Pilbara Networks Rules Rule Change Proposal Submission

PRC_2022_01
Integrated LNG Systems –
Coordinator's Draft Decision dated 7 December 2022

Submitted by:

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Rio Tinto's submission on the Coordinator's Draft Decision dated 7 December 2022

Rio Tinto considers that its concerns set out in its original submission dated 7 September 2022 have been largely addressed in the Coordinator's Draft Decision.

Rio Tinto notes that integrated facilities such as Woodside's Pluto facility will not be exempt from the requirements of the Harmonised Technical Rules (**HTRs**) but instead will be assessed against the HTRs in full and where appropriate, CPC measures can be approved by the registered NSP and ISO to ensure that the integrated facility as a whole complies with the HTRs.

The standard set out in rule 274E against which the registered NSP and ISO must assess the CPC measures is therefore critical to ensuring that CPC measures will only be approved in circumstances where they will not adversely affect power system security and reliability.

As currently drafted, it appears that the drafting of rule 274E(a) is incomplete. Rio Tinto assumes that this rule intends to state that "the measures, if implemented and maintained, are sufficient to ensure that the integrated facility <u>as a whole</u> complies with these rules (including the harmonised <u>technical rules)</u>".

Rio Tinto also assumes that both rules 274E(a) and (b) must be satisfied in order for the registered

NSP and ISO to agree the CPC measures.

As Rio Tinto has submitted previously, there may be certain material requirements of the HTRs that may not be capable of being met by a facility "at a connection point" (even with the implementation of CPC measures). Rio Tinto assumes that the Coordinator's intention in such cases is the registered NSP and ISO cannot be satisfied that CPC measures are sufficient to ensure that the integrated facility as a whole complies with the HTRs and therefore, must not accept the CPC measures proposed by the connection applicant.

Rule 274J sets out the process to be followed by the controller of an integrated facility and ISO where "relevant modifications" are proposed to be made to the facility. Rio Tinto notes that under rule 274J(3), whether a modification is a "relevant modification" is a matter for ISO to determine in accordance with the CPC procedure. Rio Tinto is concerned that under rule 274J(2), the controller of an integrated facility is only required to notify ISO of any "potentially relevant modification" to its facility, being a modification "which is of such a nature or scale that it has the potential to be judged a relevant modification under rule 274J(3)". Rio Tinto does not consider it appropriate that the controller be conferred any discretion in deciding whether a modification to its facility is a "potentially relevant modification". The controller of an integrated facility should notify ISO of *all* modifications to its facility after which ISO will in accordance with the CPC procedure determine whether the modification is a "relevant modification". Rio Tinto submits that this approach will ensure that ISO is aware of all relevant modifications and is able to perform its function under rule 274J.

Finally, Rio Tinto notes that ISO, as the system operator, should be satisfied that the proposed amending rules in relation to limiting the types of directions that may be given in respect of the Pluto facility sufficiently provides ISO the ability to maintain power system security and reliability in the NWIS.