing the impact of the connection on the system.</p>	
	<ul style="list-style-type: none"> <li>• Mr Campbell-Everden noted that it is the ISO role to maintain and improve security and reliability. The question is how the compliance criteria gets incorporated in the regulatory framework in a way that allows the ISO to still undertake those functions.</li> <li>• Mr Stephens noted that the compliance criteria is improving the level of clarity in relation to HTR compliance at the connection point and reinforced that Horizon Power will assess the entire facility.</li> <li>• Mr Stephens also noted that the key difference in the proposed compliance criteria and the current process is the flexibility in how non-compliance issues are addressed. In Horizon Power's view, this compliance criteria provides the required level of clarity in relation to the application of the HTR.</li> </ul>	
	<p>Mr White sought to clarify whether there has been an assessment as to whether Woodside could disconnect without impact on other users.</p>	
	<ul style="list-style-type: none"> <li>• Mr Campbell-Everden responded that it could be managed but there will be impacts. This work will be done in the future around system operations.</li> <li>• Mr Stephens noted that Horizon Power is aware of all the design work and project work that is happening around control systems and procedures to make sure these aspects work. Mr Stephens also noted that Woodside would have to comply with the HTR at the connection point and there is flexibility on how that is managed at the plant or connection point.</li> </ul>	
	<p>The Chair invited Woodside to talk to its submission on the TWG Stage 2 paper, specifying the reasons for its proposed changes and what they would like to see happen.</p>	
	<p>Mr Tonkin noted that the intent of the mark-up was to clarify Mr Campbell-Everden and Mr Stephens' positions regarding the compliance criteria at the point of interconnection.</p>	
	<ul style="list-style-type: none"> <li>• Mr Tonkin wanted to draw particular attention to changes in: <ul style="list-style-type: none"> <li>○ paragraph 4, noting that issues can be solved within the facility or at the connection point, clarifying that there is flexibility in how compliance is achieved;</li> <li>○ paragraph 3, outlining how the assessment is to be completed and that the system studies will be developed by the NSP responsible for the connection and certified by the ISO prior to energization. This is important to Woodside; is consistent with the connection and energization rules 269 and 270, and makes it clear who is accountable for what; and</li> <li>○ paragraph 1, noting in relation to Mr White's earlier question about network security and reliability, that the assessment of the network and system impacts is against the HTR, and</li> </ul> </li> </ul>	

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Woodside’s view is that degradation in connection standards would not occur.

- Mr Stephens and Mr Campbell-Everden indicated that they were supportive of Woodside’s changes to this document because they provide greater clarity.

The Chair asked the PAC members to share their views regarding the approach to assessing the connection and the associated risks, noting the PAC is yet to discuss the work done by the regulatory workshop.

- Ms Miltrup noted that it looked like a thorough process has been undertaken and that she felt comfortable with the process.
- Mr Andric noted that:
  - he was more comfortable with the approach;
  - it is important that some compliance is done at the point of interconnection, but some compliance assessment also needs to be done at the facility itself; and
  - the next questions is how these solutions with be regulated and the process to ensure compliance.
- Mr Andric added that the PAC needs to consider the impact of additional or future access seekers.
- Mr Bossong noted he was comfortable with the additions.
- Mr Midolo noted that he was comfortable with the changes, that the changes provide further clarity, and that he was happy with the full assessment of compliance.
- Mr White noted he was happy with the progress and engagement.
- Mr White asked whether monitoring of HTR compliance was real-time.
  - Mr Stephens confirmed that assessment of HTR compliance will include both real-time monitoring and post-incident investigation, and that a broad suite of tracking tools will be implemented.

The Chair summarised that the PAC is comfortable:

- with the work and the process being done by the TWG;
- with the approach to assessment at the connection point;
- that the ISO can undertake the required functions; and
- that the risks and the approach can be managed from an operational perspective.

Ms Papps added that she considered that this could be used for future connections and not just Woodside.

**(c) PRC\_2022\_01 – Coordinator of Energy Regulatory Workshop**

Ms Guzeleva provided an outline of the regulatory workshop held on 25 October 2022:

- This workshop stems from the PAC meeting on 28 September 2022 where there was a view that additional amending rules are

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	<p>required for a compliance protocol that assesses compliance prior to connection and ongoing compliance at the connection point.</p>	
	<ul style="list-style-type: none"> <li>• The topics discussed were getting connected, staying connected (with ongoing compliance) and triggers for reassessment of compliance.</li> <li>• There was a general consensus that there should be a compliance protocol for assessing compliance at the connection point and that compliance should be assessed under the HTR.</li> <li>• There need to be heads of power for the compliance protocol to give it legal force, and to make sure that the NSP and ISO have powers to assess compliance. The PNR should also specify triggers for reassessment.</li> </ul>	
	<p>Mr Andric asked what would happen if Woodside could not achieve compliance at either the connection point or at the generation facility.</p>	
	<ul style="list-style-type: none"> <li>• Ms Guzeleva responded that the facility will be fully compliant with the HTR at the connection point, although it will be up to Woodside to propose how to achieve compliance, and up to the ISO and NSP to assess the proposal. This compliance can be achieved by various measures at various points.</li> <li>• Mr Stephens responded that the ISO has the ability to grant a derogation, which it can apply to any participant who does not comply with the HTR but meets the intent of the rule.</li> <li>• The Chair clarified that there would be assessment of compliance using the usual compliance enforcement regime – the ISO would monitor and make an assessment, and if the facility was found to not comply, then the ISO would determine whether there is a non-compliance or whether a derogation can be sought without impacting the system.</li> <li>• Mr Stephens noted that a full technical assessment will be undertaken and if there is an issue, it can be solved within the plant or at the connection point. The ISO would have discretion to grant a derogation where an issue cannot be fixed but the intent of the HTR is met.</li> <li>• Mr Tonkin noted that there are no changes to the NSP's or ISO's powers under this rule change proposal related to energisation. Energisation will not take place unless the NSP and ISO are satisfied.</li> <li>• Mr Tonkin also noted that Woodside's obligations under Chapter 12 such as the ISO's power of investigation, visibility requirements and post-incident reporting are the same as for other facilities.</li> </ul>	
	<p>Ms Papps asked whether the procedure change process would apply to the compliance procedure.</p>	
	<ul style="list-style-type: none"> <li>• Ms Guzeleva responded that there was a general consensus at the workshop to use a hybrid approach of putting essential components in the rules and technical details in a procedure. The</li> </ul>	

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	<p>essential components, such as page 1 of the compliance criteria, would be enshrined in the rules but the procedure would encompass aspects, such as that contained in the tables of the document, and that the procedure change process would apply to the procedure.</p> <ul style="list-style-type: none"> <li>• Mr Holborn supported Ms Guzeleva's view.</li> </ul> <p>Ms Miltrup noted that she had no concerns with the approval to connect and the requirements to disconnect.</p> <p>Ms Miltrup asked whether there were protocols addressing the timeframes for resolution in an emergency situation.</p> <ul style="list-style-type: none"> <li>• Mr Campbell-Everden responded that there is still work to be done between the ISO control desk and Woodside regarding who does what and when during an emergency situation, and that it sees this as being outside the rule change proposal. The ISO and Woodside need to find a way forward on how to accommodate Woodside's bespoke requests while maintaining system security and reliability.</li> <li>• Mr Tonkin responded that timeframes were important. In a grid in distress scenario, Woodside will comply at the point of interconnection and will look to restrict directions to maintain the reliability of their facility.</li> <li>• Mr Tonkin also reiterated that no changes are proposed to the ISO's investigation and rectification powers.</li> <li>• Mr Tonkin noted that rule 274 gives the ISO the power to develop its own procedures and protocols related to grid connection, and that Woodside would like to keep the rule changes to a minimum and to have the ISO's procedures govern compliance at the connection point.</li> </ul> <p>The Chair noted that another issue to be included in the advice to the Coordinator is the potential for this rule change to apply to a broader number of organisations than just Woodside.</p> <p>Ms Papps noted that she was pleased with the direction the PAC is taking on governance.</p> <p>Ms Papps noted that in accordance with the rule change, the ISO cannot direct Woodside to resolve outage scheduling conflicts. Ms Papps sought to clarify whether the market will get enough information around outages so that other facilities can plan around an outage and asked whether the Pluto facility would be disconnected at the connection point during a full outage.</p> <ul style="list-style-type: none"> <li>• Mr Tonkin responded that outages of Pluto will have no impact on the grid as the primary intent of Pluto is to be a power importer, but noted that the solar farm will still be connected. Woodside does not want to be subject to outage direction so to not impact business activity.</li> </ul>	

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	<ul style="list-style-type: none"> <li>Mr Tonkin noted that Woodside has a determination under the Australian Competition and Consumer Commission around publication of outages on its LNG facilities which is public domain information.</li> </ul> <p>Ms Papps asked for clarification as to whether the solar farm would disconnect in the event that Pluto is on full outage.</p> <ul style="list-style-type: none"> <li>Mr Tonkin responded that the solar farm is dispatched to meet customer requirements, noting that Pluto is the primary customer but not the only customer.</li> <li>Ms Lynch responded that these outages at Pluto are planned years in advance and should not impact the grid. Ms Lynch noted that forewarning and transparency will occur.</li> <li>Mr Tonkin noted that the solar farm is not subject to the rule change proposal and will be subject to normal outage scheduling requirements.</li> </ul> <p>Mr Campbell-Everden noted that Woodside will attend the fortnightly outage and coordination meetings.</p> <p>Mr Bossong considered the discussion to be good.</p> <p>Mr Midolo noted that he was happy with the outcomes of the workshop.</p> <p>Mr Andric noted he was happy with the discussion.</p> <p>Mr White did not wish to provide a comment.</p> <p>Mr Tonkin noted that Woodside's view is that there should be minimal changes to the rules themselves, and focus this further development on procedures and protocols.</p> <p>Ms Papps suggested that, if the rules are to delegate powers to a procedure, then the rules should not commence in full until the procedure is complete, as this might be a risk. The implementation time frame for the rules should take into account the time needed to develop the procedures.</p> <p>Ms Guzeleva noted that the PAC was in agreement with the general consensus reached at the TWG and that:</p> <ul style="list-style-type: none"> <li>page 1 of the compliance criteria would be enshrined in the PNR, assuming that the Coordinator agrees;</li> <li>the facility would remain subject to the compliance and enforcement regime under the PNR, including investigations by the ISO;</li> <li>there needs to be a trigger in the PNR for reassessment of the connection, including major modification; and</li> <li>the hybrid approach should be taken for the compliance criteria.</li> </ul> <p>Ms Guzeleva noted that there was limited time to take major comments on board due to the timing for publication of the draft rule change report.</p>	



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	<p>Ms Lynch sought to clarify whether it was an expectation that the timing of the procedures line up with the rule change timeline as the procedures are still to be defined.</p> <ul style="list-style-type: none"> <li>Ms Guzeleva noted that Energy Policy WA has not currently contemplated any changes to the timeline published in the extension notice.</li> <li>Ms Guzeleva noted that there needs to be a balance as to what is in the PNR and what is in the procedures to make sure concerns are addressed properly. She reiterated that technical detail will likely be in the procedures and key regulatory principles will likely be in the rules, as discussed at the workshop. However, all of this is subject to approval by the Coordinator.</li> </ul> <p>The Chair noted that she will develop a written advice from the PAC to advise the Coordinator of the PAC's views.</p> <p>The Chair welcomed any feedback from the PAC on the way meetings are running, the value of meetings and any potential upcoming items for the PAC work programme.</p>	
	<p><b>ACTION: The Chair is to develop written advice from the PAC to the Coordinator regarding the PAC's views on PRC_2022_01 and is to circulate the statement to the PAC for review and comment before sending it to the Coordinator.</b></p>	<p><b>The Chair</b></p>
<p><b>7</b></p>	<p><b>General Business</b></p> <p>The Chair noted that the next meeting will be held at 9:30am on 23 February 2023.</p> <p>The Chair closed the meeting.</p>	

**The meeting closed at 3:25pm.**