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Department of Mines, Industry Regulation and Safety
Energy Policy WA

Final Rule Change Report Integrated LNG Systems (PRC_2022_01)

Standard Rule Change Process

6 February 2023

Working together for a **brighter** energy future.

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Integrated LNG Systems
(PRC_2022_01)*

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1. The Rule Change Proposal, Process and Timeline

On 19 July 2022, Woodside Energy Ltd (Woodside) submitted a *rule change proposal* titled “Integrated LNG Systems” (PRC_2022_01). This *rule change proposal* seeks to amend a number of existing provisions, and insert several new provisions, in the Pilbara Network Rules (PNR).

The proposal was based around amending the PNR to create a new class of networks – called integrated Liquefied Natural Gas (LNG) networks – and to limit the application of the PNR and the harmonised technical rules (HTR) in respect of these networks. Woodside’s concept for integrated LNG networks was similar to the existing treatment of integrated mining networks under the PNR, but with some differences.

This *rule change proposal* is being processed using the *standard rule change process* described in clauses A2.7.1A to A2.7.8 of the PNR.

The rule change notice and all other documents related to this *rule change proposal* can be found on the Coordinator of Energy’s (Coordinator) website at <https://www.wa.gov.au/government/document-collections/pilbara-rule-change-prc202201>.

On 6 October 2022, the timeframe for the preparation of the *draft rule change report* was extended by the Coordinator in accordance with clause A2.5.10 of the PNR.

The key dates for progressing this *rule change proposal*, as amended in the extension notice, are:



This *final rule change report* is drafted under clause A2.7.6 of the PNR on the basis that the reader has read all the related documents, including the rule change notice, *rule change proposal*, extension notice, the *draft rule change report*, minutes and papers from the relevant Pilbara Advisory Committee (PAC) meetings and the first period submissions.

2. The Coordinator's Final Decision

The Coordinator's final decision is to accept the *rule change proposal* in a modified form.

The *amending rules* are set out in section 7 of this report.

2.1 Reasons for the Coordinator's Final Decision

The Coordinator has made this final decision on the basis that the *amending rules*, as amended following the second submission period:

- are consistent with the *Pilbara electricity objective* and the matters prescribed under regulation 4 of the *Electricity Industry (Pilbara Networks) Regulations 2021* (Regulations) in the following ways:
 - the new process for *connection point compliance* will promote future investment in the Pilbara region and has the potential to facilitate the connection for Woodside, other LNG facilities and other facility types that may wish to connect to the North West Interconnected System (NWIS);
 - any potential risks to the security and reliability of the NWIS can be effectively managed with the amending rules;
 - in providing for an alternative *connection point compliance* process and making it available to a range of eligible facility types, the *amending rules* recognise the unique nature of the electricity supply arrangements that exist in the Pilbara region;
 - the *amending rules* facilitate the connection of the Pluto Facility to the NWIS, by recognising its specific technical circumstances and allowing Woodside to retain a degree of operational control to preserve the security of its system and the reliability of supply to its operations;
 - as recognised by the PAC, by providing for the connection of the Pluto facility to the NWIS, this *rule change proposal* will facilitate decarbonisation of the NWIS via the connection of the Woodside's solar farm at Maitland, and the increased generation and use of renewable energy in the Pilbara; and
 - comprehensive assessment of this *rule change proposal*, to ensure it is consistent with the *Pilbara electricity objective*, has been achieved thanks to the good faith collaboration and input by the Pilbara Independent System Operator (ISO), PAC members, Woodside, and other relevant working group and workshop participants;
- have taken into account any issues raised in the second period submissions, and have been modified accordingly by the Coordinator's additional amendments to the proposed rules; and
- on balance, provide a range of benefits that result from the connection of the Pluto Facility and other facility types that may wish to connect to the NWIS that outweigh any potential costs and time spent on the practical implementation of the *amending rules*.

The detailed assessment and analysis leading to the Coordinator's final decision is outlined in section 6 of this report.

2.2 Proposed Commencement

The *amending rules* are proposed to commence at **8:00am (WST) on 31 March 2023**.

3. Proposed Amendments

3.1 The Rule Change Proposal

Summary of the rule change proposal

This section provides a summary of *rule change proposal* PRC_2022_01, as published in the Coordinator's rule change notice on 27 July 2022. Both the full *rule change proposal* and the rule change notice can be found on the [Coordinator's website](#).

Woodside's *rule change proposal* sought to provide for the connection of the Pluto Facility to the NWIS in a way which allowed Woodside to retain operational control of the Pluto generating units, while avoiding the costs and delays associated with upgrades required to comply with the HTR behind the interconnection point.

The proposal was based around amending the PNR to create a new class of networks, called *integrated LNG networks*, and to modify the application of elements of the PNR with respect to these networks. Woodside's concept for *integrated LNG networks* was similar to the existing treatment of *integrated mining networks* under the PNR, but with some key differences. Importantly, these included:

- that compliance with the HTR would only be required at the point of interconnection with the NWIS; and
- that the ability of the ISO to give system operations directions to the Pluto facility would be limited.

The following is a high level outline of the changes that Woodside was proposing to new and existing provisions of the PNR, which included:

- inserting a new definition for an *integrated LNG network*;
- inserting a new definition for an *integrated LNG system*;
- providing for compliance with the HTR at the connection point with respect to *integrated LNG networks*;
- placing specific requirements on the ISO with respect to *integrated LNG systems*;
- related changes to the calculation of ISO fees, Economic Regulation Authority fees and Coordinator fees;
- related changes to the application of metering requirements;
- changes to the application of generation adequacy requirements with respect to *integrated LNG systems* under Chapter 6;
- changes in relation to the compliance obligations under the PNR for a network service provider (NSP), controller, or network user of an *integrated LNG system*;
- limiting the directions the ISO may give in relation to an *integrated LNG system*;
- changes to the functions of *incident coordinators* as they relate to *integrated LNG systems*;
- changes to the disconnection protocols in relation to *integrated LNG systems*;
- related changes to the requirements placed on the Coordinator in conducting any review of how constrained access is to apply; and
- changes to the objective of the reports produced under Chapter 10 (long term coordination and planning) to include consideration of *integrated LNG systems*.

Woodside’s assessment against the Pilbara Electricity Objective

In its proposal, Woodside referred to the rule change as a critical step in addressing the current barriers to LNG producers connecting to the NWIS, noting that it may encourage existing LNG producers to connect to the NWIS and that it will advance the *Pilbara electricity objective* by creating a more coordinated and reliable network.

Woodside suggested that the *rule change proposal* will improve the efficiency and effectiveness of electricity services in the Pilbara, and support economic growth and development in the region, while also promoting the *Pilbara electricity objective* in the following key ways:

PEO	How objective is met
Promote efficient investment in, and efficient operation and use of, services of Pilbara networks	Encourages connection of the Pilbara LNG industry. Incentivises more renewable generation projects in the Pilbara.
Promote long-term interests of consumers of electricity in the region in relation to price, quality, safety, reliability and security of supply	Addition of renewable generation capacity in the NWIS is likely to lead to higher reliability and security of supply, while reducing costs and emissions.
Promote long-term interests of consumers of electricity in relation to reliability, safety and security of any interconnected Pilbara system	At any interconnection point with the NWIS, the electricity infrastructure of an integrated LNG system will be managed to comply with the HTR. The ISO and others are granted ample powers to protect the security of the NWIS by disconnecting the Pluto Facility at will, if necessary.

Please refer to section 4 of the *rule change proposal* for Woodside’s complete assessment of why the proposed changes were consistent with the *Pilbara electricity objective*.

3.2 The Coordinator’s Initial Assessment of the Proposal

Under clause A2.5.6A of the PNR, the Coordinator may decide not to progress a rule change proposal if it is:

- (a) materially incomplete;
- (b) manifestly inconsistent with the *Pilbara electricity objective*; or
- (c) materially the same as another rule change proposal considered by the Coordinator in the 12 months prior to the date of the rule change proposal.

The Coordinator determined that the *rule change proposal* did not meet the above criteria, and decided to progress the rule change proposal using the *standard rule change process*.

4. Consultation

Section 4 of this *final rule change report* provides a summary of the second period submissions and the Coordinator's response to issues raised in those submissions.

A summary of the consultation undertaken by the Coordinator in respect of this *rule change proposal* before publication of the *draft rule change report* is provided in section 5 of the [draft rule change report](#).

The Coordinator has considered and taken into account each of the matters raised throughout the consultation on this *rule change proposal* in making a decision on PRC_2022_01.

4.1 Pre-Rule Change Proposal

A summary of the consultation undertaken regarding this *rule change proposal* prior to submission of the proposal to the Coordinator is provided in section 5.1 of the *draft rule change report*.

4.2 The Pilbara Advisory Committee

A summary of the consultation conducted with the PAC regarding this *rule change proposal* prior to publication of the *draft rule change report* can be found in section 5.2 of the *draft rule change report*. The summary covers:

- PAC Meeting – 3 August 2022;
- PAC Meeting – 28 September 2022;
- PAC Meeting – 9 November 2022;
- The outcomes of the PAC Technical Working Group (TWG) chaired by the ISO; and
- The PAC's initial and final advice to the Coordinator.

The PAC has not provided advice to the Coordinator regarding *rule change proposal* PRC_2022_01 subsequent to publication of the *draft rule change report*.

The PAC has not provided advice to the Coordinator since publication of the *draft rule change report* regarding the evolution or development of the regime under Part 8A of the *Electricity Industry Act 2004 (Act)* or the PNR that is relevant to the issues addressed in PRC_2022_01.

4.3 The Coordinator's Response to the Pilbara Advisory Committee

Section 5.2 and section 6 of the *draft rule change report* details the Coordinator's response to the PAC's advice that was provided prior to publication of the *draft rule change report* regarding *rule change proposal* PRC_2022_01.

4.4 Submissions Received During the First Submission Period

The first submission period for this *rule change proposal* was held between 27 July 2022 and 7 September 2022. The Coordinator received submissions from:

- Alinta Energy (Alinta)
- Expert Consumer Panel (ECP)
- Horizon Power

- Pilbara ISO Company (ISO)
- Pilbara Iron Pty Ltd (Rio Tinto)

A summary of these submissions and the Coordinator's response to the issues raised is provided in section 5.3 and Appendix A of the *draft rule change report*. The submissions are published on the Coordinator's [website](#).

4.5 The Coordinator's Response to Submissions Received During the First Submission Period

The Coordinator's assessment and response to the issues raised in the first period submissions is outlined in section 5.4, section 6 and Appendix A of the *draft rule change report*.

4.6 Submissions Received During the Second Submission Period

The second submission period for this *rule change proposal* was held between 7 December 2022 and 9 January 2023. The Coordinator invited stakeholders to make submissions in respect of all aspects of the *draft rule change report*.

The Coordinator received submissions from:

- Alinta Energy (Alinta)
- Horizon Power
- Pilbara ISO
- Pilbara Iron Pty Ltd (Rio Tinto)
- Woodside Energy Ltd (Woodside)

Copies of all submissions received during the second submission period are available in full on the Coordinator's [website](#).

A summary of the common issues raised in the second period submissions is provided below. A comprehensive summary of the specific comments and issues raised in submissions, along with the Coordinator's response to these issues, can be found in section 6 and Appendix A of this report.

The Coordinator has also made a number of revisions to the proposed rules in response to the issues raised, which are reflected in the final *amending rules* provided in section 7 of this report.

General feedback

There was broad support from the stakeholders for the *draft rule change report* and the Coordinator's amendments to the proposed *amending rules*. Some key comments in support are as follows:

- Alinta Energy broadly supports the *draft rule change report* and noted the proposed connection point compliance process can be used to address its initial concerns for the security and reliability of the NWIS.
- Horizon Power is supportive of the Coordinator's revised rule change proposal, and notes that it aligns with the concepts originally proposed by Woodside Energy and Horizon Power at the beginning of the *rule change process*.
- The ISO noted that the Coordinator's draft rule change included a number of conceptual improvements to the rule change proposal which address many of the stakeholder concerns, and that the TWG and PAC had addressed most of the concerns and risks they identified during the *first submission period*.

- Rio Tinto considers that its concerns set out in its original submission have been largely addressed in the Coordinator's draft decision.
- Woodside supports the Coordinator's draft decision and the modification to elements of Woodside's original proposal, including the new integrated facility category, the connection point compliance process and the treatment of the Pluto facility under the PNR.

Integrated facilities category

Alinta Energy noted that requiring an *integrated facility* to comprise both consumption equipment and generating works could inadvertently favour thermal generators as, unlike thermal generators, renewable resources are often not co-located with a load.

Both Woodside and Horizon Power raised issues in relation to the *integrated facility* category introduced by the Coordinator under rule 25A of the proposed amending rules, which was restricted to equipment on a single contiguous site, whether comprised of a single or multiples parcel of land.

Horizon Power recommended that the contiguous site requirement be removed, as restricting integrated facilities to a single plot or adjacent plots of land was not relevant to the operations of the facility.

Woodside raised similar concerns, stating that the BESS at Burrup would not be considered part of the Pluto facility under the proposed definition of an *integrated facility*. Woodside suggested the definition be amended so that contiguity is determined by whether facilities and equipment are used in connection to an *integrated facility*, irrespective of the contiguity of the land on which the equipment is located.

Relevant modifications

Rio Tinto raised a concern in its second submission regarding the process followed regarding a *relevant modification* to an *integrated facility*. It noted that it is inappropriate to give the controller of the *integrated facility* the discretion to determine whether a modification is a *relevant modification*. Rio Tinto proposed, instead, that the relevant *controller* should be required to notify the ISO of any modifications and that the ISO should determine whether these are *relevant modifications* in accordance with the procedure.

Horizon Power also noted in its second period submission that, as drafted, controllers of *integrated facilities* would have the right to materially modify their behaviour or assets behind the point of interconnection to the NWIS, prior to notifying the ISO. It added that this is not aligned with the normal mechanisms under the HTR and proposed, instead, to require the controller of an *integrated facility* to seek approval before making such changes.

Other issues

Horizon Power supported the Pluto facility *related* provisions in its second period submission, and noted that these were largely consistent with Woodside's original proposal. It recommended that the *controller* of the *Pluto facility* should be required to obtain approval from the registered NSP and ISO before reconnecting, noting that this would ensure that the reason for a disconnection has been resolved prior to reconnection.

While Woodside noted that it is comfortable with the *excluded network* status, it expressed concerns in its second period submission about the ability of the ISO to revoke the *excluded network* status of an *integrated facility* using the existing powers under rule 25(2). Woodside recommended amendments requiring the ISO to have regard to any agreed *CPC measures* and whether those measures continue to be met.

4.6.2 Assessment against the Pilbara electricity objective

The assessment by stakeholders in second period submissions, as to whether the *rule change proposal*, as modified, would better achieve the *Pilbara electricity objective* is outlined in table 1 below.

Table 1: Comments on the Pilbara Electricity Objective from the Second Period Submissions

Submitter	Pilbara Electricity Objective Assessment
Alinta Energy	Alinta Energy considers that the proposed connection point compliance process, and the improved oversight of the new integrated facility category better facilitate the achievement of the Pilbara electricity objective compared to the initial proposal by reducing risks to security and reliability and reducing the likelihood that the ISO would need to rely more heavily on directing other facilities in performing its primary function.
Pilbara ISO	The ISO concurred with the views of the Coordinator which were outlined in section 6.3 of the <i>draft rule change report</i> .
Horizon Power	Horizon Power supported the Coordinator's assessment of the Pilbara electricity objective as outlined in section 6.3 of the <i>draft rule change report</i> .
Woodside Energy	Woodside supported the Coordinator's new process for connection point compliance, saying it would encourage investment in the Pilbara and LNG connection to the NWIS, as well as the decarbonisation of the NWIS.

4.7 The Coordinator's Response to Submissions Received During the Second Submission Period

The Coordinator's overall assessment of the issues raised in the second period submissions is presented in section 6 of this report.

The Coordinator's response to each of the specific issues raised in the second period submissions is presented in Appendix A of this report.

4.8 Public Forums and Workshops

The Coordinator held a regulatory workshop on 25 October 2022, which was chaired by EPWA and attended by regulatory experts and other relevant parties nominated by PAC members.

No further forums or workshops were held following the publication of the draft report.

5. The Coordinator's Draft Decision

The Coordinator's draft analysis of the *rule change proposal* and assessment against clauses A2.4.2 and A2.4.3 of the PNR, and clause 4 of the Regulations is presented in section 6 of the *draft rule change report*, which is available on the Coordinator's website.

The Coordinator's draft decision was to accept the *rule change proposal* in a modified form. The reasons for the Coordinator's draft decision were set out in section 2.1 of the Draft Rule Change Report. The draft *amending rules* were set out in section 7 of the *draft rule change report*.

This *final rule change report* should be read together with the Coordinator's *draft rule change report* for the complete assessment of the *rule change proposal*.

6. The Coordinator's Final Assessment

In preparing this *final rule change report*, the Coordinator was required to assess the *rule change proposal* against the matters outlined in clauses A2.4.A2 and A2.4.3 of the PNR.

In accordance with clause A2.4.A2 of the PNR, the Coordinator is satisfied that the final *amending rules* are consistent with the *Pilbara electricity objective*, as outlined under regulation 4 of the Regulations. The Coordinator has also had regard to each of the matters outlined in clause A2.4.3 of the PNR in the assessment of the proposed changes, and in the decision to accept the *rule change proposal* in a modified form.

6.1 Assessment of the Proposed Changes

The Coordinator's final assessment of the proposed changes is largely aligned with the Coordinator's draft assessment, as outlined in section 6 of the *draft rule change report*.

While the complete assessment of the proposed rule changes includes the assessment in section 6 of the *draft rule change report*, the Coordinator's final decision on the key elements of the *rule change proposal* and consideration of the issues raised in second period submissions is outlined below.

As detailed in the *draft rule change report*, the Coordinator proposed a number of amendments to Woodside's *rule change proposal*. These amendments were in response to advice from the PAC and the outcomes of the TWG and the regulatory workshop, held by the Coordinator, and sought to address the issues raised in the first period submissions.

The Coordinator's amendments were largely supported by stakeholders in the second submission period, as follows:

- Alinta Energy broadly supported the *draft rule change report* and noted the proposed connection point compliance process can be used to address its initial concerns for the security and reliability of the NWIS.
- Horizon Power was supportive of the Coordinator's revised rule change proposal, and noted that it aligns with the concepts proposed by Woodside Energy and Horizon Power.
- Woodside supported the Coordinator's draft decision and the modification to elements of Woodside's original proposal, including the new integrated facility category, the connection point compliance process and the treatment of the Pluto facility under the PNR.
- The ISO noted that the Coordinator's draft rule change included a number of conceptual improvements to the rule change proposal which addressed many of the stakeholder concerns, and mitigated the risks identified through the work of the TWG.
- Rio Tinto considered that its concerns set out in its original submission have been largely addressed in the Coordinator's draft decision.

While there was broad support for the overall framework, there were a number of specific issues highlighted in each submission that needed to be addressed in the Coordinator's final decision.

The Coordinator has considered each of these matters and, where appropriate, has made additional changes to the drafting, as reflected in the final *amending rules* in section 7 of this report.

The rationale for these changes is explained further in section 6.2 below, and the changes have been marked up against the proposed *amending rules* from the *draft rule change report* in Appendix B of this report.

6.1.1 Introducing a new facility category

To address stakeholder submissions and advice from the PAC, the Coordinator proposed to amend Woodside's *rule change proposal* by introducing new subchapter 1.5A, which introduced provisions related to a new class of *integrated facility*. *Integrated facilities* were then able to apply for connection point compliance under new subchapter 9.3. Further detail is outlined in section 6.1.2 of the *draft rule change report*.

The second period submissions all provided support for the new *integrated facility* provisions, with Woodside noting this addresses the key features of its original proposal to enable the Pluto facility to connect to the NWIS. Horizon Power further noted that the *integrated facility* class will improve the ability of the PNR to support the energy transition.

While Alinta Energy acknowledged the *integrated facility* class addresses its initial concerns with the proposal, it highlighted in its second period submission that the proposed amending rules may inadvertently favour operations that use thermal generators, while excluding those using renewable generation. This was because the new definition under rule 25A(1)(a) required an *integrated facility* to comprise both consumption and generation equipment.

Horizon Power and Woodside both raised concerns with restricting *integrated facilities* under rule 25A to those on a single contiguous site, whether comprised of a single or multiples parcels of land. Horizon Power further noted that restricting the classification to a single parcel of land doesn't appear to have any relevance to the potential impact on system operations, ownership of the infrastructure or energy flows and recommended removing the provisions.

Woodside noted that under the current definition, key components related to the *Pluto facility* (including the battery to be installed at the Burrup substation) would not be considered part of the *Pluto facility* due to the lack of contiguity.

Final decision

The Coordinator acknowledges Alinta's concerns, and also notes previous PAC advice which encouraged consideration of how the proposal could be more broadly applied to other connecting facilities, rather than being unique to the *Pluto facility*. Previous PAC advice also noted that the PAC did not want the proposal to set a precedent for future connection applicants to pursue bespoke arrangements.

The Coordinator's final decision is to implement a new category of a *CPC facility* (with related definitions under subchapters 1.5A and 9.3) which is adapted from the previous *integrated facility* category. Under new rule 25B a *CPC facility* may now be each of, as applicable:

- a consumer facility;
- a generation facility;
- storage works; and
- a network.

This will ensure certain facility types, including renewable generators, are not prevented from seeking *connection point compliance*, and may reduce the risk that different bespoke arrangements are pursued in the future.

The Coordinator's final decision is that under subchapter 9.3, where a *connection applicant* is being assessed for compliance with the PNR, the *connection applicant* may apply for *connection point compliance* where a *non-compliant component* is identified during the initial connection application assessment. The *eligible equipment* will only become a *CPC facility* once the *CPC measures* have been agreed and implemented under rule 274C.

This change links the definition of *CPC facility* directly to the *connection point compliance* process, which more closely reflects the original intent behind Woodside's proposal.

The Coordinator has also removed the contiguous site requirement under rule 25A, with the new definition of *eligible equipment* under subchapter 9.3 instead requiring the relevant pieces of equipment to be electrically connected behind a single connection point to the NWIS, so they:

- are electrically interconnected;
- are under the control of a single controller; and
- do not include any *network* component which is *covered*.

To ensure these additional amendments are consistent with the *Pilbara electricity objective*, the Coordinator has also inserted a provision which allows the ISO to determine whether otherwise *eligible equipment* that is connected to the NWIS via multiple connection points may apply for *connection point compliance*. This takes into account the unique nature of the supply arrangements that exist or may exist in the Pilbara region and any future *facilities* that may seek this compliance pathway.

The Coordinator considers these changes suitably address the issues raised by Alinta, Woodside and Horizon Power in the second period submissions. Further detail on these additional amendments is provided below in section 6.3 of this report.

6.1.2 Connection point compliance

As detailed in section 6.1.3 of the *draft rule change report*, the Coordinator has introduced a new subchapter 9.3, which outlines the process for *connection point compliance* and empowers the development of an *ISO Procedure* to guide eligible applicants. Importantly, this begins with assessing HTR compliance at the component level, as it would for any facility subject to a connection application. Where an instance of non-compliance is identified the applicant may seek to use the *connection point compliance* process.

The second period submissions broadly supported this new subchapter, noting it addressed many of the concerns from the first period submissions and built on the outcomes of the TWG.

Rio Tinto, however, raised concerns in its second submission regarding the process to be followed regarding a *relevant modification* to an *integrated facility*. It noted that it is inappropriate to give the controller of the *integrated facility* the discretion to determine what a *relevant modification* is. Rio Tinto proposed that, instead, the relevant *controller* should be required to notify the ISO of any modifications, with the ISO determining whether these are *relevant modifications* in accordance with the procedure.

Horizon Power also noted in its second period submission that, as drafted, *integrated facilities* would have the right to materially modify the behaviour or assets behind the point of interconnection to the NWIS, prior to notifying the ISO. It considered that this is not aligned with the normal mechanisms under the HTR and proposed instead to require the *integrated facility* to seek approval before making such changes.

In its second period submission, Woodside proposed the addition of a new rule, to recognise that certain steps required for *connection point compliance* under subchapter 9.3 may have been satisfied in respect to the *Pluto facility* prior to the rule change taking effect.

The ISO further requested that the Coordinator makes amendments so the discretion of the ISO and the relevant NSP under rule 274C is absolute, to reflect the potential complexity associated with agreeing proposed *CPC measures*.

Final decision

The Coordinator's final decision is to implement the process for *connection point compliance* under subchapter 9.3 as detailed the *draft rule change report*, with some modifications to address stakeholder concerns as detailed below.

The Coordinator has made a number of amendments to rule 274K, which includes new definitions for a *potential relevant change* and *relevant change*, and a new process requiring the ISO to

publish guidance in its *CPC Procedure*. This guidance will provide examples of *potential relevant changes*, including identifying circumstances and situations which may or may not constitute a *potential relevant change*.

Under the final amending rules, the controller of the *CPC facility* will also be required to notify the ISO and the relevant *NSP* prior to undertaking a *potential relevant change*.

These amendments to rule 274K have been shaped in part by provisions under the Wholesale Electricity Market Rules which relate to potential relevant generator modifications. As extensive stakeholder engagement went into developing these provisions, which also deal with changes to equipment, the Coordinator considered them a suitable base upon which to finalise the drafting under rule 274K while taking the second period submissions feedback into account.

The Coordinator has also introduced a new transitional rule under sub-appendix 4.13, which allows the ISO to consider steps taken by relevant parties before commencement of the *amending rules* and, as long as these steps deal adequately with the requirements of subchapter 9.3, to take these steps into account as if they were done under subchapter 9.3.

The Coordinator has introduced amendments under rule 274C(2), which provide both the ISO and a *non-covered NSP* with absolute discretion in determining whether to agree to *CPC measures*. A *covered NSP* is further required to act in accordance with the Pilbara electricity objective in agreeing *CPC measures*.

These changes are reflected in the final *amending rules* in section 7 of this report, with further detail provided below in section 6.2.

6.1.3 Categorisation of the Pluto Facility

As outlined in section 6.2 of the *draft rule change report*, the Coordinator made amendments to Woodside's proposal so that under the new subchapter 1.5A, an *integrated facility network* is deemed to be an *excluded network*. This would mean Woodside's *Pluto network* would be treated as part of the *consumer facility* that it supplies. The Coordinator also implemented separate provisions related specifically to the *Pluto facility*, which are addressed further in section 6.1.4 below.

In its second period submission, Horizon Power agreed with the approach to use the *excluded network* mechanism, noting it achieves the outcome of effectively classifying *integrated facilities* as *network users* for compliance purposes.

While Woodside noted that it is comfortable with the *excluded network* status, it expressed concerns in its second period submission about the ability of the ISO to revoke the *excluded network* status of an *integrated facility* using the existing powers under rule 25(2). Woodside recommended amendments requiring the ISO to have regard to any agreed *CPC measures* and whether those measures continue to be met.

Final decision

Taking into account the changes to the *integrated facility* class, the Coordinator's final decision is to rename the network as a *CPC facility network* without any further changes. Under rule 25C, a *CPC facility network* will still be an *excluded network* until it ceases to be an *excluded network* under rule 25 of the PNR.

To address Woodside's concerns, the Coordinator has also implemented a new rule 274H(2), which requires the ISO to take into account any *CPC measures* before revoking *excluded network* status under rule 25. The Coordinator considers that this new provision is sufficient to address Woodside's concerns, as any consideration of measures will by its nature include an assessment of whether the measures continue to be complied with by the relevant party.

The Coordinator has also included additional lots within the definition of *Pluto site*, to ensure key components of the *Pluto facility* are captured within the definition as requested by Woodside.

More detail on these additional amendments is provided below in section 6.2 of this report.

6.1.4 Limitations on ISO Directions

As detailed in section 6.1.4 of the *draft rule change report*, the Coordinator amended Woodside's proposal by introducing *Pluto permitted directions* under new rule 188A, which restricts ISO's directions in relation to the *Pluto facility* to three specific circumstances (including disconnection). This reflected the general consensus by both the PAC and the TWG, that any contingency risks to system security and reliability can be effectively managed even with the limits placed on ISO's directions.

Horizon Power supported the provisions in its second period submission and noted that they are largely consistent with Woodside's original proposal. It recommended that the *controller* of the *Pluto facility* be required to obtain approval from the registered NSP and ISO before reconnecting. This would ensure that the reason for a disconnection has been resolved prior to reconnection.

Final decision

The Coordinator's final decision is to retain rule 188A, which separates the *Pluto permitted directions* provisions from the *connection point compliance* process and will not be available to any other *CPC facilities*.

The Coordinator has further introduced new rule 188C, which outlines the process that must be followed should the *Pluto facility* be disconnected. This includes obtaining the consent of the ISO and registered NSP before reconnecting, and allows the ISO to review the CPC measures in light of the disconnection. Further detail is provided in the *amending rules* in section 7 of this report.

6.2 Amendments to the Proposed Amending Rules

As outlined in section 6.1 above, the Coordinator has made a number of changes to the final *amending rules* from the draft *amending rules* in the *draft rule change report*, to address issues raised in the second submission period.

These changes are reflected in the final *amending rules* outlined in section 7 of this report and a high level summary is provided below.

CPC facility class

The Coordinator has drafted amendments to subchapter 1.5A, which effectively replace the concept of *integrated facility* with *CPC facility*, and include changes to the following related provisions:

- new definitions for *CPC facility network* (rule 25A);
- changes to how the PNR applies to *CPC facilities*, including how a *CPC facility* may be treated (rule 25B); and
- classification of a *CPC facility network* as an *excluded network* (rule 25C).

The Coordinator has also drafted further amendments to subchapter 9.3 to put into effect the amended regime for the newly defined category of *CPC facility*, which replaces *integrated facility* throughout the subchapter.

This includes the following changes to rule 274A:

- changes to clarify and simplify the definition for *connection point compliance* (rule 274A(1)(a));
- new definitions for *eligible equipment* and *CPC facility*;
- changes to the definitions for *CPC measures* and *non-compliant component*; and
- provisions for *eligible equipment* with *multiple connection points*.

The Coordinator has made the following changes to rule 274B and rule 274C:

- a change to rule 274C(1) to remove the assessment of a connection application "in the usual way" and provide further clarity around the sequence of the process;

- providing the ISO and *non-covered NSP*'s with absolute discretion in determining whether to agree to a suite of CPC measures;
- requiring a *covered NSP* to act in accordance with the *Pilbara electricity objective*;
- requiring the ISO to consult before agreeing to proposed *CPC measures*.

The Coordinator has made the following changes to the remaining sections of subchapter 9.3 to address stakeholder comments:

- changes to clarify the permitted content the proposed *CPC measures* may deal with, including obligating the relevant *NSP* to comply with the requirements of the *CPC measures* where applicable;
- clarifications regarding the standard to be met for *CPC measures*;
- a new rule 274F to clarify that *CPC measures* must be accounted for in instances of non-compliance with the HTR;
- a new sub rule 274H(2) to ensure the ISO takes CPC measures into account when performing its functions under rule 25.

Potential relevant changes and relevant changes

The Coordinator has made changes to rule 274K under subchapter 9.3 in the *amending rules*, to clarify the process to be followed when a *potential relevant change* to a *CPC facility* has been identified.

There has been changes to what constitutes a *potential relevant change* and a *relevant change* and the process to be followed has been redefined. There is also a new requirement for the ISO to publish guidance on what may be considered a *potential relevant change* in its *CPC Procedure*.

Pluto facility

The Coordinator has introduced a new rule 188C which outlines the process to be followed once the *Pluto facility* has been disconnected. This includes new requirements on the *controller* to obtain the consent of the ISO and relevant *NSP* before reconnecting to the NWIS, and provisions for the ISO to review the *CPC measures*.

The Coordinator has also amended the definition of *Pluto site* to include the additional lots identified by Woodside as key components related to the operation of the *Pluto facility*.

Amending Typographic Errors, Consequential Amendments and Clarifications

The Coordinator has made a number of additional consequential amendments or to address minor issues raised in the second period submission.

6.3 Pilbara Electricity Objective

The Coordinator's assessment of the *rule change proposal* against the *Pilbara electricity objective* has not changed since the *draft rule change report*. The Coordinator is satisfied that the final *amending rules* will better achieve all elements of the *Pilbara electricity objective*, as detailed below.

The contribution of the Pilbara resources industry to the State's economy and the nature and scale of investment in the Pilbara resources industry

The new process for *connection point compliance* will promote future investment in the Pilbara networks by removing potential barriers for Woodside, other LNG facilities and other facility types that may wish to connect to the NWIS.

As Woodside noted in its proposal, this rule change will be a critical step in providing for the participation of the Pilbara LNG industry in the NWIS. By broadening the scope of the *amending rules* to ensure other facility types can utilise the connection process, the Coordinator acknowledges the full range of resource industry participants and their importance to the State.

The importance to the Pilbara resources industry of a secure and reliable electricity supply

The issue of fundamental importance throughout the consultation on this *rule change proposal* has been the impact of the proposed changes on the security and reliability of the NWIS. By addressing the outcomes of the TWG and advice from the PAC through amendments to the proposed rules, the Coordinator is confident that any potential risks to security and reliability can be effectively managed with the *amending rules* (see section 6.1.4 of the *draft rule change report*).

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

In providing for an alternative *connection point compliance* process for eligible facility types, the Coordinator's amendments to the proposed rule changes recognise the unique nature of electricity supply arrangements that exist in the Pilbara region.

Any other relevant matter

As recognised by the PAC, by providing for the connection of the Pluto facility to the NWIS, this *rule change proposal* will facilitate decarbonisation via the connection of the Woodside's solar farm at Maitland. This connection will significantly increase the generation capacity connected to the NWIS as well as increasing renewable energy generation and use.

The Coordinator further notes that the holistic assessment of this *rule change proposal* has only been possible thanks to the good faith collaboration and input by the ISO, PAC members, Woodside, and other TWG members and participants at the Coordinator's workshop. As noted by the PAC, establishing the TWG was a positive way to resolve any technical issues and concerns around the proposal and to ensure it is consistent with the *Pilbara electricity objective*.

6.4 Protected Provisions

As outlined in section 6.2 of the *draft rule change report*, Woodside's original *rule change proposal* proposed changes to rule 129 and rule 248(2), which are both *protected provisions* under clause A2.8.13 of the PNR.

As these provisions are not amended under the final *amending rules*, protected provisions are no longer impacted and the Minister for Energy will not be required to approve the final *amending rules*.

6.5 Reviewable Decisions

The final *amending rules* include new clauses that the Coordinator considers should be made *reviewable decisions*. The Coordinator considers that a decision by the ISO or the *host NSP* under rules 274C and 274K should be the subject of a *procedural review* in accordance with the Regulations. Energy Policy WA is currently in the process of updating the relevant schedule in the Regulations and will add these two clauses to the provisions that are the subject of a *procedural review*.

6.6 Cost and Practicality of Implementation

6.6.1 Cost

The ISO indicated in its second period submission that it will incur some costs associated with the final *amending rules*, due to the additional responsibilities that will be placed on the ISO Control Desk and the new requirements associated with the regime for *connection point compliance* under new subchapter 9.3.

As noted in the *draft rule change report*, the ISO provided a preliminary estimate to the Coordinator of the costs, which are anticipated to be up to (but likely less than) 10% of the current annual cost of the ISO Control Desk.

In accordance with the final *amending rules*, the costs of agreeing, implementing and complying with the *CPC measures* for a *CPC facility* in relation to *connection point compliance*, are to be met by the applicant.

6.6.2 Practicality

Once the final *amending rules* are commenced, the ISO will be required to develop the *connection point compliance procedure* in accordance with new subchapter 9.3.

The ISO has indicated that this procedure can be developed as a matter of priority under the interim procedure provisions in sub-appendix 4.8. The final *amending rules* also contain a transitional rule that will allow any compliant steps (including in accordance with the procedure) taken before the commencement of the amending rules, to be considered as valid.

6.6.3 Assessment

The Coordinator considers that any costs that will arise from implementing the *amending rules* will be outweighed by the benefits of providing for connecting the Pluto Facility, and any other facility which utilises the relevant processes, to the NWIS. The benefits are outlined above under the Coordinator's assessment of the proposal against the Pilbara electricity objective.

7. Amending Rules

The Coordinator has determined to implement the following *amending rules* (~~deleted text~~, [added text](#), rules that are included for context but not amended). The Amending Rules are presented below, marked up against the Pilbara Networks Rules Version 3 as at 7 December 2022.

Table to rule 4

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	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.
1D	A <i>non-covered network</i> forming part of the <i>NWIS</i> , which does not fall in Class 1B or 1C.	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 —

- [A network which is connected to the *NWIS* “forms part of” the *NWIS* – see definitions of “*NWIS*” and “*interconnected Pilbara network*”.](#)
- If a *NWIS network* which was previously an *integrated mining network* or *excluded network* becomes *covered*, then on its *coverage commencement date* it will convert to Class 1A.
- If a *non-NWIS network* forms part of an *integrated Pilbara system* (i.e. other than the *NWIS*), then it is dealt with in Class 2 if *covered*, and Class 3 if *non-covered*.
- The rules which apply to Class 3 *networks* align with the ISO’s functions under section 120W(4)(d) of the Act, which are —
 - “(i) to collect and consider information relating to the operation, management, security and reliability of [such] Pilbara networks; and
 - (ii) to report as specified by the regulations to the Minister, the Authority or a specified person on those matters; and
 - (iii) to publish information on those matters.”}

8 Glossary

connection point compliance	is defined in rule 274A.
consumer facility {a.k.a. “consumer equipment” in the harmonised technical rules}	a) means the <i>equipment</i> used for, or in connection with, or to control, the consumption of electricity withdrawn from the <i>network</i> at a <i>connection point</i> ; and b) for a CPC facility — subject to the CPC measures for the CPC facility, includes each group of equipment in the CPC facility which falls within paragraph (a) of this definition; and {The effect of paragraph (b) is that references in these rules to “consumer facility” will apply also to any consumer facility which forms part of a CPC facility, unless the agreed CPC measures for the CPC facility provide otherwise.} c) for includes an <i>excluded network</i> being treated as a <i>consumer facility</i> under rule 21(2)(a); includes the excluded network.
controller	a) in respect of <i>equipment</i> or a <i>facility</i> — means a person who owns, operates or controls (or is in a position to control) the equipment or <i>facility</i> ; and b) in respect of a <i>connection point</i> — means a person who owns, operates or controls (or is in a position to control) the <i>generation facility</i> or , <i>consumer facility</i> or CPC facility at the <i>connection point</i> . {Rule 0 sets out how these rules apply when there are multiple <i>controllers</i> for <i>equipment</i> or a <i>connection point</i> . Rule Error! Reference source not found. deals with how one of these is chosen to be registered.}
CPC facility	is defined in rule 274A
CPC facility network	is defined in rule 25A.
CPC measures	means, for a CPC facility, the measures which have most recently been recorded for the facility under rule 274C.
CPC procedure {for “connection point compliance” procedure}	means the procedure established by the ISO under rule 274L.
eligible equipment	is defined in rule 274A.
equipment	means wires, apparatus, equipment, plant and buildings used, or to be used, for or in connection with, or to control, the generation, transportation, storage or consumption of electricity.
excluded network	means a <i>non-covered network</i> which — a) is listed in rule 23 {Excluded networks at rules commencement}; or b) has been the subject of a determination under rule 24(1) {Becoming an excluded network}; or c) is deemed to be an excluded network under rule 25C CPC facility network is an excluded network (1) A CPC facility network is an excluded network, until it ceases to be an excluded network under rule 25. {The effect of rule 25C(1) is that the <i>CPC facility network</i> is not treated as a <i>network</i> under these rules (see rule 21(1)).]

	<p><u>(2) For the purposes of applying rules 24 and 25 under rule 25C(1), rule 24(4)(b) does not apply.</u></p> <p><u>{CPC facility network is an excluded network},</u></p> <p>and which has not ceased to be an <i>excluded network</i> under rule 25.</p>
facility	<p>means —</p> <p>a) a <i>generation facility</i>; or</p> <p>b) a <i>consumer facility</i>; or</p> <p>c) <u>a CPC facility.</u></p>
generation facility {a.k.a. “power station” in the harmonised technical rules}	<p>a) means the <i>generating works</i> at a particular location, comprising one or more <i>generating units</i> and the associated supporting <i>equipment</i> and resources; but</p> <p>{Example — The supporting <i>equipment</i> may include black start equipment, step-up transformers, substations and the power station control centre.}</p> <p><u>and</u></p> <p>b) <u>for a CPC facility — subject to the CPC measures for the CPC facility, includes each group of equipment in the CPC facility which falls within paragraph (a) of this definition; and</u></p> <p><u>{The effect of paragraph (b) is that references in these rules to “generation facility” will apply also to any generation facility which forms part of a CPC facility, unless the agreed CPC measures for the CPC facility provide otherwise.}</u></p> <p>c) <u>includes an excluded network being treated as a generation facility under rule 21(2)(b);</u></p> <p><u>but</u></p> <p>d) does not include <u>equipment which falls within paragraphs (a), (b) or (c) of this definition such generating works</u> if their combined <i>injection</i> capacity at a <i>connection point</i> is less than 10MW.</p>
host NSP	<p>in connection with —</p> <p>a) <u>an excluded network — is defined in rule 22(1); and</u></p> <p>b) <u>the Pluto facility — is defined in rule 188A(1); and</u></p> <p>c) <u>connection point compliance — is defined in rule 274A.</u></p>
Pluto connection point	<u>means a connection point connecting the Pluto facility to the NWIS.</u>
Pluto facility	<u>means the CPC facility located on the Pluto site.</u>
Pluto permitted direction	is defined in rule 188A(1).
Pluto recipient	is defined in rule 188A(1).
Pluto site	<p>means the roughly 205 hectare site on the Burrup Peninsula comprising:</p> <p>a) <u>Lot 384 on Deposited Plan 220146, being Certificate of Title Volume 2671 Folio 981; and</u></p> <p>b) <u>Lot 566 on Deposited Plan 28209, being Certificate of Title Volume 3125 Folio 317; and</u></p> <p>c) <u>Lot 572 on Deposited Plan 28209, being Certificate of Title Volume 2671 Folio 979; and</u></p> <p>d) <u>Lot 573 on Deposited Plan 28209, being Certificate of Title Volume 2676 Folio 184; and</u></p>

	<p>e) Lot 574 on Deposited Plan 28209, being Certificate of Title Volume 2671 Folio 980,</p> <p>and, to the extent that any part of the roughly 17 hectare leased seabed site located adjacent to Lots 384 and 574 and the subject of a Seabed Lease with the Pilbara Port Authority contains any equipment which is connected with the equipment on the above five lots and has the same controller, includes that part of the leased seabed site.</p>
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19 If controller or network user comprises more than one person

If —

- (a) more than one *controller* (a “**controller group**”) owns, controls or operates a *facility’s equipment* or part of a *facility’s equipment* (including if different *associates* own, control or operate different *equipment* which is operated as a single **integrated facility**); or

[Drafter’s note: This change made to reduce the risk of confusion between this rule 19, and the new mechanisms in Subchapter 9.3.]

- (b) the *network user* under a *network access contract* comprises more than one person (a “**network user group**”),

then rule 18 applies in respect of the *controller group* or *network user group*, with appropriate amendments including reading references to the “complying NSP” as a *controller* or *network user* performing the equivalent role in respect of the *controller group* or *network user group*, as applicable

20 Each group may have only one registered representative

- (1) There must be only a single *registered NSP* for a *network* or *network element*, and only a single *registered controller* for a *facility* or *CPC facility*, and only a single *registered user* in respect of a *network access contract*.

[Drafter’s note: This change made because it’s possible that a single CPC facility might contain both a generation facility and a consumer facility, and conceivably more than one of each. There can be no suggestion that each of these could have their own registered controller.]

- (2) ...

21 How these rules apply to excluded networks

- (1) Unless the contrary intention is stated, a reference in these rules (including the *harmonised technical rules*) to a *network*, does not include an *excluded network*.
- (2) For the purposes of these rules (including the *harmonised technical rules*) an *excluded network* —
 - (a) unless rule 21(2)(b) applies — is to be treated as part of the *consumer facility* it supplies; and
 - (b) if the *excluded network* forms part of a *CPC facility* which does not contain a *consumer facility* — as part of a *generation facility* which forms part of the *CPC facility*.

[Drafter's note: The changes in rule 21 are a consequential amendment. A *CPC facility* will not always contain a *consumer facility*. The intention is to allow the same treatment as for other *excluded networks*, i.e. treating them as a connection asset forming part of the main facility, rather than as a network in their own right.]

22 Excluded network must not jeopardise NWIS security and reliability

- (1) ...
 - (2) ...
 - (3) ...
 - (4) Without limiting, and subject to, any *interconnection arrangements*, an *excluded NSP* must to a *GEIP* standard —
 - (a) confer with the *host NSP*; and
 - (b) give the *host NSP* advance warning which is reasonable in the circumstances, before making or authorising any material change to the configuration of, or any material *augmentation* to, the *excluded network* or a *consumer facility* it supplies.
- (4A) If a *CPC facility network* is an *excluded network*, and the *CPC facility's controller* complies with rule 274K and the *CPC procedure* in respect of a change to the *CPC facility network*, it is deemed to have complied with rule 22(4). [Drafter's note: Consequential amendment to ensure the *CPC facility's controller* does not have duplicate compliance obligations in respect of a proposed change.]
- (5) ...

Subchapter 1.5A – CPC facilities

{A “**CPC facility**” is one which is governed by *CPC measures* under Subchapter 9.3. This Subchapter sets out how these rules apply to the *network* components of a *CPC facility*.}

25A Definitions

In these rules “**CPC facility network**” refers to the *network* components of a *CPC facility* that connect the *facility's equipment* to each other and to the *NWIS*.

25B How these rules apply to CPC facilities

- (1) Except to the extent they provide otherwise, these rules (including the *harmonised technical rules*) apply to and in respect of all *equipment* in a *CPC facility*.

{For example, these rules may provide otherwise by way of exemption or under Subchapter 9.3.}
- (2) For the purposes of rule 25B(1), a *CPC facility* is to be treated as each of, as applicable:
 - (a) a *consumer facility*; and
 - (b) a *generation facility*; and
 - (c) *storage works*; and

(d) subject to rule 25C and (if applicable) Subchapter 1.5, a *network*.

25C CPC facility network is an excluded network

(1) A *CPC facility network* is an *excluded network*, until it ceases to be an *excluded network* under rule 25.

{The effect of rule 25C(1) is that the *CPC facility network* is not treated as a *network* under these rules (see rule 21(1)).}

(2) For the purposes of applying rules 24 and 25 under rule 25C(1), rule 24(4)(b) does not apply.

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 when developing the *protocol framework*.

(3) A *protocol* cannot authorise the giving of a *system operations direction* to the *controller of the Pluto facility*, unless the *systems operations direction* is a *Pluto permitted direction* {defined in rule 188A(1)}.

91 Certain NWIS participants must register

{Under regulation 18, the requirement to register applies only in respect of the *NWIS*. If a *non-NWIS network* is to be *covered*, a decision will be made at the time as to whether registration is required.}

(1) The following *NSPs* must register with the *ISO* under rule 94 —

(a) the *NSP* of a *covered NWIS network*; and

(b) the *NSP* of a *non-covered NWIS network* which is not an *excluded network*.

{Each person registered under rule 91(1) is a “**registered NSP**”. If more than one person is the *NSP* for a *network* or *network element*, rule 20 requires that a single suitable person be designated for registration.}

(2) The following *controllers* must register with the *ISO* under rule 94 —

(a) the *controller* of a *generation facility* on a *covered NWIS network*;

{The definition of “*generation facility*” excludes facilities below 10 MW.}

and

(b) the *controller* of a *large consumer facility* which is supplied by an *excluded network*; and

(c) the *controller* of each *facility* on a *non-covered NWIS network* which is, or is proposed to be, contracted to provide *essential system services* to *covered networks*; and

(d) the *controller* of any other *facility* on a *covered NWIS network*, if the *ISO* has determined under rule 93 that the *facility* should be a *registered facility*; and

(e) the *controller* of a *CPC facility*.

92 Certain NWIS participants exempt from registration

(1) Subject to [rule 92\(2\)](#) and rule **Error! Reference source not found.**, the *controllers* of the following are not required to register under rule 0 —

- (f) *generating works* (as defined in the Act) if the generation capacity of the *generating works* concerned is less than 10 MW at each *connection point*; and
- (g) storage works; and
- (h) a consumer facility.

(2) [Rule 92\(1\) does not exempt the controller of a CPC facility from the requirement to register under rule 91\(2\)\(e\).](#)

[Drafter's note: Consequential amendments to rule 92 to resolve what would otherwise be a conflict between rule 92 and rule 91(2)(e), to the extent a CPC facility contains small generation facilities, storage works or consumer facilities.]

118 Notification of material changes and updating models

- (1) ...
- (2) A *controller* must notify its *NSP* of any material change to a *generation facility* ~~or~~, *consumer facility* [or CPC facility](#).
- (3) Subject to any agreement between the *NSP* and the *controller*, the *NSP's procedure* under section 3.6.12(a) of the *harmonised technical rules* may specify what constitutes a material change for the purposes of rule 1(2).

[Drafter's note: For a CPC facility, some changes will trigger notification under both this rule 188 and under new rule 274K. The two processes will run in parallel, and (in addition to any integration between the ISO's and NSP's procedures) rule 292 may assist the *CPC facility's controller's* compliance.]

- (4) ...

121 ISO to develop power system modelling procedure

- (1) ...
- (2) ...
- (3) The *power system modelling procedure* may authorise the *ISO* to require the following *facilities* to be included in the *power system model*, if the *ISO* judges it necessary to satisfy the *power system modelling threshold* —
 - (a) an excluded network; and
 - [\(ab\) having regard to the relevant CPC measures, a CPC facility, and](#)
 - (b) ~~after~~ having regard to rule **Error! Reference source not found.**, a *facility* on an *integrated mining network*.

169 Obligation to balance

- (1) ...

- (2) For each *balancing nominee* at a *balancing point* in a *covered network*, the following persons must, to the extent it is within their power to do so, each use reasonable endeavours in accordance with *GEIP* to facilitate the *balancing nominee's* compliance with rule 1(1) and, if applicable, **Error! Reference source not found.** —
- (a) the *nominator* for the *balancing point*; and
 - (b) a *network user* with an *entry service* or *exit service* at the *balancing point*; and
 - (c) a *controller* of a *generation facility* ~~or~~, *consumer facility* or *CPC facility* at the *balancing point*.

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*.
[{For a *Pluto recipient*, rules 188A\(2\)\(a\) and \(3\) provide additional grounds for non-compliance.}](#)
- (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.
[{Rule 188A\(4\) is a similar provision for a *Pluto recipient* which seeks to rely on rules 188A\(2\)\(a\) and \(3\).}](#)

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 but cannot give such a direction to the *Pluto facility's controller*.
- (4) If the *scheduling conflict* involves, or involved *facilities* in, both a *covered network* and an *integrated mining system* ~~*private power system*~~, the *ISO* must have regard to rule 5 in determining the content of a *direction* under rule 182(3). [Drafter's note: Correcting a typographic error.]
- (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*.

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 0;
- 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(4) and 188(5), 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(5), 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* (other than the *Pluto 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 5:-

{Rule 5 sets out the extent to which these rules may affect the operation of an *integrated mining system* ~~*private power system*~~.}
[Drafter's note: Correcting a typographic error.]

and

- (vi) subject to rules 188A(2)(a) and 188A(3) — to the controller of the Pluto facility.

(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(5), 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), 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) **{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) **{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 Restrictions on directions to Pluto facilities

- (1) In this rule 188A and in rules 188B and 188C —

- (a) “host network” means the *NWIS network* to which the *Pluto facility* is connected; and
- (b) “host NSP” means the *registered NSP* of the *host network*; and
- (c) “Pluto recipient” means:
 - (i) the *controller* of the *Pluto facility*; or
 - (ii) a *network user* of the *host network* who has a right under a *network access contract* with the *host NSP* to either (or both) *withdraw* electricity from the *host network*, or *inject* electricity into the *host network*, at the *Pluto connection point* (but references in these rules to the *network user* as a “Pluto recipient” apply only in connection with the *network user’s* rights and obligations at the *Pluto connection point*).
- (d) “Pluto permitted direction” means a *system operations direction* or notice under rule 191 issued to a *Pluto recipient* in connection with the *Pluto connection point* which requires the *Pluto recipient* to:
 - (i) reduce the *withdrawal* of electricity from the *host network* at the *Pluto connection point*; or
 - (ii) disconnect the *Pluto connection point* from the *NWIS*; or
 - (iii) subject to rule 188A(2), reduce the *injection* of electricity into the *host network* at the *Pluto connection point*;

(2) *A Pluto recipient:*

- (a) is not obliged to comply with a direction or notice of the type referred to in rule 188A(1)(b)(iii), to the extent that it believes in good faith that compliance may adversely affect the *reliability, security* or safety of the *Pluto facility* or compliance with applicable laws; but
 - (b) if it purports to rely on rule 188A(2)(a) to not comply with a direction or notice, must instead disconnect the *Pluto facility* from the *NWIS* in accordance with rule 188B.
- (3) *A Pluto recipient* is not obliged to comply with a *system operations direction* or notice under rule 191 issued to it in connection with a *Pluto connection point*, to the extent it is not a *Pluto permitted direction*.
- {Rules 188A(2)(a) or (3) do not apply to a *constraint direction*.}
- (4) If a *Pluto recipient* purports to rely on rule 188A(2)(a) or (3) to not comply with a *system operations direction* or notice under rule 191, it must promptly notify the *ISO control desk*, and must provide details of its reasons during any post-incident discussion or investigation.

188B Power to disconnect Pluto facility

- (1) The *host NSP*, the *incident coordinator* and the *ISO control desk* may, at any time and for any reason, disconnect the *Pluto facility* from the *NWIS* if it considers doing so is reasonably necessary under *GEIP* to achieve the primary objectives set out in rule 184(1).

{This rule covers direct action to disconnect. Alternatively, a *direction to disconnect* may be given. This would be a *Pluto permitted direction* – see rule 188A(1)(b)(ii).}

- (2) Subject to rule 188B(5), before a person exercises the power in rule 188B(1), it must give the controller of the Pluto facility as much advance notice of the upcoming disconnection as is practicable in the circumstances.
- (3) The controller of the Pluto facility may, at any time and for any reason, disconnect the Pluto facility from the NWIS if it considers doing so is reasonably necessary under GEIP to achieve the primary objectives set out in rule 184(1).
- (4) Subject to rule 188B(5), before the controller of the Pluto facility exercises the power in rule 188B(3), it must give the ISO control desk and the host NSP as much advance notice of the upcoming disconnection as is practicable in the circumstances.
- (5) The obligation to give notice in rules 188B(2) and 188B(4) does not apply if 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.

188C If Pluto facility is disconnected

If —

- (a) a direction to disconnect the Pluto facility is given under rule 188A(1)(b)(ii); or
- (b) the Pluto facility is disconnected under rules 188B(1) or (3),

then —

- (c) the controller of the Pluto facility must obtain the consent of the ISO and the host NSP, before reconnecting the Pluto facility to the NWIS; and
- (d) rule 274K applies as though the direction or disconnection were listed in rule 274K(1) as a potential relevant change.

189 Directions in emergencies

Despite anything in this Subchapter 7.5, or in the *protocol framework* or a *protocol*, but subject to rules 188A(2)(a) and 188A(3) —

- (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-rule](#) 191(1) may do any or all of the following — [Drafter's note: Correcting typographical error throughout.]
- (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-rule](#) 191(1).

(2A) A notice under rule 191(1) is subject to rules 188A(2)(a) and 188A(3).

- (3) A notice under [section-rule](#) 191(1) may be given at any time in respect of existing, proposed or contemplated *equipment*.
- (4) If a notice under [section-rule](#) 191(1) concerns issues of technology selection or design for proposed or contemplated equipment, the *ISO* must endeavour to give the *registered NSP* and controller either a notice, or advance warning of a contemplated notice, as early in their design process as possible, but a failure by the *ISO* to do so does not invalidate any notice given or limit the *ISO*'s power under [section-rule](#) 191 to give a notice at any time.
- (5) The *ISO* must —
- (a) have regard, among other things, to the compliance, opportunity, delay and other costs which may arise from a notice under [section-rule](#) 191(1); and
 - (b) whether or not, and before and after, it issues a notice under [section-rule](#) 191(1) (and to the extent practicable and consistent with the *system security objective*) endeavour to —
 - (i) resolve any *security* or *reliability* issue collaboratively and consultatively, seeking to achieve the minimum practicable disruption, delay and cost to *registered NSPs*, *generators*, *controllers* and consumers; and
 - (ii) respect *registered NSPs*' *generators*' and *controllers*' freedom to manage, configure and operate their *networks* and equipment as they see fit in accordance with these rules and *GEIP*.
- (6) A notice under [section-rule](#) 191(1) may be given despite any prior consent, approval or other notice given by the *ISO*.

(6A) Subject to rules 188A(2)(a) and 188A(3), the recipient of a notice under rule 191(1) must comply with the notice. [Drafter's note: This obligation to comply was previously merged into subrule (7).]

- (7) A notice under [section-rule](#) 191(1), and any other matter arising under this [section-rule](#) 191, may be the subject of a *rules dispute*, but unless the *ISO* (in its absolute discretion and on such conditions as it considers fit) grants permission otherwise, ~~the recipient must comply with a notice under section 191(1)~~ [rule 191\(6A\) applies](#) pending resolution of the dispute.

- (8) The ISO’s power to intervene under this rule 191 does not displace the *registered NSP’s* responsibility under rule 269.

218 Balancing points

- (1) The following are the “balancing points” on a covered network —

...

- (c) an *interconnection point* between the *covered network* and a *non-covered network* (including an *integrated mining system* ~~*private power system*~~ [Drafter’s note: Correcting a typographic error.] and an *excluded network* and a *CPC network*);

{Interconnection points between covered networks are not balancing points under these rules. However, the EBAS engine will make calculations at those points to determine net network loads, and legacy rights can exist at these points under Subchapter 9.1.}

...

267 Definitions

- (1) In ~~this~~ Subchapter 9.2 and Subchapter 9.3 —

- (a) “**new connection**” means any situation in which a person (“**connection applicant**”) seeks a *registered NSP’s* approval regarding —
- (i) the creation of a new *connection point* on the *registered NSP’s* network; or
 - (ii) in respect of an existing *connection point* — any change in the level of permitted *injection* or *withdrawal* of electricity, or in the technical characteristics of *facilities-equipment* *connected*, or to be *connected*, at the *connection point*, [Drafter’s note: This change needed to correct a typographic error, and also to ensure that the CPC measures do not just apply to greenfields sites, see {note} to rule 274B(2) below.]

and

- (b) “**exempt connection**” means a *new connection* which satisfies the requirements set out in the *access and connection procedure* to be exempted from *ISO* supervision under rule 270.

274 ISO to develop procedure

The ISO may develop a *procedure* (“**access and connection procedure**”) in connection with its functions under this Subchapter 9.2 and Subchapter 9.3.

Subchapter 9.3 – Compliance at connection point

{If the Subchapter 9.2 process identifies a *non-compliant component* in the *equipment* which a *connection applicant* seeks to *connect* to the *NWIS*, then for certain *connection applicants* (i.e. those with *eligible equipment*) this Subchapter 9.3 provides an *alternative pathway to connection*, rather than resolving the matter under Subchapter 9.2 (e.g. under rule 270(5)(a)).}

274A Concept, definitions and eligibility

- (1) **{Concept}** In this Subchapter 9.3, “**connection point compliance**” means an arrangement in which *equipment* which is assessed under Subchapter 9.2 to include one or more *non-compliant components* is nonetheless permitted to *connect* to the *NWIS*, because the *equipment’s controller* or the *host NSP*, or both, implement measures which have been agreed between the *controller*, the *ISO* and the *host NSP* to ensure that the *facility as a whole* complies with these *rules* at its *connection point*, despite the non-compliance of the component.
- (2) **{Definitions}** In these rules —
- (a) “**CPC facility**” means *eligible equipment* for which *CPC measures* have been agreed under rule 274C and have been implemented; and
 - (b) “**CPC measures**” for a *CPC facility* means the measures which have been agreed for the facility between the *connection applicant*, the *host NSP* and the *ISO* under rule 274C and recorded in writing under rule 274C(3)(a); and
 - (c) “**eligible equipment**” means a collection of *equipment* which meets the requirements set out in rule 274A(3), as modified under rule 274A(4) if applicable; and
 - (d) “**host NSP**” means the *NSP* of the *NWIS network* to which the *CPC facility* (or, if applicable, the *equipment* which is proposed to become, or was previously, a *CPC facility*) is, is to be, or was *connected*; and
 - (e) “**non-compliant component**” means *equipment* or a component of *equipment* which (whether due to its operation, characteristics, configuration, performance or capacity) does not comply with these *rules* (including the *harmonised technical rules*), and the non-compliance is not the subject of an exemption under these rules.
- (3) **{Eligibility}** A collection of *equipment* is eligible for *connection point compliance* if together the pieces of *equipment* —
- (a) are electrically interconnected with each other; and
 - (b) are under the control of a single *controller*; and
 - (c) do not include any *network* component which is *covered*; and
 - (d) include at least one *non-compliant component*; and
 - (e) subject to rule 274A(4), are connected to the *NWIS* by a single *connection point*.
- (4) **{Eligibility – multiple connection points}** If pieces of *equipment* together —
- (a) satisfy the requirements in rule 274A(3)(a) to (d); but
 - (b) are connected to the *NWIS* by multiple *connection points*,
- then the *ISO* in its absolute discretion may agree in accordance with the *CPC procedure* to nonetheless classify the *equipment* as a single set of *eligible equipment*, in which case (unless the *CPC procedure* provides otherwise) the agreed *CPC measures* must govern all the *connection points*, and this Subchapter 9.3 applies in respect of each of the *connection points*.

274B Application for connection point compliance

- (1) Subject to rule 274B(2), a connection applicant may apply for connection point compliance by giving notice in writing to the host NSP and the ISO in accordance with the CPC procedure.
- (2) A connection applicant cannot give a notice under rule 274B(1), unless —

 - (a) when the connection applicant's access application was processed under Subchapter 9.2, the host NSP or the ISO —

 - (i) assessed for compliance with these rules (including the harmonised technical rules) each component of the equipment which the access application seeks to have connected to the NWIS; and
 - (ii) identified within the equipment one or more non-compliant components;

and
 - (b) all of the equipment which the access application seeks to have connected to the NWIS is eligible equipment,

{This Subchapter 9.3 is not limited to greenfields connections. Under rule 267(1)(a)(ii), "connection applicant" includes a person seeking to change the technical characteristics of equipment connected, or to be connected, at an existing connection point.}
- (3) If the ISO receives a notice under rule 274B(1), it must —

 - (a) publish the notice; and
 - (b) before agreeing CPC measures under rule 274C —

 - (i) refer the notice to the Pilbara advisory committee for its advice and have regard to the advice; and
 - (ii) consult regarding the notice using at least the expedited consultation process.
- (4) If the ISO is considering the disclosure of confidential information for the purposes of a referral or consultation under rule 274B(3), then for the purposes of the balancing in rule 303(2) {Pre-disclosure process}, the ISO is to have regard to the desirability of all system participants being able to understand and assess for themselves any risks to security or reliability posed by a CPC facility connecting under this Subchapter 9.3, and how those risks are proposed to be managed by the CPC measures.
- (5) A connection applicant may at any time withdraw a notice under rule 274B(1) by giving notice in writing to the host NSP and the ISO in accordance with the CPC procedure, in which case the ISO must publish the notice of withdrawal, and the process under this Subchapter 9.3 stops.

274C Assessing the application and agreeing CPC measures

- (1) If a connection applicant applies for connection point compliance, then in accordance with the CPC procedure —

 - (a) the connection applicant is to propose one or more CPC measures to address the non-compliance; and

- (b) the *connection applicant*, the *host NSP* and the *ISO* are to endeavour in accordance with the timeframes and other requirements of the *CPC procedure* to agree upon *CPC measures* for the facility which meet the standard specified in rule 274E.
- (2) In determining whether to agree to *CPC measures* —
- (a) the *ISO*'s discretion is absolute, and its failure or refusal to agree cannot be the subject of a *rules dispute* or *access dispute*; and
{The *ISO* is not obliged to agree to *CPC measures*. For example, it may not be possible to satisfactorily remedy a non-compliance by *CPC measures*.}
- (b) a *non-covered NSP*'s discretion is absolute, and its failure or refusal to agree cannot be the subject of a *rules dispute* or *access dispute*; and
- (c) a *covered NSP* must act in accordance with the *Pilbara electricity objective* and the *Access Code*, and its failure or refusal to agree may be the subject of a *rules dispute* or *access dispute*.
- (3) If the *host NSP* and the *ISO* reach agreement under rule 274C(1)(b) with the *connection applicant* on proposed *CPC measures*, then:
- (a) the *host NSP* and the *connection applicant* must record the agreed measures in writing and provide them to the *ISO*, who may make or *direct* any changes it considers necessary or convenient to ensure that the document accurately reflects the agreed measures; and
- (b) the measures so recorded are the “**CPC measures**” for the *facility*.
- (4) The *ISO* may in accordance with the *CPC procedure* terminate the process in this rule 274C if it forms the view that agreement is unlikely to be reached.

274D CPC measures – Permitted content

- (1) *CPC measures* may deal with any matter which the *ISO*, in consultation with the *host NSP*, considers necessary or convenient to satisfy the requirements of rule 274E.
- (2) Without limiting rule 274D(1) or Subchapter 9.2, *CPC measures* may include:
- (a) requirements for the installation, operation, characteristics, configuration, performance or capacity of *equipment* on the *CPC facility*'s site; and
{The relevant *equipment* may be located elsewhere on the site than at the *non-compliant component*.}
- (b) any actions to be taken, and any obligations with which the *CPC facility*, its *controller* and the *host NSP* must comply, before and after energisation occurs; and
- (c) any operating protocols which the *CPC facility*, its *controller* and the *host NSP* must follow while the *CPC facility* is connected to the *NWIS*.
{Examples: The operating protocols may include certain thresholds not to be exceeded, or which must not be exceeded while the *NWIS* is in a particular operating state or configuration}

274E CPC measures – Standard to be met

The host NSP and the ISO must not agree to proposed CPC measures unless satisfied to a GEIP standard that the measures, if implemented and maintained, are sufficient to ensure that —

(a) the CPC facility:

(i) complies with these rules (including the harmonised technical rules) at the CPC facility's connection point, despite any non-compliance by a non-compliant component; and

(ii) poses no credible threat to the NWIS's security or reliability, including threats resulting from:

(A) energy or power flows or power quality at the CPC facility's connection point; or

(B) a disruption to anything referred to in rule 274E(a)(ii)(A),

which is caused or contributed by something behind the connection point (that is, on the CPC facility's side of the connection point, in electrical terms); and

(b) neither the CPC facility nor the CPC measures will adversely affect in any way the ISO's, the ISO control desk's, an incident controller's or a registered NSP's ability to manage to a GEIP standard —

(i) a credible contingency; or

(ii) any other credible threat to the NWIS's security or reliability,

regardless of the location or locations in the NWIS the credible contingency or other credible threat occurs in or emerges from.

274F CPC measures – Effect

(1) While the CPC facility's controller and the CPC facility (and the host NSP, to the extent the CPC measures place obligations on it) are complying with the CPC measures and this Subchapter 9.3, but only for so long as the facility remains compliant at the connection point, a non-compliant component's non-compliance with these rules is to be disregarded.

(2) Except as stated in rule 274F(1), these rules (including the harmonised technical rules) apply to all equipment and facilities forming part of the CPC facility.

{Rule 274F(2) confirms, for example, that references in these rules to "consumer facility" and "generation facility" apply also to any consumer or generation facility which forms part of a CPC facility, unless the agreed CPC measures for the CPC facility provide otherwise.}

274G CPC measures – Facility controller and host NSP must comply

(1) The CPC facility and its controller must comply with the CPC measures for the facility, at any time the facility is connected to the NWIS.

(2) The host NSP must comply with any obligations the CPC measures place on it in connection with the CPC facility, at any time the facility is connected to the NWIS.

274H CPC measures – ISO and host NSP obligations

- (1) Before a CPC facility's connection point is energised, the host NSP must give to the ISO a notice which —

 - (a) certifies that —

 - (i) the host NSP it is satisfied to a GEIP standard that the CPC facility's controller —

 - (A) has implemented (or otherwise complied with) all aspects of the CPC measures which are required to be implemented or complied with by the controller before energisation; and
 - (B) after energisation will continue to comply with all applicable requirements of the CPC measures; and
 - (ii) the host NSP has implemented (or otherwise complied with) all aspects of the CPC measures which are required to be implemented or complied with by the host NSP before energisation;
 - and
 - (b) provides all information required by, and otherwise complies with, the CPC procedure.
- (2) If at any time before the CPC facility's connection point is energised the ISO is not satisfied of a matter referred to in rules 274H(1)(a)(i) or (ii), it may direct the host NSP and CPC facility's controller not to energise the connection point, until the ISO gives notice that it is satisfied of the matter.
- (3) The ISO and the host NSP —

 - (a) must take the CPC measures into account when performing a function under Subchapter 9.2; and
 - (b) otherwise may take any CPC measures into account when performing a function under the Act, the PNAC or these rules (including when preparing any procedure or protocol).
- (4) The ISO must take into account any CPC measures when performing a function under rule 25.

274I CPC measures – Disclosure

[Drafter's note: Adapted from rule 119 (Disclosure of modelling results)]

- (1) Subject to rule 274I(2), the ISO must wherever practicable disclose CPC measures and relevant supporting information to any person who requests them, and may publish them.
- (2) Rule 274I(1) does not authorise the ISO to disclose information to the extent that it is confidential information, or is information from which confidential information could reasonably be inferred or derived, unless doing so is a permitted disclosure under Subchapter 11.2.
- (3) For the purposes of the balancing in rule 303(2), the ISO is to have regard to the desirability of all system participants being able to understand and assess for themselves any risks to

security or reliability posed by a CPC facility connecting under this Subchapter 9.3, and how those risks are being managed by the CPC measures.

- (4) Rule 120 applies with appropriate modifications to any information the ISO requires in connection with developing or assessing proposed CPC measures.

274J Costs of compliance at the connection point

- (1) The costs of making an application under this Subchapter 9.3, and of implementing and complying with the CPC measures for a CPC facility, are to be paid by the connection applicant.
- (2) A connection applicant giving a notice under notice under rule 274B(1) must pay the ISO's costs of performing its functions under Subchapter 9.2 and Subchapter 9.3 in connection with the notice, including if it withdraws the notice under rule 274B(5) and if the ISO makes a declaration under rule 274K(4).

274K Changed circumstances

[Drafter's note: Adapted from WEM Rules 3A.13 and 3A.14.]

- (1) In this Subchapter 9.3, "potential relevant change" means a change (including a proposed change) to the equipment forming part of a CPC facility (including to its operation, characteristics, configuration, performance or capacity) that might credibly be expected to
=
(a) materially and adversely impact the CPC facility's performance against the standard in rule 274E; or
(b) require an access application or a change to a network access contract; or
(c) cause the equipment to cease being eligible equipment.
- (2) The CPC procedure is to set out —
(a) the circumstances in which the ISO will or may declare a change to be a relevant change; and
(b) the circumstances in which the ISO will not or may not declare a change to be a relevant change;
{For example, the procedure may specify that planning and design work on a potential relevant change is not itself a relevant change.}
and
(c) the processes, consultation and timelines to be followed by the CPC facility's controller, the ISO and the host NSP in connection with a potential relevant change and a relevant change.
- (3) The CPC facility's controller must notify the ISO and the host NSP before making or authorising a potential relevant change.
- (4) The ISO, after consulting with (at least) the host NSP and the CPC facility's controller and considering the matters in rule 274KError! Reference source not found., may at any time declare a change to the equipment in a CPC facility (including to its operation,

characteristics, configuration, performance or capacity) to be a “**relevant change**”, whether or not the *CPC facility’s controller* gives notice under rule 274K(3).

- (5) If the *ISO* declares a change to be a *relevant change* then —

 - (a) the process in this Subchapter 9.3 applies anew to the *CPC facility*; and
 - (b) the *CPC facility’s controller* must not commence or authorise work on the *relevant change* until the new Subchapter 9.3 process is completed and has resulted in agreed *CPC measures*.

- (6) If *equipment* ceases being *eligible equipment*, then rule 274F(1) ceases to apply to the *CPC facility*.

{If rule 274F ceases to apply to the *CPC facility*, all the *equipment* must comply fully with these rules unless otherwise exempted.}
- (7) If a *CPC facility’s controller* breaches rules 274K(3) or 274K(5)(b), then the *ISO*, in consultation with the *host NSP*, may suspend or by *direction* modify the *CPC measures* for the *CPC facility*.
- (8) If the *ISO* suspends the *CPC measures* for the *CPC facility*, then for the duration of the suspension, rule 274F(1) does not apply to the *CPC facility*.
- (9) Before declaring a change to be a *relevant change*, the *ISO* must consider the balance between —
 - (a) the burden, including cost, to the *CPC facility’s controller* of repeating the Subchapter 9.3 process and the risk to the facility’s *controller* of a change in, or removal of, the *CPC measures*; and
 - (b) the resultant benefit in terms of *security, reliability* and the *Pilbara electricity objective*.
- (10) Nothing in this rule 274K limits or displaces the other requirements of these rules, a *network access contract*, the *Access Code* or any applicable law regarding modifications to *equipment*.

274L CPC (connection point compliance) procedure

- (1) The *ISO*, in consultation with (at least) the *registered NSPs*, is to develop a *procedure* (“**CPC procedure**”) for the purposes of this Subchapter 9.3.
- (2) The *CPC procedure* may set out:
 - (a) the *ISO*’s, the *host NSP*’s and the *connection applicant*’s functions in connection with this Subchapter 9.3; and
 - (b) the process to be followed in making and assessing an application under rule 274B(1), unless the *ISO* in its discretion decides to modify this process; and
 - (c) the information which the *host NSP* and the *connection applicant* must provide to the *ISO*, including the studies and analysis which must be undertaken (but nothing in the *procedure* will limit the *ISO*’s ability to request any other information, studies or analysis); and
 - (d) the studies or analysis the *ISO* may undertake; and

- (e) indicative (but non-binding) timeframes; and
- (f) sample *CPC measures*, including measures for ongoing monitoring, verification and reporting of compliance at the *connection point*; and
- (g) any criteria, processes, conditions or other requirements which apply in connection with the ISO agreeing under rule 274A(2) to classify *equipment* and components across multiple *connection points* as a single *CPC eligible facility*.

{Rule 274K(2) lists some matters the procedure must set out.}

- (3) Rule 274L(2) does not limit the matters the *CPC procedure* may deal with.

274M Procedural review

A decision by the ISO or the *host NSP* under rules 274C and 274K may be the subject of a *procedural review* in accordance with the regulations.

Appendix 4

A4.57 Rules A4.58 to A4.60 apply to the following *procedures* —

- (A) a communications procedure under Subchapter 4.2; and
- (B) a visibility list; and
- (C) an *administration procedure* for the purposes of Chapter 4; and
- (D) a *budget and cost management procedure* for the purposes of Subchapter 4.5; and
- (E) an interim *procedure* to manage *essential system services*, energy balancing, and settlement; and
- (F) an *access and connection procedure* for the purposes of Subchapter 9.2; and

(fa) a *CPC procedure* for the purposes of Subchapter 9.3; and

- (G) any other *procedure* which the ISO determines needs to be put in place sufficiently soon after the *rules commencement date* to make full consultation impractical.

Sub-appendix 4.13 – Transitional process for Pluto CPC measures

Transitional process for Pluto CPC measures

A4.73 To the extent that the ISO considers that things done before the commencement of this rule A4.73 deal adequately with matters to be considered and steps to be taken under Subchapter 9.3 in connection with proposed CPC measures for the Pluto facility –

(a) the ISO, the host NSP and the connection applicant may take those things into account for the purposes of Subchapter 9.3, as if they were done under Subchapter 9.3; and

(b) the ISO may by published notice waive some or all of rules 274B(1), 274B(5) and 274C(2).

A4.74 A notice under rule A4.73(b) –

(a) may be expressed to be subject to such conditions as the ISO considers necessary or convenient; and

(b) is subject to the CPC procedure.

Appendix A. Responses to Submissions Received in the Second Submission Period

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
Integrated facilities category			
1	Alinta	Proposed amending rules as drafted may inadvertently bias the use of thermal generators (at the expense of renewable generators) because by rule 25A, an <i>integrated facility</i> comprises both <i>consumption equipment</i> and <i>generating works</i> , whereas renewable resources are often not co-located with the load. Changing the requirement that integrated facilities comprise consumption equipment could better facilitate the achievement of the Pilbara electricity objective by removing barriers to renewable energy investment.	See section 6.1.1 of this report. The Coordinator has addressed this concern with the amended rule 25B. A CPC facility (replacing the previous category of integrated facility) may now be a consumer facility, generation facility, storage works and/or a network as applicable.
2	Horizon Power	The Rules should include a requirement in rule 25A(2) that all energy behind the connection point to the NWIS must be attributable to a single entity. In other words, there is no third party access. This would have the effect of preventing all parties requiring a Network Operators license under the Electricity Industry Act from being captured by the definition of an integrated facility.	See section 6.1.1 of this report. Eligible equipment under rule 274A(3)(b) must be under the control of a single controller to apply for <i>connection point compliance</i> . Further, <i>CPC facility</i> status will only be granted once <i>CPC measures</i> are agreed and implemented, which would remove the possibility of facilities being accidentally captured.
3	Horizon Power	The introduction of an <i>integrated facility</i> class will greatly improve the ability of the Pilbara Network Rules (PNR) to support the energy transition. Agrees with the approach of utilising the excluded network mechanism rather than creating a new class of Network Service Provider, as this is a more elegant and less complex approach. Integrated Facilities	The Coordinator notes this comment.

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
		should be treated as network users under the PNR/HTR regime.	
4	Woodside	The introduction of the <i>integrated facility</i> category, although different to the <i>integrated LNG networks</i> category initially proposed by Woodside, equally addresses key features of the Pluto Facility (and potentially other Pilbara LNG facilities) set out in Woodside's original Rule Change Proposal, and will enable them to connect to the NWIS.	The Coordinator notes this comment.
'Contiguous site' requirement			
5	Horizon Power	Recommends rules 25A(2)(a)-(b) be removed; restricting the classification of <i>integrated facilities</i> under those rules to facilities on a single parcel of land or adjacent plots does not appear to be relevant to any potential impact on system operations, nor ownership or operations of infrastructure or energy flows. Land ownership is an issue independent of technical compliance, energy balancing and PNR participation. Therefore land ownership should not lead to certain facilities being treated differently.	See section 6.1.1 of this report. The Coordinator has removed the contiguous site component from subchapter 1.5A of these rules and replaced with a new definition for CPC facility network; the new definition of CPC facility network in rule 25A does not include any geographical test.
6	Woodside	Land tenure consisting of two or more sites not adjacent but joined only by infrastructure will not be considered a <i>contiguous site</i> for the purposes of the new rules 25A(1) and (2). This will mean the BESS at Burrup will not be considered part of the Pluto Facility due to lack of contiguity. Suggests rule 25A(2) be amended so "storage facilities and other equipment used solely in connection with the operation of an integrated facility fall within the definition, even if that equipment is located on land that is not strictly contiguous" (see suggested drafting changes to rule 25A(2) with addition of new rule 25A(2)(c), as well as rule 8(1) definitions of 'integrated facility network' and 'Pluto facility').	See section 6.1.1 of this report and the comment in Row 5 above.

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
7	Woodside	Under the proposed contiguity test, the connection point for the Pluto facility will not form part of the Pluto facility. This could affect other integrated facilities seeking to connect to the NWIS under new rule 274D(2) which refers to equipment being set up "on the integrated facility's site".	See section 6.1.1 of this report and the comment in Row 5 above.
8	Woodside	CPC measures for the Pluto Facility should not be capable of including requirements to install equipment behind the connection point (see suggested drafting of rule 274D(2) and suggested rule 274D(3)).	The proposed drafting has not been accepted. In the Coordinator's view, provided <i>CPC measures</i> (where they include the installation of equipment behind the connection point) are proposed by the applicant and approved by the NSP and the ISO, restricting specific types of solutions is not appropriate.

Role of connection applicant, controller, ISO and registered NSP

9	ISO	Discretion of the ISO and registered NSP in rule 274C should be changed to an absolute discretion. This would provide limited relief to them having to act in accordance with the Pilbara Electricity Objective and GEIP. An agreement to CPC Requirements is sufficiently complex as to merit a standard of absolute discretion because, firstly, factors constraining the exercise of discretion are likely to be the subject of technical and commercial disagreement. Secondly, if an agreement cannot be reached, the ISO's rule 274C decision to terminate the process under rule 274C(1)(b)(ii) will itself be subject to the general factors under the Pilbara Network Rules ("the Rules"). Thirdly, if CPC Requirements are not agreed, a Connection Application may still seek a derogation under the Rules.	See section 7 of this report. The Coordinator has provided an absolute discretion for the ISO and non-covered NSPs, under rule 274C(3)(a). The ISO's refusal to agree cannot be the subject of a rules dispute or access dispute. Rule 274D(1) has also been amended so that the ISO's discretion is no longer subject to the GEIP standard under that rule, and the final decision on the content of the document describing the agreed CPC measures lies with the ISO alone.
10	Woodside	Under Woodside's proposed contracting structure, there are two different entities each performing a different role; one entity (Woodside Power Pty Ltd) is the 'connection	The Coordinator notes that Woodside has a corporate structure in which roles are shared between multiple entities, however has not

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
		<p>applicant' while the other entity (Woodside Burrup Pty Ltd) is the controller of the <i>integrated facility</i>. In light of this, the PNR should be redrafted to reflect that certain functions may be performed by either the connection applicant or the relevant controller, (see suggested drafting of rule 188(2)(vi), rule 274C(1)(b), rule 274(3), rule 274G(1) and rule 274J(2)).</p>	<p>adopted the proposed changes to accommodate this. The PNR has been designed to deal with these types of corporate structures, and aims to strike a balance between providing flexibility and ensuring efficient system management. The Coordinator does not want to risk a situation in which the ISO must deal with multiple entities and a complex division of responsibilities which ultimately hinders effective system operation.</p> <p>The approach taken in this case is aligned with other market arrangements. Woodside will need to nominate one entity as the responsible entity.</p>
11	Woodside	<p>Certain provisions – particularly new rules 274C and 274F – appear to under-emphasise the registered NSP's role in the connection and application process, as well as in the identification, implementation and maintenance of CPC measures. Current drafting contemplates the connection applicant proposing measures to address CPC, when those measures will more than likely be proposed by the registered NSP who is in a better position to recommend optimal CPC measures; this is the position Woodside is in. Responsibility for implementing and maintaining CPC measures should therefore lie with party controlling the relevant equipment (which would also be consistent with the Harmonised Technical Rules r1.8.1) (see suggested changes to rule 274F).</p>	<p>See section 7 of this report.</p> <p>The Coordinator considers that it is appropriate to retain the ability of the connection applicant to propose CPC measures. At the same time, nothing in the amendments would prevent the NSP from identifying, implementing or maintaining some of the CPC measures. However, amendments have been made to 274D to clarify that the NSP may have obligations to take certain actions or follow protocols, in accordance with the CPC measures, as suggested by Woodside.</p>
12	Woodside	<p>Suggests that rule 274C(1)(a) should propose a fulsome assessment in a manner agreed between relevant stakeholders having regard to the nature of the facility and regulatory requirements applying to it. Where there is an operational LNG facility which is also a Major Hazard Facility, technical assessment 'in the usual way'</p>	<p>See section 7 of this report.</p> <p>The Coordinator has amended rule 274C(1)(a) to remove the words "in the usual way."</p>

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
		could lead to process safety risks (see suggested drafting of rule 274C(1)(a)).	
13	Woodside	Suggests, with reference to rule 274E(b), that CPC measures should not be required to sufficiently remedy any credible threat to the NWIS originating anywhere in the NWIS. Instead CPC measures should be designed to ensure an integrated facility can connect safely to the NWIS, rather than correcting existing vulnerabilities within the NWIS that are caused by other facilities (see suggested drafting of rule 274E(b)).	See section 6.3 and section 7 of this report. The Coordinator has made amendments to clarify rule 274E in response to this comment. The obligations on both the CPC facility, ISO and registered NSP are now distinct and clearly defined.
14	Woodside	Proposes that parties must endeavour to agree to CPC measures under rule 274C(1)(b)(ii) within a specified period or, at the very least, a 'reasonable time' (see suggested drafting of rule 274C(4)).	See section 7 of this report. The Coordinator has amended rule 274C(1)(b)(ii) to refer to the timeframes specified in the CPC Procedure.
Categorisation as an excluded network – removal of status			
15	Woodside	<p>Concerned that in addition to going through the <i>connection point compliance</i> process, and procuring implementation of agreed CPC measures, ISO has a separate power (which is unconstrained by that prior process) to remove the Pluto Facility's excluded network status, based on that facility credibly impacting the Pilbara electricity objective. That power to remove the excluded network status stems from existing rule 25(2) read together with rule 24(4)(c). In making a determination under rule 25(2), the ISO should have regard to any agreed CPC measures and whether they continue to be met. This could be achieved by amending rule 274G to say the ISO "must" instead of "may" consider CPC measures when acting under rule 25(2).</p> <p>Woodside have also suggested amendments to rule 274G so that the ISO and registered NSP, in performing</p>	See section 6.1.3 of this report. The Coordinator has introduced a new sub rule 274G(2) under which the ISO must take CPC measures into account when considering whether exercise its functions under rule 25(2). The Coordinator also notes that while excluded network status can be revoked, that does not take away a facility's CPC status or rights. The amendments include a system of checks and balances for changing CPC rights and thus there will be no automatic loss of those rights. See rule 274K(5)(a) and (c) for the relevant process.

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
		their functions under Subchapter 9.2, must also take "existence of ongoing compliance" into account together with the other factors currently listed under rule 274G(2).	
Compliance with CPC Requirements should be broadened			
16	ISO	Obligations of the facility and facility controller under rule 274F should be broadened to include any registered NSP if the CPC Requirements require observance of plant and equipment or modifications outside the Facility.	See section 7 of this report. The Coordinator has redrafted the rules to achieve this. See rule 274G(2).
Clarify that the exercise or non-exercise of discretion and related conduct is a "function"			
17	ISO	ISO's conduct regarding agreement to CPC measures should attract immunities in respect of the performance of functions under the Electricity Industry Act and its associated Regulations.	The Coordinator notes the ISO's comments, but considers the ISO's functions in respect to new Subchapter 9.3 fall within the existing general immunity under the legislation.
Agreed CPC measures do not amount to a contract, unless otherwise agreed			
18	ISO	Clarify that an agreement to CPC Measures by the registered NSP, the <i>connection applicant</i> and the ISO does not amount to a contract within the meaning of section 120ZB(3) of the Electricity Industry Act or regulation 24 of the associated Regulations, unless that is the clear intention of the parties and that intention, together with the contract itself, is reduced to writing.	The Coordinator acknowledges the ISO's concerns, but does not consider a change in this case to be necessary as subchapter 9.3 is now referenced in rule 33 to alleviate any doubt. Any further change regarding this matter would need to be dealt with through a change to the Regulations.
Facilitating the achievement of the Pilbara electricity objective			
19	Horizon Power	Supports assessment within the DRRCR on this topic.	The Coordinator notes this comment.
20	ISO	The ISO concurs with the views of the Coordinator at section 6.3 of the Draft Report (ie that proposed amending rules are consistent with Pilbara electricity objective regarding the removing potential barriers to connection with NWIS, recognising importance of security and reliability, acknowledging the unique nature of electricity supply in the Pilbara by providing for an	The Coordinator notes this comment.

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
		alternative connection point compliance process, facilitating decarbonisation, and engaging in good faith collaboration with stakeholders).	
Drafting of Rule 274E(a) appears incomplete			
21	Rio Tinto	Rio Tinto assumes this rule intends to state that “the measures, if implemented and maintained, are sufficient to ensure that the integrated facility as a whole complies with these rules (including the harmonised technical rules)”, and assumes that both rules 274E(a) and (b) must be satisfied for the registered NSP and ISO to agree to CPC measures.	The Coordinator has amended rule 274E to incorporate the stakeholder’s suggested drafting. See rule 274E(a)(i).
Compliance at Connection Point Mechanism			
22	Horizon Power	The matter of compliance at a connection point is significantly simplified by categorising <i>integrated facilities</i> as excluded networks (and this is reflective of being a Network User); under the HTR, Network User compliance requirements are already assessed at the connection point. This makes the facilitation of requests that <i>integrated facilities</i> establish compliance at a connection point much easier than if they were to do so as an NSP.	The Coordinator notes this comment.
23	Rio Tinto	Notes certain material requirements of HTRs may not be capable of being met by a facility “at a connection point” and queries whether the intention in such a case is that the registered NSP and ISO cannot be satisfied CPC measures ensure integrated facility compliance with the HTRs and therefore must not accept the CPC measures proposed by the connection applicant.	The Coordinator confirms the intent of the rules is as the stakeholder has set out in this submission. For clarity, a note has been added under rule 274C(3)(a) that the ISO is not obliged to agree to CPC measures.
24	Woodside	Supports compliance with the Harmonised Technical Rules (HTR) being assessed at the connection point between the Pluto facility (or any other integrated facility) and the NWIS, rather than at the facility level.	The Coordinator notes this comment.

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
25	Woodside	Supports the new process for connection point compliance as it will promote investment in the Pilbara and facilitate future LNG connection to the NWIS, and this will also contribute to decarbonisation of energy transmitted on the NWIS by connecting renewable energy facilities (see also suggested drafting of definition of <i>connection point compliance</i> in rule 274A).	The Coordinator notes this comment.
Discretion regarding "relevant modification"			
26	Horizon Power	Rule 274J implies <i>integrated facilities</i> have the right to unilaterally and materially modify assets and behaviour behind the point of connection to the NWIS prior to notifying the ISO, and Network Users do not generally have this right under the Harmonised Technical Rules (see HTR 4.2.2). Include requirement in rule 274J that an <i>integrated facility</i> seek approval from the NSP and ISO before making changes, allowing CPC measures to be reviewed.	The Coordinator has drafted the new rule 274K(2) so that a controller of a CPC facility must give advanced warning to and seek approval from the ISO and registered NSP before making or authorising material changes to equipment forming part of a CPC facility. The new rule 274K(8) confirms that nothing in rule 274K displaces other rules (which would include the HTR) regarding modifications to equipment.
27	Horizon Power	Amend rule 274J so there is a requirement that all CPC measures be reviewed and updated as required following any amendment to the HTR.	The Coordinator has drafted a new rule 274K(1)(b)(ii) so that a change to the rules or a procedure that could reasonably affect CPC measures may be deemed a 'relevant change' by the ISO.
28	Rio Tinto	Concerned that under rule 274J(2) and (3) the controller is conferred discretion in determining what is a "potentially relevant modification". Instead the controller should notify the ISO of all modifications and thereafter the ISO will determine whether it is a "relevant modification" according to the CPC procedure.	The Coordinator has amended rule 274K to specify the ISO has discretion in determining what is a "relevant modification". This test is further expanded with reference to the CPC procedure. See rules 274K(2) and (3).
Specific issues related to the Pluto Facility			
29	Horizon Power	Include a requirement under rule 188B that following any use of the power to disconnect the Pluto facility, the registered controller of the Pluto facility must obtain the	See section 7 of this report.

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
		registered NSP and the ISO approval before reconnecting.	The Coordinator has redrafted the rules to incorporate this suggestion and outline the process to be follow following disconnection of Pluto. Additionally, the ISO may now also initiate a review of the CPC measures if the ISO deems it appropriate to do so.
30	Horizon Power	Supports the introduction of these measures to support the unique circumstances in connecting the Pluto Facility to the NWIS.	The Coordinator notes this comment.
31	Woodside	Notes that the ISO should be satisfied that the amending rules around limiting types of directions regarding the Pluto facility allows the ISO to maintain power system security and reliability in the NWIS.	The Coordinator notes this comment.
32	Woodside	Supports the controller of the Pluto Facility not being classified as a network service provider (NSP).	The Coordinator notes this comment.
33	Woodside	Supports setting out necessary limitations on directions the ISO and relevant NSP may give to the Pluto Facility.	The Coordinator notes this comment.
34	Woodside	Supports the controller of the Pluto Facility retaining operational control of the Pluto Facility.	The Coordinator notes this comment.
35	Woodside	Supports the Pluto Facility having no requirement to provide Essential System Services in the NWIS.	The Coordinator notes this comment.
36	Woodside	Support including a clear assessment and connection process for expanding generation facilities and equipment at the Pluto Facility, as well as at other Integrated Facilities.	The Coordinator confirms that this is the intent.
37	Woodside	Understands the intention of the drafting of rule 188A(3) is for clarity only.	See section 7 of this report. For the sake of completeness and to avoid uncertainty, the Coordinator has expanded the definition of Pluto site to include both the interest in the land situated at Lot 566 on Deposited Plan

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
			28209 and the seabed lease referred to in Woodside's submissions. See new rule 8(1).
38	Woodside	With regard to the land interests listed in the rule 8(1) definition of <i>Pluto site</i> , Woodside is assuming the <i>Pluto site</i> does not need to list a separate ~16.68ha Seabed Lease with the Pilbara Port Authority which runs adjacent to Lots 384 and 574, and in which a loading jetty, swing basin and berthing pocket are located. Also, suggested rule changes add Lot 566 on Deposited Plan 28209 to the Pluto site (see suggested changes to 8(1) definition of 'Pluto site').	See section 7 of this report. The Coordinator has added new rule 274L and considers the enumerated list in that new rule to provide better direction to the ISO in the exercise of its power to develop CPC procedure than a general reference to Subchapter 9.3.
Whether new rule 274K necessary			
39	Woodside	New rule 274K providing for a new procedure extending the ISO's functions under Subchapter 9.3 may be unnecessary given that existing rule 274 has been amended so that 'access and connection procedure' extend the ISO's functions under Subchapter 9.3.	The Coordinator notes this comment.
Timeframes related to Rule Change procedure			
40	Horizon Power	Change required to comply with the CRRCP contained in the DRCP can be managed within existing timeframes for processing applications.	The Coordinator notes this comment.
41	ISO	A draft CPC Procedure could be published for consultation, together with the associated draft Access and Connection Procedure, within a reasonably short amount of time after the publishing of the Coordinator's final rule change report.	Section 6.1.4 and section 7 of this report. The Coordinator's final amending rules provides a transitional rule which allows the ISO to recognise specific actions taken done before the rule change is commenced. See new Sub-appendix 4.13.
42	Woodside	Woodside proposes the addition of a new rule 274C(6) to recognise that, in the lead-up to the Rule Change coming into effect on 31 March 2023, certain steps have already been satisfied in respect of the Pluto Facility.	The Coordinator notes this comment.

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
Organisational implications and costs			
43	Alinta	No changes to IT or business system required.	The Coordinator notes this comment.
44	Horizon Power	Changes required to comply with the CRRCP contained in the DRCR can be managed within existing funding arrangements for processing applications.	The Coordinator notes this comment.
45	ISO	The ISO will incur costs associated with the proposed changes.	
General			
46	Alinta	Broadly supports the draft rule change report. Proposed connection point compliance process and improved controls over the new <i>integrated facility</i> can address initial concerns regarding the Pilbara electricity objective, and the security and reliability of the NWIS. It also reduces the likelihood that, in performing its primary function, the ISO would need to rely more heavily on directing other facilities.	The Coordinator notes this comment.
47	Horizon Power	Supports the Coordinator's Revised Rule Change Proposal (CRRCP) in the Draft Rule Change Report (DRCR) and it aligns with concepts proposed by Woodside Energy and Horizon Power in April of 2022.	The Coordinator notes this comment.
48	Horizon Power	Supports minor administrative corrective changes.	
49	ISO	Many of the concerns identified in the first submission period have been addressed through the Technical Working Group and the Pilbara Advisory Committee. ISO believes technical material risks can now be identified and mitigated under the Draft Rules, subject to the changes the ISO suggests in its submissions for the second submission period.	The Coordinator notes this comment.
50	ISO	The Draft Rule changes include a number of conceptual improvements on the approach of the Rule Change	The Coordinator notes this comment.

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
		Proposal. Those improvements mitigate some of the risks the ISO identified in its first submission period.	
51	Rio Tinto	Rio Tinto's concerns as set out in its submission for the first submission period have mostly been addressed in the Coordinator's Draft Decision.	The Coordinator notes this comment.

Appendix B. Comparison of Amending Rules of Draft Rule Change Report to Final Rule Change Report

[Note: This section shows how the final amending rules have changed from the proposal in the Draft Rule Change Report.

As in Section 7, markup in light blue (~~deleted text~~, added text) show changes from the currently-live version of the Pilbara Networks Rules, being Version 3 as at 7 December 2022 (“**Version 3**”).

Markup in dark blue (inserted text) and red (~~deleted text~~) shows changes made in this Final Rule Change Report, from the proposal in the Draft Rule Change Report.

Where this Final Rule Change Report shows material from Version 3 of the Rules which was not in the Draft Rule Change Report, but is not being amended (for example, the underlying text of rule 21), it is shown in grey double underline.

[Caution: This is an edited version of a machine-generated comparison. While every effort has been made to ensure its accuracy, machine comparisons are not always 100% accurate. In particular, machine comparisons can create incorrect artefacts when dealing with MS Word paragraph numbering. Please refer to Section 7 in each of the Draft Rule Change Report and Final Rule Change Report to see the original text of each document.]

Eligibility

The Draft Decision’s test for which facilities qualify for the CPC process has been simplified. There is no longer a requirement that the *equipment* all be located on a single site, or that it must contain both generation and consumption components [DD rule 25A(1)].

To qualify for the CPC process, equipment with a non-compliant component must now only be electrically interconnected, under common control, and (in the base case) behind a single connection point [rule 274A(2)]. The requirement that none of the CPC facility network be *covered* [DD rule 25A(1)(d)] has been retained [rule 274A(3)(c)].

Treatment as an excluded network

The Draft Decision proposal that network components of a *CPC facility* be treated as an *excluded network* [DD rule 25C(1)] has been retained.

Because the eligibility test has been simplified, additional mechanisms were needed to deal with a situation in which the CPC facility’s network can no longer be excluded, but the facility continues otherwise to be eligible for CPC, and also to deal with a situation in which the CPC facility contains no consumer equipment for the excluded network to be treated as part of. These are noted below.

Table to rule 4

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	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.
1D	A <i>non-covered network</i> forming part of the <i>NWIS</i> , which does not fall in Class 1B or 1C.	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 —

- [A network which is connected to the *NWIS* “forms part of” the *NWIS* – see definitions of “*NWIS*” and “*interconnected Pilbara network*”.](#)
- If a *NWIS network* which was previously an *integrated mining network* or *excluded network* becomes *covered*, then on its *coverage commencement date* it will convert to Class 1A.
- If a *non-NWIS network* forms part of an *integrated Pilbara system* (i.e. other than the *NWIS*), then it is dealt with in Class 2 if *covered*, and Class 3 if *non-covered*.
- The rules which apply to Class 3 *networks* align with the ISO’s functions under section 120W(4)(d) of the Act, which are —
 - “(i) to collect and consider information relating to the operation, management, security and reliability of [such] Pilbara networks; and
 - (ii) to report as specified by the regulations to the Minister, the Authority or a specified person on those matters; and
 - (iii) to publish information on those matters.”}

Explanatory Note

Amendments to the below definitions have been made in response to second period submissions to enact the changes from *integrated facility* to *CPC facility*.

The definitions of “**consumer facility**” and “**generation facility**” has been amended by inserting new para (b), to clarify that the components of a *CPC facility* which constitute a *consumer facility* or *generation facility* will continue to be regulated as such, except to the extent the *CPC measures* provide otherwise.

The definition of “**generation facility**” has also been amended by adding new para (c), to cover the situation described in new rule 21(2)(b), in which the *excluded network* parts of the *CPC facility* cannot be deemed to be part of the *consumer facility* because there is no *consumer facility* for them to be part of, and hence have to be deemed to be part of the *generation facility*.

Consequential changes have been made to add the new type of facility – *CPC facility* – into the definitions of “**controller**”, “**facility**”,

The amendment to the definition of “**equipment**” corrects a typographic error.

The definition of “**host NSP**” already appeared in rule 22 in the context of excluded networks, but has now been used also in connection with *CPC facilities* including the Pluto *CPC facility*, and so the definition has been included in rule 8.

The definition of “**Pluto site**” has been made more accurate.

8 Glossary

connection point compliance	is defined in rule 274A.
consumer facility {a.k.a. “ consumer equipment ” in the <i>harmonised technical rules</i> }	<p>a) means the <i>equipment</i> used for, or in connection with, or in control, the consumption of electricity withdrawn from the <i>network</i> at a <i>connection point</i>; and —</p> <p>a) for an <i>integrated facility</i>, includes such <i>equipment</i> forming part of the <i>integrated facility</i>; and</p> <p>b) for a <i>CPC facility</i> — subject to the <i>CPC measures</i> for the <i>CPC facility</i>, includes each group of <i>equipment</i> in the <i>CPC facility</i> which falls within paragraph (a) of this definition; and</p> <p>{The effect of paragraph (b) is that references in these <i>rules</i> to “<i>consumer facility</i>” will apply also to any <i>consumer facility</i> which forms part of a <i>CPC facility</i>, unless the agreed <i>CPC measures</i> for the <i>CPC facility</i> provide otherwise.}</p> <p>b) for includes an <i>excluded network</i> being treated as a <i>consumer facility</i> under rule 21(2)(a); includes the <i>excluded network</i>.</p>
controller	<p>a) in respect of <i>equipment</i> or a <i>facility</i> — means a person who owns, operates or controls (or is in a position to control) the <i>equipment</i> or <i>facility</i>; and</p> <p>b) in respect of a <i>connection point</i> — means a person who owns, operates or controls (or is in a position to control) the <i>generation facility</i> or, <i>consumer facility</i> or <i>CPC facility</i> at the <i>connection point</i>.</p> <p>{Rule 0 sets out how these rules apply when there are multiple <i>controllers</i> for <i>equipment</i> or a <i>connection point</i>. Rule Error! Reference source not found. deals with how one of these is chosen to be registered.}</p>
CPC facility	is defined in rule 274A
CPC facility network	is defined in rule 25A.

CPC measures <u>CPC measures</u>	<u>means, for an <i>integrated facility</i>, the suite of measures which has been agreed and recorded for the <i>facility</i> under rule 274C means, for a <i>CPC facility</i>, the measures which have most recently been recorded for the <i>facility</i> under rule 274C.</u>
CPC procedure {for “ connection point compliance ” procedure}	<u>means the procedure established by the ISO under rule 274K274L.</u>
eligible equipment	<u>is defined in rule 274A.</u>
equipment	means wires, apparatus, equipment, plant and buildings used, or to be used, for or in connection with, or to control, the generation, transportation, <u>storage</u> or consumption of electricity.
excluded network	<p>means a <i>non-covered network</i> which —</p> <p>a) is listed in rule 23 {Excluded networks at rules commencement}; OR</p> <p>b) has been the subject of a determination under rule 24(1) {Becoming an excluded network}; <u>OR</u></p> <p>c) <u>is deemed to be an <i>excluded network</i> under rule 25C</u> <u>CPC facility network is an excluded network</u></p> <p><u>(1) A <i>CPC facility network</i> is an <i>excluded network</i>, until it ceases to be an <i>excluded network</i> under rule 25.</u> <u>{The effect of rule 25C(1) is that the <i>CPC facility network</i> is not treated as a <i>network</i> under these rules (see rule 21(1)).}</u></p> <p><u>(2) For the purposes of applying rules 24 and 25 under rule 25C(1), rule 24(4)(b) does not apply.</u> <u>{IntegratedCPC facility network is an excluded network},</u></p> <p>and which has not ceased to be an <i>excluded network</i> under rule 25.</p>
facility	<p>means —</p> <p>a) <u>a <i>generation facility</i>; or</u></p> <p>b) <u>a <i>consumer facility</i>; or</u></p> <p>c) <u>an <i>integrated</i> a <i>CPC facility</i>.</u></p>
generation facility {a.k.a. “ power station ” in the <i>harmonised technical rules</i> }	<p><u>a) means the <i>generating works</i> at a particular location, comprising one or more <i>generating units</i> and the associated supporting <i>equipment</i> and resources; but</u></p> <p><u>4{Example — The supporting <i>equipment</i> may include black start equipment, step-up transformers, substations and the power station control centre.}</u></p> <p><u>and</u></p> <p><u>b) for a <i>CPC facility</i> — subject to the <i>CPC measures</i> for the <i>CPC facility</i>, includes each group of <i>equipment</i> in the <i>CPC facility</i> which falls within paragraph (a) of this definition; and</u> <u>{The effect of paragraph (b) is that references in these <i>rules</i> to “<i>generation facility</i>” will apply also to any <i>generation facility</i> which forms part of a <i>CPC facility</i>, unless the agreed <i>CPC measures</i> for the <i>CPC facility</i> provide otherwise.}</u></p> <p><u>c) includes an <i>excluded network</i> being treated as a <i>generation facility</i> under rule 21(2)(b);</u> <u>but</u></p>

	<p>ad) does not include <u>equipment which falls within paragraphs (a), (b) or (c) of this definition such generating works</u> if their combined <i>injection</i> capacity at a <i>connection point</i> is less than 10MW.; and</p> <p>b) <u>includes the generating works forming part of an integrated facility</u></p>
integrated facility	is defined in rule 25A(1)(a).
integrated facility network	is defined in rule 25A(1)(c).
host NSP	<p>in connection with —</p> <p>a) <u>an excluded network</u> — is defined in rule 22(1); and</p> <p>b) <u>the Pluto facility</u> — is defined in rule 188A(1); and</p> <p>c) <u>connection point compliance</u> — is defined in rule 274A.</p>
Pluto connection point	means a <i>connection point</i> connecting the <i>Pluto facility</i> to the NWIS.
Pluto facility	means the integrated CPC facility located on the <i>Pluto site</i> .
Pluto permitted direction	is defined in rule 188A(1).
Pluto recipient	is defined in rule 188A(1).
Pluto site	<p>means the roughly 204.5205 hectare site on the Burrup Peninsula comprising:</p> <p>a) <u>Lot 384 on Deposited Plan 220146, being Certificate of Title Volume 2671 Folio 981; and</u></p> <p>b) <u>Lot 566 on Deposited Plan 28209, being Certificate of Title Volume 3125 Folio 317; and</u></p> <p>bc) <u>Lot 572 on Deposited Plan 28209, being Certificate of Title Volume 2671 Folio 979; and</u></p> <p>ed) <u>Lot 573 on Deposited Plan 28209, being Certificate of Title Volume 2676 Folio 184; and</u></p> <p>ee) <u>Lot 574 on Deposited Plan 28209, being Certificate of Title Volume 2671 Folio 980.</u></p> <p><u>and, to the extent that any part of the roughly 17 hectare leased seabed site located adjacent to Lots 384 and 574 and the subject of a Seabed Lease with the Pilbara Port Authority contains any equipment which is connected with the equipment on the above five lots and has the same controller, includes that part of the leased seabed site.</u></p>

Explanatory Note

A minor amendment has been made to rule 19(a), to reduce confusion between the application of rule 19 and the new *CPC facility* mechanisms in proposed Subchapter 9.3.

19 If controller or network user comprises more than one person

If —

- (a) more than one *controller* (a “**controller group**”) owns, controls or operates a *facility’s equipment* or part of a *facility’s equipment* (including if different *associates* own, control or operate different *equipment* which is operated as a single **integrated facility**); or

- (b) the *network user* under a *network access contract* comprises more than one person (a “**network user group**”),

then rule 18 applies in respect of the *controller group* or *network user group*, with appropriate amendments including reading references to the “complying NSP” as a *controller* or *network user* performing the equivalent role in respect of the *controller group* or *network user group*, as applicable.

Explanatory Note

Rule 20(1) has been amended in response to second period submissions, to ensure that a *CPC facility* has only a single controller, even if it contains both a *generation facility* and a *consumer facility*.

20 Each group may have only one registered representative

- (2) There must be only a single *registered NSP* for a *network* or *network element*, and only a single *registered controller* for a *facility* or *integrated CPC facility*, and only a single *registered user* in respect of a *network access contract*.
- (3) ...

Explanatory Note

The amendments to rule 21 are consequential. The intention is to allow the same treatment for the *CPC facility network* as for other *excluded networks*, i.e. treating it as a connection asset forming part of the main facility, rather than as a network in its own right. But a *CPC facility* will not always contain a *consumer facility*, so the normal approach in which the *excluded network* is treated as part of the *consumer facility* will not be available. In this circumstance, new rule 21(2)(b) will deem the network to be part of the *generation facility* instead.

21 How these rules apply to excluded networks

- (1) Unless the contrary intention is stated, a reference in these rules (including the harmonised technical rules) to a network, does not include an excluded network.
- (2) For the purposes of these rules (including the harmonised technical rules) an excluded network —
- (a) unless rule 21(2)(b) applies — is to be treated as part of the consumer facility it supplies; and
- (b) if the excluded network forms part of a CPC facility which does not contain a consumer facility — as part of a generation facility which forms part of the CPC facility.

Explanatory Note

New rule 22(4A) is consequential addition to ensure the *CPC facility*'s controller does not have duplicate compliance obligations in respect of a proposed change.

22 Excluded network must not jeopardise NWIS security and reliability

(1) ...

(2) ...

(3) ...

(4) Without limiting, and subject to, any interconnection arrangements, an excluded NSP must to a GEIP standard —

(a) confer with the *host NSP*, and

(b) give the *host NSP* advance warning which is reasonable in the circumstances,

before making or authorising any material change to the configuration of, or any material *augmentation* to, the *excluded network* or a *consumer facility* it supplies.

(4A) If a *CPC facility network* is an *excluded network*, and the *CPC facility's controller* complies with rule 274K and the *CPC procedure* in respect of a change to the *CPC facility network*, it is deemed to have complied with rule 22(4).

(5) ...

Explanatory Note

In response to second period submissions from Horizon Power, Woodside and Alinta Energy, the treatment of *CPC facilities* under new Subchapter 1.5A has been simplified. The definition of *CPC facility*, and the test for which *equipment* qualifies for CPC process, have been moved to Subchapter 9.3

Subchapter 1.5A – Integrated CPC facilities

{An **“integrated CPC facility”** is one which combines generation (> 10 MW) and load (consumption) on one site, possibly with other equipment including storage works is governed by CPC measures under Subchapter 9.3. This Subchapter sets out how these rules apply to an **integrated** the network components of a *CPC facility*.}

25A Definitions

(1) An **“integrated facility”** comprises all the electrically interconnected *equipment* and *networks* located on a single site which —

(a) connect to the *NWIS* through a single *connection point*, and

(b) include both —

(i) **{consumption}** *equipment* used for, or in connection with, or to control, the consumption of electricity withdrawn from the *network*; and

(ii) **{generation}** *generating works* having an aggregate capacity greater than 10MW, comprising one or more *generating units* and the associated supporting *equipment* and resources;

and

(c) may include *storage works* and other *equipment*, and

~~(d) includes a non-covered network (“integrated~~ In these rules “CPC facility network”~~”) to refer to the network components of a CPC facility that connect the above facility’s equipment to each other and to the NWIS.~~

~~(1) In rule 25A(1) —~~

~~(a) the site must be a single contiguous site, whether comprised of a single parcel of land or multiple adjacent parcels of land; and~~

~~(b) land tenure which consists of two or more sites joined only by infrastructure corridors (including for gas, electricity, road or rail) and not otherwise contiguous with each other, do not comprise a single contiguous site; and~~

~~(c) a generation facility does not qualify as an integrated facility merely because the supporting equipment and resources associated with its generating units may draw electricity from the network if all generating units are off, or in other abnormal operating conditions.~~

25B How these rules apply to ~~integrated~~CPC facilities

(1) Except to the extent they provide otherwise, these rules (including the harmonised technical rules) apply to and in respect of all equipment in an ~~integrated~~ CPC facility.

{For example, these rules may provide otherwise by way of exemption or under Subchapter 9.3.}

(2) For the purposes of rule 25B(1), an ~~integrated~~ CPC facility is to be treated as each of, as applicable:

(a) a consumer facility; and

(b) a generation facility; and

(c) storage works; and

Explanatory Note

Rule 25B(2)(d) has been added in response to second period submissions by Woodside and Horizon Power, as a consequence of removing the restriction that a *CPC facility* must be located on a single site. It is now possible that a *CPC facility* may include a material *network* component, which cannot sensibly be regulated as an *excluded network*. If so, the *CPC facility* can continue to be connected to the NWIS under *CPC measures* but (subject to those measures) the network component of that facility will be regulated as a network, just as (subject to those measures) the generation and consumer components of the *CPC facility* will be regulated as generation and consumer facilities respectively.

(d) subject to rule 25C and (if applicable) Subchapter 1.5, a network.

25C ~~Integrated~~CPC facility network is an excluded network

(1) ~~An integrated~~ A CPC facility network is an excluded network, until it ceases to be an excluded network under rule 25.

{The effect of rule 25C(1) is that the ~~integrated~~CPC facility network is not treated as a network under these rules (see rule 21(1)).}

(2) For the purposes of applying rules 24 and 25 under rule 25C(1), rule 24(4)(b) does not apply.

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 when developing the *protocol framework*.
- (3) A *protocol* cannot authorise the giving of a *system operations direction* to the controller of the *Pluto facility*, unless the *systems operations direction* is a *Pluto permitted direction* {defined in rule 188A(1)}.

33 ISO to prepare and maintain protocol framework

- (1) In addition to those set out in the Act and *regulations* and rule 32, the *ISO* has the following functions —

...

- (p) to provide access and connection services under Subchapter 9.2 and Subchapter 9.3.

91 Certain NWIS participants must register

{Under regulation 18, the requirement to register applies only in respect of the *NWIS*. If a *non-NWIS network* is to be covered, a decision will be made at the time as to whether registration is required.}

- (1) The following *NSPs* must register with the *ISO* under rule 94 —
 - (a) the *NSP* of a *covered NWIS network*; and
 - (b) the *NSP* of a *non-covered NWIS network* which is not an *excluded network*.
{Each person registered under rule 91(1) is a “**registered NSP**”. If more than one person is the *NSP* for a *network* or *network element*, rule 20 requires that a single suitable person be designated for registration.}
- (2) The following *controllers* must register with the *ISO* under rule 94 —
 - (a) the *controller* of a *generation facility* on a *covered NWIS network*;
{The definition of “generation facility” excludes facilities below 10 MW.}
and
 - (b) the *controller* of a *large consumer facility* which is supplied by an *excluded network*; and
 - (c) the *controller* of each *facility* on a *non-covered NWIS network* which is, or is proposed to be, contracted to provide *essential system services* to *covered networks*; and
 - (d) the *controller* of any other *facility* on a *covered NWIS network*, if the *ISO* has determined under rule 93 that the *facility* should be a *registered facility*, and

(e) the controller of ~~an integrated~~ a CPC facility.

Explanatory Note

New rule 92(2) is a consequential amendment to resolve what would otherwise be a conflict between rule 92 and rule 91(2)(e). The controller of a *CPC facility* must register, even if the facility contains small generation facilities, storage works or consumer facilities.

92 Certain NWIS participants exempt from registration

(1) Subject to rule 92(2) and rule Error! Reference source not found., the controllers of the following are not required to register under rule 0 —

- (a) *generating works* (as defined in the Act) if the generation capacity of the *generating works* concerned is less than 10 MW at each *connection point*, and
- (b) *storage works*; and
- (c) *a consumer facility*.

(2) Rule 92(1) does not exempt the controller of a CPC facility from the requirement to register under rule 91(2)(e).

Explanatory Note

A consequential amendment has been made to rule 118(2), to reflect the creation of this new type of “facility.”

The rules do not (and do not need to) resolve an overlap between this rule 118 and rule 274K. Some changes to a *CPC facility* will trigger notification under both regimes – this is intentional. The two processes deal with different things, and can exist simultaneously. It is expected that the ISO’s and NSP’s procedures for the two processes will assist with their integration, and the *CPC facility’s controller* may also be assisted by rule 292.

118 Notification of material changes and updating models

(1) ...

(2) A controller must notify its NSP of any material change to a *generation facility* ~~or~~ *consumer facility or CPC facility*.

(3) Subject to any agreement between the NSP and the controller, the NSP’s procedure under section 3.6.12(a) of the *harmonised technical rules* may specify what constitutes a material change for the purposes of rule 1(2).

(4) ...

Explanatory Note

New rule 121(3)(ab) is a consequential amendment, to reflect the creation of this new type of “facility”, and to recognise the fact that the agreed *CPC measures* may deal with modelling requirements.

121 ISO to develop power system modelling procedure

(1) ...

(2) ...

(3) The power system modelling procedure may authorise the ISO to require the following facilities to be included in the power system model, if the ISO judges it necessary to satisfy the power system modelling threshold —

(a) an excluded network; and

(ab) having regard to the relevant CPC measures, a CPC facility, and

(b) ~~after~~ having regard to rule Error! Reference source not found., a facility on an integrated mining network.

Explanatory Note

The amendment to rule 169(2)(c) is consequential, to reflect the creation of this new type of “facility”.

169 Obligation to balance

(1) ...

(2) For each balancing nominee at a balancing point in a covered network, the following persons must, to the extent it is within their power to do so, each use reasonable endeavours in accordance with GEIP to facilitate the balancing nominee’s compliance with rule 1(1) and, if applicable, Error! Reference source not found. —

(a) the nominator for the balancing point; and

(b) a network user with an entry service or exit service at the balancing point; and

(c) a controller of a generation facility ~~or~~, consumer facility or CPC facility at the balancing point.

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*.
[{For a *Pluto* recipient, rules 188A\(2\)\(a\) and \(3\) provide additional grounds for non-compliance.}](#)
- (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.
[{Rule 188A\(4\) is a similar provision for a *Pluto* recipient which seeks to rely on rules 188A\(2\)\(a\) and \(3\).}](#)

Explanatory Note

The proposed amendment to rule 182(4) corrects a typographic error.

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 [but cannot give such a direction to the *Pluto facility's controller*](#).
- (4) If the *scheduling conflict* involves, or involved *facilities* in, both a *covered network* and an [integrated mining system-private power system](#), the *ISO* must have regard to rule 5 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*.

190 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 0;
- 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(4) and 188(5), 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(5), 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* (other than the *Pluto 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 5;-

{Rule 5 sets out the extent to which these rules may affect the operation of an *integrated mining system-private power system*.}

and

(vi) subject to rules 188A(2)(a) and 188A(3) — to the *controller* of the *Pluto facility*.

(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(5), must respect *equipment limits* and *security limits*; and
- (c) must most 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), 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) **{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) **{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*.

Explanatory Note

Amendments to rules 188A and 188B have been introduced to clarify the (existing) concept of “host network” to more clearly differentiate between the network components of the *Pluto facility* itself, and the NWIS network to which the *Pluto facility* is attached – the latter being the “**host network**”.

188A Restrictions on directions to Pluto facilities

- (1) In this rule 188A and in rules 188B and 188C —
- (a) “host network” means the NWIS network to which the Pluto facility is connected; and
- (b) “host NSP” means the registered NSP of the host network; and
- ~~(a)~~ (c) “Pluto recipient” means:
- (i) the controller of the Pluto facility; or
- (ii) a network user of the host network who has a right under a network access contract with the host NSP to either (or both) withdraw electricity from the host network, or inject electricity into, the NWIS host network, at the Pluto connection point (but references in these rules to the network user as a “Pluto recipient” apply only in connection with the network user’s rights and obligations at the Pluto connection point).

~~(b)~~ (d) **“Pluto permitted direction”** means a *system operations direction* ~~for~~ notice under rule 191~~1~~ issued to a *Pluto recipient* in connection with the *Pluto connection point* which requires the *Pluto recipient* to:

- (i) reduce the *withdrawal* of electricity ~~from the *host network*~~ at the *Pluto connection point*, or
- (ii) disconnect the *Pluto connection point* from the *NWIS*; or
- (iii) subject to rule 188A(2), reduce the *injection* of electricity ~~into the *host network*~~ at the *Pluto connection point*.

(2) A *Pluto recipient*:

(a) is not obliged to comply with a direction or notice of the type referred to in rule 188A(1)(b)(iii), to the extent that it believes in good faith that compliance may adversely affect the *reliability, security* or safety of the *Pluto facility* or compliance with applicable laws; but

(b) if it purports to rely on rule 188A(2)(a) to not comply with a direction or notice, must instead disconnect the *Pluto facility* from the *NWIS* in accordance with rule 188B.

(3) A *Pluto recipient* is not obliged to comply with a *system operations direction* ~~for~~ notice under rule 191~~1~~ issued to it in connection with a *Pluto connection point*, to the extent it is not a *Pluto permitted direction*.

{Rules 188A(2)(a) or (3) do not apply to a *constraint direction*.}

(4) If a ~~person~~ *Pluto recipient* purports to rely on rule 188A(2)(a) or (3) to not comply with a *system operations direction* ~~for~~ notice under rule 191~~1~~, it must promptly notify the *ISO control desk*, and must provide details of its reasons during any post-incident discussion or investigation.

188B Power to disconnect Pluto facility

(1) The ~~registered~~ *host NSP of a network to which the Pluto facility is connected*, the *incident coordinator* and the *ISO control desk* may, at any time and for any reason, disconnect the *Pluto facility* from the *NWIS* if it considers doing so is reasonably necessary under *GEIP* to achieve the primary objectives set out in rule 184(1).

{This rule covers direct action to disconnect. Alternatively, a *direction to disconnect* may be given. This would be a *Pluto permitted direction* – see rule 188A(1)(b)(ii).}

(2) Subject to rule 188B(5), before a person exercises the power in rule 188B(1), it must give the *controller* of the *Pluto facility* as much advance notice of the upcoming disconnection as is practicable in the circumstances.

(3) The *controller* of the *Pluto facility* may, at any time and for any reason, disconnect the *Pluto facility* from the *NWIS* if it considers doing so is reasonably necessary under *GEIP* to achieve the primary objectives set out in rule 184(1).

(4) Subject to rule 188B(5), before the *controller* of the *Pluto facility* exercises the power in rule 188B(3), it must give the *ISO control desk* and the ~~registered~~ *host NSP of a network to which the Pluto facility is connected* as much advance notice of the upcoming disconnection as is practicable in the circumstances.

- (5) The obligation to give notice in rules 188B(2) and 188B(4) does not apply if 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.

188C If Pluto facility is disconnected

Explanatory Note

New rule 188C reflects the fact that disconnection of a major LNG processing facility for system security reasons is a significant event, which should be properly investigated before reconnection, and which should trigger a review of the facility's agreed *CPC measures*.

The disconnection may also qualify for a post-incident discussion or investigation under Subchapter 7.6.

If —

(a) a direction to disconnect the Pluto facility is given under rule 188A(1)(b)(ii); or

(b) the Pluto facility is disconnected under rules 188B(1) or (3).

then —

(c) the controller of the Pluto facility must obtain the consent of the ISO and the host NSP, before reconnecting the Pluto facility to the NWIS; and

(d) rule 274K applies as though the direction or disconnection were listed in rule 274K(1) as a potential relevant change.

189 Directions in emergencies

Despite anything in this Subchapter 7.5, or in the *protocol framework* or a *protocol*, but subject to rules 188A(2)(a) and 188A(3) —

- (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*.

Explanatory Note

Amendments throughout rule 191 correct the erroneous internal references to “section” instead of “rule”.

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 rule 191\(1\)](#) may 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 rule 191\(1\)](#).

[\(2A\) A notice under \[section rule 191\\(1\\)\]\(#\) is subject to rules 188A\(2\)\(a\) and 188A\(3\).](#)

- (3) A notice under [section rule 191\(1\)](#) may be given at any time in respect of existing, proposed or contemplated *equipment*.
- (4) If a notice under [section rule 191\(1\)](#) concerns issues of technology selection or design for proposed or contemplated equipment, the *ISO* must endeavour to give the *registered NSP* and controller either a notice, or advance warning of a contemplated notice, as early in their design process as possible, but a failure by the *ISO* to do so does not invalidate any notice given or limit the *ISO*'s power under [section rule 191\(1\)](#) to give a notice at any time.
- (5) The *ISO* must —
- (a) have regard, among other things, to the compliance, opportunity, delay and other costs which may arise from a notice under [section rule 191\(1\)](#); and
 - (b) whether or not, and before and after, it issues a notice under [section rule 191\(1\)](#) (and to the extent practicable and consistent with the *system security objective*) endeavour to —
 - (i) resolve any *security* or *reliability* issue collaboratively and consultatively, seeking to achieve the minimum practicable disruption, delay and cost to *registered NSPs, generators, controllers* and consumers; and
 - (ii) respect *registered NSPs', generators' and controllers'* freedom to manage, configure and operate their *networks* and equipment as they see fit in accordance with these rules and *GEIP*.
- (6) A notice under [section rule 191\(1\)](#) may be given despite any prior consent, approval or other notice given by the *ISO*.

Explanatory Note

The obligation owed by a recipient of a rule 191(1) notice to comply with that notice was previously embedded in rule 191(7). It has been split out into its own rule 191(6A) so that it can be made subject to rules 188A(2)(a) and (3).

[\(6A\) Subject to rules 188A\(2\)\(a\) and 188A\(3\), the recipient of a notice under \[section rule 191\\(1\\)\]\(#\) must comply with the notice.](#)

- (7) A notice under [section rule 191\(1\)](#), and any other matter arising under this [section rule 191](#), may be the subject of a rules *dispute*, but unless the ISO (in its absolute discretion and on such conditions as it considers fit) grants permission otherwise, ~~the recipient must comply with a notice under section 191(1)~~ [rule 191\(6A\) applies](#) pending resolution of the dispute.
- (8) The ISO’s power to intervene under this rule 191 [does](#) not displace the *registered NSP’s* responsibility under rule 269.

Explanatory Note

Rule 218(1)(c) has a consequential amendment, to reflect the creation of this new type of “facility”. The erroneous reference to “private power system” has been corrected to “integrated mining system”.

218 Balancing points

- (1) The following are the “balancing points” on a covered network —

...

- (c) an *interconnection point* between the *covered network* and a *non-covered network* (including an [integrated mining system](#) ~~private power system~~ [and](#) an *excluded network* [and a CPC network](#));

{Interconnection points between covered networks are not balancing points under these rules. However, the EBAS engine will make calculations at those points to determine net network loads, and legacy rights can exist at these points under Subchapter 9.1.}

...

Explanatory Note

The amendment in rule 267(1)(a)(ii) corrects an error, and also ensures that the CPC process is not limited only to greenfields sites - see {note} to rule 274B(2) below.

267 Definitions

- (1) In ~~this~~ Subchapter 9.2 [and Subchapter 9.3](#) —

- (a) **“new connection”** means ~~any~~ situation in which a person (**“connection applicant”**) seeks a *registered NSP’s* approval regarding —
 - (i) the creation of a new *connection point* on the *registered NSP’s* network; or
 - (ii) in respect of an existing *connection point* — any change in the level of permitted *injection* or *withdrawal* of electricity, or in the technical characteristics of ~~facilities~~ [equipment](#) *connected*, or to be *connected*, at the *connection point*;

and

- (b) **“exempt connection”** means a *new connection* which satisfies the requirements set out in the *access and connection procedure* to be exempted from *ISO* supervision under rule 270.

274 ISO to develop procedure

The ISO may develop a *procedure* (“**access and connection procedure**”) in connection with its functions under this Subchapter 9.2 [and Subchapter 9.3](#).

Explanatory Note

The amendments to subchapter 9.3 have been made to address a number of issues stakeholders raised in second period submissions regarding the previous definition of *integrated facility*. To replace *integrated facility* with *CPC facility* and make the amendments outlined in section 6 of this report, a number of rules have been restructured and amended.

Rule 274A has been restructured and expanded, to now:

- In subrule (1), establish the concept of “**connection point compliance**”
- In subrule (2), gather together the new definitions:
 - The definition of “**CPC measures**” has been amended to make it clear that the label refers to the measures as documented after the rule 274C process.
 - A new definition of “**eligible equipment**” has been added to capture the eligibility test in subrule (3).

Subrule (3) now sets out the test (formerly in DD rule 25A) for which *equipment* is eligible for the CPC process. As noted above, the eligibility requirements have been simplified, to remove the requirement that the equipment all be located on a single site (to address Horizon Power and Woodside’s comments), and to remove the requirement that the facility contain both consumption and generation components (to address Alinta’s comments).

The CPC process is now open to any collection of interconnected equipment under common control, where the Subchapter 9.2 connection process identifies a non-compliance. As in the draft decision [DD rule 25A(1)(d)], given the importance of the HTR in the access process, the CPC option will not be available for *covered* networks.

Subrule (4) allows the CPC regime to accommodate facilities which have more than one connection point to the NWIS.

Subchapter 9.3 – Compliance at connection point

{If the Subchapter 9.2 process identifies a *non-compliant component* in the *equipment* which a *connection applicant* seeks to connect to the NWIS, then for certain *connection applicants* (i.e. those with *eligible equipment*) this Subchapter 9.3 provides an alternative pathway to *connection*, rather than resolving the matter under Subchapter 9.2 (e.g. under rule 270(5)(a)).}

274A Definition of “~~connection point compliance~~” Concept, definitions and eligibility

(1) {**Concept**} In this Subchapter 9.3, “~~connection point compliance~~” means an arrangement in which *equipment* which is assessed under Subchapter 9.2 to include one or more *non-compliant components* is nonetheless permitted to *connect* to the NWIS, because the *equipment’s controller* or the *host NSP*, or both, implement measures which have been agreed between the *controller*, the *ISO* and the *host NSP* to ensure that the *facility* as a whole complies with these *rules* at its *connection point*, despite the non-compliance of the component.

(2) {**Definitions**} In these rules “~~connection point compliance~~” means an arrangement in which —

- (a) an integrated facility includes one or more components (“non-compliant components”) which do not fully comply with these rules (including the harmonised technical rules) and have not been granted an exemption; but
- (b) the controller of the facility, with the ISO’s and the registered NSP’s agreement, implements or procures measures (“CPC measures”) to ensure that the facility as a whole complies with the rules at its connection point, despite any non-compliance by that component or those components.
- (a) “CPC facility” means eligible equipment for which CPC measures have been agreed under rule 274C and have been implemented; and
- (b) “CPC measures” for a CPC facility means the measures which have been agreed for the facility between the connection applicant, the host NSP and the ISO under rule 274C and recorded in writing under rule 274C(3)(a); and
- (c) “eligible equipment” means a collection of equipment which meets the requirements set out in rule 274A(3), as modified under rule 274A(4) if applicable; and
- (d) “host NSP” means the NSP of the NWIS network to which the CPC facility (or, if applicable, the equipment which is proposed to become, or was previously, a CPC facility) is, is to be, or was connected; and
- (e) “non-compliant component” means equipment or a component of equipment which (whether due to its operation, characteristics, configuration, performance or capacity) does not comply with these rules (including the harmonised technical rules), and the non-compliance is not the subject of an exemption under these rules.
- (3) {Eligibility} A collection of equipment is eligible for connection point compliance if together the pieces of equipment —
- (a) are electrically interconnected with each other; and
- (b) are under the control of a single controller; and
- (c) do not include any network component which is covered; and
- (d) include at least one non-compliant component; and
- (e) subject to rule 274A(4), are connected to the NWIS by a single connection point.
- (4) {Eligibility – multiple connection points} If pieces of equipment together —
- (a) satisfy the requirements in rule 274A(3)(a) to (d); but
- (b) are connected to the NWIS by multiple connection points,

then the ISO in its absolute discretion may agree in accordance with the CPC procedure to nonetheless classify the equipment as a single set of eligible equipment, in which case (unless the CPC procedure provides otherwise) the agreed CPC measures must govern all the connection points, and this Subchapter 9.3 applies in respect of each of the connection points.

Explanatory note

Rule 274B has been amended to clarify the application and consultation processes as a consequence of the overall changes to subchapter 9.3.

As in the Draft Decision, subrule (1) permits a connection applicant to apply for CPC, and what is now subrule (5) permits the applicant to withdraw from the process.

As the definition of *CPC facility* has been broadened in response to stakeholder comments, Subrule (2) now clarifies that CPC is available as an alternative solution to a non-compliance identified under the normal Subchapter 9.2 connection process. When the non-compliance is identified, the connection applicant will now have a choice – remedy the non-compliant equipment in the usual way and proceed to connection under Subchapter 9.2, or seek a CPC solution under Subchapter 9.3.

Subrule (3) is modelled on existing rules 57(5) and (6), which provide for consultation with the PAC and the public in respect of general rules exemptions, and rule 64(4)(c) and (d) regarding HTR exemptions. As many stakeholders have an interest in system security and reliability, proposed CPC should be open for public comment, in the same way exemptions are.

Subrule (4) deals with the treatment of confidential information in the consultation process. As was already the case in Draft Decision rule 274H(3) (now rule 274I(3)), the normal Subchapter 11.2 processes apply, but the ISO is directed to take into account the desirability of transparency when it comes to matters of system security.

274B Application for connection point compliance

(1) Subject to rule 274B(2), a connection applicant may apply for connection point compliance by giving notice in writing to the host NSP and the ISO in accordance with the CPC procedure.

(2) A connection applicant cannot give a notice under rule 274B(1), unless —

(a) when the connection applicant's access application was processed under Subchapter 9.2, the host NSP or the ISO —

(i) assessed for compliance with these rules (including the harmonised technical rules) each component of the equipment which the access application seeks to have connected to the NWIS; and

(ii) identified within the equipment one or more non-compliant components;

and

(b) all of the equipment which the access application seeks to have connected to the NWIS is eligible equipment.

{This Subchapter 9.3 is not limited to greenfields connections. Under rule 267(1)(a)(ii), "connection applicant" includes a person seeking to change the technical characteristics of equipment connected, or to be connected, at an existing connection point.}

(3) If the ISO receives a notice under rule 274B(1), it must —

(a) publish the notice; and

(b) before agreeing CPC measures under rule 274C —

(i) refer the notice to the Pilbara advisory committee for its advice and have regard to the advice; and

(ii) consult regarding the notice using at least the expedited consultation process.

(4) If the ISO is considering the disclosure of confidential information for the purposes of a referral or consultation under rule 274B(3), then for the purposes of the balancing in rule 303(2) (Pre-disclosure process), the ISO is to have regard to the desirability of all system participants being able to understand and assess for themselves any risks to security or reliability posed by a CPC facility connecting under this Subchapter 9.3, and how those risks are proposed to be managed by the CPC measures.

~~(1)(5) A connection applicant seeking a new connection to the NWIS for an integrated facility may in accordance with the CPC procedure apply for connection point compliance may at any time withdraw a notice under rule 274B(1) by giving notice in writing to the registered host NSP and the ISO in accordance with the CPC procedure, in which case the ISO must publish the notice of withdrawal, and the process under this Subchapter 9.3 stops.~~

~~(2) A connection applicant may withdraw a notice under rule 274B(1) at any time.~~

Explanatory note

In response to comments raised by the ISO, the process in rule 274C has been streamlined, and subrule (2) has been added to make it clear that the availability of *CPC measures* depends on the ISO's and host NSP's discretion. The only qualification on this applies in respect of *covered NSPs* [subrule (2)(c)], who remain accountable under the access regime as in all other stages of the connection process.

Subrule (3) has been amended to clarify that the documented *CPC measures* are the definitive record.

274C Assessing the application and agreeing CPC measures

(1) If a connection applicant applies for connection point compliance, then in accordance with the CPC procedure —

~~(a) each component of the integrated facility is to be assessed for compliance with these rules (including the harmonised technical rules) under Subchapter 9.2 in the usual way; and~~

~~(b) if a component does not comply with these rules, then in accordance with the CPC procedure —~~

~~(i) (a) the connection applicant may is to propose one or more CPC measures under rule 274D to address the non-compliance; and~~

~~(ii) (b) the connection applicant, the registered host NSP and the ISO are to endeavour in accordance with the timeframes and other requirements of the CPC procedure to agree upon a suite of CPC measures as described in rule 274D for the facility which meet the standard specified in rule 274E.~~

~~(2) A registered NSP and the ISO are not required to reach agreement with the connection applicant on a suite of measures under rule 274C(1)(b)(ii).~~

(2) In determining whether to agree to CPC measures —

(a) the ISO's discretion is absolute, and its failure or refusal to agree cannot be the subject of a rules dispute or access dispute; and

{The ISO is not obliged to agree to CPC measures. For example, it may not be possible to satisfactorily remedy a non-compliance by CPC measures.}

- (b) a non-covered NSP's discretion is absolute, and its failure or refusal to agree cannot be the subject of a *rules dispute* or *access dispute*; and
- (c) a covered NSP must act in accordance with the *Pilbara electricity objective* and the *Access Code*, and its failure or refusal to agree may be the subject of a *rules dispute* or *access dispute*.
- (3) If the ~~registered~~ host NSP and the ISO ~~in their discretion~~ reach agreement ~~with the connection applicant on a suite of measures~~ under rule 274C(1)(b)(ii) ~~with the connection applicant on proposed CPC measures~~, then:
- ~~(a) the agreed measures are the “CPC measures” for the facility; and~~
- (a) the host NSP and the connection applicant must record the agreed measures in writing and provide them to the ISO, who may make or direct any changes it considers necessary or convenient to ensure that the document accurately reflects the agreed measures; and
- ~~(b) (b) the registered NSP and the ISO must record the measures so recorded are the “CPC measures in writing” for the facility.~~
- (4) The ISO may in accordance with the CPC procedure terminate the process in this rule 274C(1)(b)(ii) if it forms the view that agreement is unlikely to be reached.
- ~~(5) A decision under rule 274C(4) may be the subject of a rules dispute or, if it arises in connection with an access application, an access dispute.~~

Explanatory note

Some minor amendments to Rule 274D have been made to reflect changes to the relevant terminology.

274D CPC measures – Permitted content

- (1) ~~A suite of CPC measures~~ may deal with any matter which the ~~ISO and registered NSP consider, in consultation with the host NSP, considers~~ necessary or convenient, ~~to a GEIP standard,~~ to satisfy the requirements of rule 274E.
- (2) Without limiting rule 274D(1) or Subchapter 9.2, ~~the CPC measures~~ may include:
- (a) ~~requirements for the installation, configuration and operation, characteristics, configuration, performance or capacity of equipment on the integrated CPC facility's site; and~~
- ~~{The relevant equipment may be located elsewhere on the site than at the non-compliant component.}~~
- (b) ~~any actions to be taken, and any obligations with which the integrated CPC facility and its controller and the host NSP must comply, both before and after energisation occurs; and~~
- (c) ~~any operating protocols which the integrated CPC facility and its controller and the host NSP must follow while the integrated CPC facility is connected to the NWIS.~~
- ~~{Examples: The operating protocols may include certain thresholds not to be exceeded, or which must not be exceeded while the NWIS is in a particular operating state or configuration}~~

Explanatory note

The changes in rule 274E are structural rather than substantive, and have been made to provide clarity and certainty to participants.

The standards to be met by the *CPC facility* itself are now gathered in paragraph (a). Paragraph (b) contains the requirement that implementing the CPC measures will not interfere with other power system operations.

274E CPC measures – Standard to be met

The ~~registered~~ host NSP and the ISO must not agree to a suite of proposed CPC measures unless satisfied to a GEIP standard that the measures, if implemented and maintained, are sufficient to ensure that —

(a) the CPC facility:

~~(a) the measures, if implemented and maintained, are sufficient to ensure that the integrated facility (i) complies with these rules (including the harmonised technical rules) at the CPC facility's connection point, despite any non-compliance by a non-compliant component, and~~

(ii) poses no credible threat to the NWIS's security or reliability, including threats resulting from:

(A) energy or power flows or power quality at the CPC facility's connection point, or

(B) a disruption to anything referred to in rule 274E(a)(ii)(A),

which is caused or contributed by something behind the connection point (that is, on the CPC facility's side of the connection point, in electrical terms); and

~~(b) the measures, together with other powers under these rules, are sufficient to preserve (as applicable) (b) neither the CPC facility nor the CPC measures will adversely affect in any way the ISO's, the ISO control desk's, an incident controller's and/or a registered NSP's ability to manage to a GEIP standard —~~

(i) a credible contingency, or

(ii) any other credible threat to the NWIS's security or reliability which results from:

~~(A) energy or power flows or power quality at the integrated facility's connection point, or a disruption to any of these which is caused or contributed by something on the integrated facility's side (in electrical terms) of the connection point, or~~

~~(B) an event elsewhere in the NWIS.~~

regardless of the location or locations in the NWIS the credible contingency or other credible threat occurs in or emerges from.

Explanatory note

The important operative effect of *CPC measures* [Draft Decision rule 274F(2)] has been moved to its own rule (now rule 274F), and expanded to recognise that *CPC measures* may depend on actions by the host NSP, not just the CPC facility's controller. This change has been made to accommodate the amendments to rule 274G.

Subrule 274F(2) now clarifies that all of the rules' other requirements continue to apply.

274F CPC measures – Effect

(1) While the CPC facility's controller and the CPC facility (and the host NSP, to the extent the CPC measures place obligations on it) are complying with the CPC measures and this Subchapter 9.3, but only for so long as the facility remains compliant at the connection point, a non-compliant component's non-compliance with these rules is to be disregarded.

(2) Except as stated in rule 274F(1), these rules (including the harmonised technical rules) apply to all equipment and facilities forming part of the CPC facility.

{Rule 274F(2) confirms, for example, that references in these rules to "consumer facility" and "generation facility" apply also to any consumer or generation facility which forms part of a CPC facility, unless the agreed CPC measures for the CPC facility provide otherwise.}

Explanatory note

Subrule 274G(1) sets out the requirement for the CPC facility's controller to comply with the CPC measures. This is unchanged from the Draft Decision [DD rule 274F(1)].

New subrule 274G(2) recognises that CPC measures may also place obligations on the host NSP. This change has been made to address Woodside's comments that all parties should be required to fulfil their obligations in relation to the agreed *CPC measures*.

274F274G CPC measures – Facility controller and host NSP must comply

(1) The ~~integrated~~CPC facility and its controller must comply with the CPC measures for the facility, at any time the facility is connected to the NWIS.

~~(2) While rule 274G(1) is being complied with, but only for so long as the facility remains compliant at the connection point, a non-compliant component's non-compliance with these rules is to be disregarded.~~

(2) The host NSP must comply with any obligations the CPC measures place on it in connection with the CPC facility, at any time the facility is connected to the NWIS.

Explanatory note

In subrule 274H(1), the pre-energisation requirements [Draft Decision rule 274G(1) have been clarified, and aligned with the Subchapter 9.2 equivalent in rule 270(1).

However, in recognition of the fact the *CPC measures* have already been agreed with the ISO, new subrule 274H(2) does not reproduce the ISO approval mechanism in Subchapter 9.2 (rule 270(2)), providing instead for ISO intervention on an exceptions basis only.

Subrule 274H(3) is largely unchanged from draft Decision rule 274G(2).

New subrule 274H(4) correct what might otherwise have been an irrational outcome when the ISO is considering whether the CPC network components can remain an excluded network.

274G274H CPC measures – ISO and registered host NSP obligations

~~(1) A registered NSP must not energise a new connection for which agreed CPC measures are in place, unless it is satisfied to a GEIP standard that the integrated facility's controller:~~

(1) Before a CPC facility's connection point is energised, the host NSP must give to the ISO a notice which —

(a) certifies that —

(i) the host NSP it is satisfied to a GEIP standard that the CPC facility's controller —

~~(a) (A) has implemented (or otherwise complied with) all aspects of the CPC measures which are required to be implemented or complied with by the controller before energisation; and~~

~~(b) (B) after energisation will continue to comply with all applicable requirements of the CPC measures; and~~

(ii) the host NSP has implemented (or otherwise complied with) all aspects of the CPC measures which are required to be implemented or complied with by the host NSP before energisation;

and

(b) provides all information required by, and otherwise complies with, the CPC procedure.

(2) If at any time before the CPC facility's connection point is energised the ISO is not satisfied of a matter referred to in rules 274H(1)(a)(i) or (ii), it may direct the host NSP and CPC facility's controller not to energise the connection point, until the ISO gives notice that it is satisfied of the matter.

~~(2) (3) The ISO and the registered host NSP: —~~

(a) must take the CPC measures into account when performing their functions a function under Subchapter 9.2; and

(b) otherwise may take any CPC measures into account when performing any function under the Act, the PNAC or these rules (including when preparing any procedure or protocol).

(4) The ISO must take into account any CPC measures when performing a function under rule 25.

Explanatory note

Rule 274I was adapted from rule 119 (Disclosure of modelling results), and is largely unchanged from Draft Decision rule 274H, save for the inclusion of the rule 120 mechanism.

Rule 120 ensures that the ISO is able to access the information it needs for system modelling, and protects rules participants who provide this information to the ISO if the required information is confidential information of a third party. The same mechanisms may be needed for CPC assessments, but may not always fall squarely within the ambit of rules 120 itself.

274H274I CPC measures – Disclosure

(1) Subject to rule 274H274I(2), the ISO must wherever practicable disclose CPC measures and relevant supporting information to any person who requests them, and may publish them.

(2) Rule 274H274I(1) does not authorise the ISO to disclose information to the extent that it is confidential information, or is information from which confidential information could reasonably be inferred or derived, unless doing so is a permitted disclosure under Subchapter 11.2.

(3) For the purposes of the balancing in rule 303(2), the ISO is to have regard to the desirability of all system participants being able to understand and assess for themselves any risks to security or reliability posed by an-integrateda CPC facility connecting under this Subchapter 9.3, and how those risks are being managed by the CPC measures.

(4) Rule 120 applies with appropriate modifications to any information the ISO requires in connection with developing or assessing proposed CPC measures.

Explanatory note

Rule 274J is largely unchanged from Draft Decision rule 274I.

274I274J Costs of compliance at the connection point

(1) The costs of making an application under this Subchapter 9.3, and of implementing and complying with the CPC measures for an-integrateda CPC facility, are to be paid by the connection applicant.

(2) A connection applicant giving a notice under notice under rule 274B(1) must pay the ISO's costs of performing its functions under Subchapter 9.2 and Subchapter 9.3 in connection with the notice, including if it withdraws the notice under rule 274B(35) and if the ISO makes a determination declaration under rule 274J274K(3)(a4).

Explanatory note

Rule 274K has been reworked, to take advantage of the substantial development work by EPWA, AEMO and WEM stakeholders in WEM Rules 3A.13 and 3A.14, which deal with the similarly difficult task of identifying what are “relevant changes” for the purposes of generator performance standards. Rule 274K is simplified, but follows the same basic structure, as follows:

- Subrule (1) sets out the basic parameters of what may constitute a “relevant change”.
- Subrule (2) then leaves it to the CPC procedure to set out in more detail how relevant changes will be identified.
- Subrule (3) retains the requirement (Draft Decision rule 274J(2)) for the controller to provide advance notice of potential relevant changes.
- Subrule (4) retains the ISO's ability to determine that a change is a relevant change (Draft Decision rules 274J(3) and (4)).
- Subrule (5) retains the outcome in which the Subchapter 9.3 process is repeated (Draft Decision rule 274J(6)).
- The remainder of subrule 274K contains the relevant machinery.

The public consultation which was previously set out in Draft Decision rule 274J(5), is now dealt with in rule 274B(3).

The pre-approval mechanism in Draft Decision rule 274J(7) remains available, because the focus of the whole of rule 274K has now shifted to a pre-approval approach.

274J274K Changed circumstances

~~(1) In this rule 274J, a “potentially relevant modification” in respect of an integrated facility, means a modification to the facility, or equipment within the facility, which is of such a nature or scale that it has the potential to be judged a relevant modification under rule 274J(3).~~

(1) In this Subchapter 9.3, “potential relevant change” means a change (including a proposed change) to the equipment forming part of a CPC facility (including to its operation, characteristics, configuration, performance or capacity) that might credibly be expected to

(a) materially and adversely impact the CPC facility's performance against the standard in rule 274E; or

(b) require an access application or a change to a network access contract; or

(c) cause the equipment to cease being eligible equipment.

(2) The CPC procedure is to set out —

(a) the circumstances in which the ISO will or may declare a change to be a relevant change; and

(b) the circumstances in which the ISO will not or may not declare a change to be a relevant change;

{For example, the procedure may specify that planning and design work on a potential relevant change is not itself a relevant change.}

and

(c) the processes, consultation and timelines to be followed by the *CPC facility's controller*, the *ISO* and the *host NSP* in connection with a *potential relevant change* and a *relevant change*.

~~(2)(3) The *CPC facility's controller* of an *integrated facility* which has been permitted to connect under this Subchapter 9.3 must notify the *ISO* of any *potentially* and the *host NSP* before making or authorising a *potential relevant modification to its facility change*.~~

(4) The *ISO*, after consulting with (at least) the *host NSP* and the *CPC facility's controller* and considering the matters in rule 274K, may at any time declare a change to the *equipment* in a *CPC facility* (including to its operation, characteristics, configuration, performance or capacity) to be a “**relevant change**”, whether or not the *CPC facility's controller* gives notice under rule 274K(3).

~~(3) A modification to the *integrated facility*, or *equipment* within the *facility*, is a “**relevant modification**” for the purposes of this rule 274J if —~~

~~(a) the *ISO* determines in accordance with the *CPC procedure* that the modification is such that it is reasonable in accordance with *GEIP* to re-assess whether the *CPC measures* in place for the *facility* will continue to meet the standard specified in rule 274E after the modification; and~~

~~(b) the *ISO* gives a notice to the *facility's controller* of that determination.~~

~~(1) The *ISO* may make a determination under rule 274J(3)(a) and give a notice under rule 274J(3)(b), whether or not the *integrated facility's controller* gives a notice under rule 274J(2).~~

~~(2) Before making a determination under rule 274J(3)(a), the *ISO* —~~

~~(a) must consult with the *facility's controller* and the *registered NSP*; and~~

~~(b) may consult otherwise as it sees fit; and~~

(5) If the *ISO* declares a change to be a *relevant change* then —

(a) the process in this Subchapter 9.3 applies anew to the *CPC facility*; and

(b) the *CPC facility's controller* must not commence or authorise work on the *relevant change* until the new Subchapter 9.3 process is completed and has resulted in agreed *CPC measures*.

(6) If *equipment* ceases being *eligible equipment*, then rule 274F(1) ceases to apply to the *CPC facility*.

{If rule 274F ceases to apply to the *CPC facility*, all the *equipment* must comply fully with these rules unless otherwise exempted.}

(7) If a *CPC facility's controller* breaches rules 274K(3) or 274K(5)(b), then the *ISO*, in consultation with the *host NSP*, may suspend or by *direction* modify the *CPC measures* for the *CPC facility*.

(8) If the *ISO* suspends the *CPC measures* for the *CPC facility*, then for the duration of the suspension, rule 274F(1) does not apply to the *CPC facility*.

(9) Before declaring a change to be a *relevant change*, the *ISO* must consider the balance between —

~~(c) must consider the balance between the cost to the~~ (a) the burden, including cost, to the CPC facility's controller of repeating the Subchapter 9.3 process and the risk to the facility's controller of a change in, or removal of, the CPC measures, against; and

(b) the resultant benefit in terms of security, reliability and the Pilbara electricity objective.

(10) Nothing in this rule 274K limits or displaces the other requirements of these rules, a network access contract, the Access Code or any applicable law regarding modifications to equipment.

~~(3) If the ISO gives a notice under rule 274J(3)(b) then, subject to the CPC procedure, this Subchapter 9.3 process (including rule 274G(2)) is to be undertaken afresh in respect of the proposed modified integrated facility.~~

~~(4) The CPC procedure may provide for the controller of an integrated facility to request from the ISO, and the ISO in its discretion to provide, an advance determination under this rule 274J in respect of a proposed modification, in which case the CPC procedure is to set out the process for, and consequences of, that request and determination.~~

Explanatory note

Rule 274L is largely unchanged from Draft Decision rule 274K, save for the addition of a paragraph relating to the possibility of a CPC facility having multiple connections points under rule 274A(4).

A {note} has been added, to reflect the fact that rule 274K(2) also sets out some mandatory requirements for the CPC procedure.

274K274L CPC (connection point compliance) procedure

(1) The ISO, in consultation with (at least) the registered NSPs, is to develop a procedure ("CPC procedure") for the purposes of this Subchapter 9.3.

(2) The CPC procedure may set out:

(a) the ISO's, the registered host NSP's and the connection applicant's functions in connection with this Subchapter 9.3; and

(b) the process to be followed in making and assessing an application under rule 274B(1), unless the ISO in its discretion decides otherwise to modify this process; and

(c) the information which the registered host NSP and the connection applicant must provide to the ISO, including the studies and analysis they which must undertake be undertaken (but nothing in the procedure will limit the ISO's ability to request any other information, studies or analysis); and

(d) the studies or analysis the ISO may undertake; and

(e) indicative (but non-binding) timeframes; and

(f) sample CPC measures, including measures for ongoing monitoring, verification and reporting of compliance at the connection point; and

(g) any criteria, processes, conditions or other requirements which apply in connection with the ISO agreeing under rule 274A(2) to classify equipment and components across multiple connection points as a single CPC eligible facility.

{Rule 274K(2) lists some matters the procedure must set out.}

(3) Rule ~~274K~~274L(2) does not limit the matters the CPC procedure may deal with.

Explanatory note

New rule 274M has been added, providing for certain decisions to be reviewable by the Electricity Review Board. As with decisions under Appendix 2, this will be limited to a “procedural review” (assessing whether the decision maker followed the prescribed process) rather than a full “merits review” (in which the correctness of the decision can be questioned).

274M Procedural review

A decision by the ISO or the host NSP under rules 274C and 274K may be the subject of a procedural review in accordance with the regulations.

Appendix 4

A4.57 Rules A4.58 to A4.60 apply to the following *procedures* —

- (a) a communications procedure under Subchapter 4.2; and
- (b) a visibility list; and
- (c) an administration procedure for the purposes of Chapter 4; and
- (d) a *budget and cost management procedure* for the purposes of Subchapter 4.5; and
- (e) an interim *procedure* to manage *essential system services*, energy balancing, and settlement; and
- (f) an *access and connection procedure* for the purposes of Subchapter 9.2; and
- (fa) a CPC procedure for the purposes of Subchapter 9.3; and
- (g) any other *procedure* which the ISO determines needs to be put in place sufficiently soon after the *rules commencement date* to make full consultation impractical.

Explanatory note

In response to Woodside's comments in its second period submission, new Sub-appendix 4.13 has been added, to recognise the fact that considerable work has already been done in connection with a CPC solution for the Pluto facility.

Sub-appendix 4.13 – Transitional process for Pluto CPC measures

Transitional process for Pluto CPC measures

A4.73 To the extent that the ISO considers that things done before the commencement of this rule A4.73 deal adequately with matters to be considered and steps to be taken under Subchapter 9.3 in connection with proposed CPC measures for the Pluto facility –

- (a) the ISO, the host NSP and the connection applicant may take those things into account for the purposes of Subchapter 9.3, as if they were done under Subchapter 9.3; and
- (b) the ISO may by published notice waive some or all of rules 274B(1), 274B(5) and 274C(2).

A4.74 A notice under rule A4.73(b) –

- (a) may be expressed to be subject to such conditions as the ISO considers necessary or convenient; and
- (b) is subject to the CPC procedure.

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