



Government of Western Australia
Department of Mines, Industry Regulation and Safety
Energy Policy WA

Final Rule Change Report Various Pilbara ISO Functions (PRC_2023_01)

Standard Rule Change Process

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Various Pilbara ISO Functions
(PRC_2023_01)*

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1. The Rule Change Proposal, Process and Timeline

On 14 March 2023, the Pilbara ISOC_o (ISO) submitted a *rule change proposal* titled “Various Pilbara ISO Functions (Access and connection costs; ESS procurement; CPC measures)” (PRC_2023_01). This *rule change proposal* seeks to amend two existing provisions, and insert one new provision, in the Pilbara Network Rules (PNR).

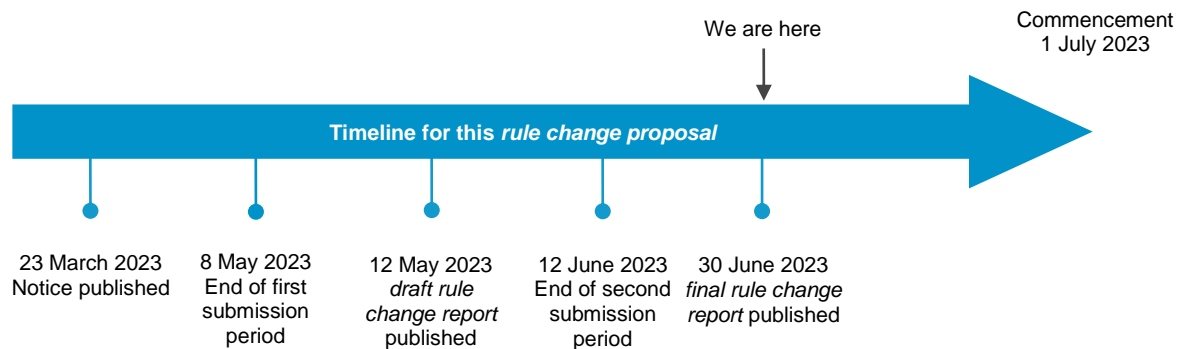
The proposal is to make three distinct changes to the PNR:

- The first is an amendment to the cost recovery provisions in relation to the ISO’s access and connection functions under Subchapter 9.2.
- The second is an amendment to rule 244 enabling the ISO to develop a permanent *essential systems services* (ESS) Procedure.
- The third is an amendment to correct a reference error in the subrule A4.73(b) which commenced on 31 March 2023 as part of the *rule change proposal* PRC_2022_01).

This *rule change proposal* is being processed using the *standard rule change process* described in rules 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: [Pilbara Rule Change PRC_2023_01 \(www.wa.gov.au\)](http://www.wa.gov.au).

The key dates for progressing this *rule change proposal* are:



This *final rule change report* is drafted under rule 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*, *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) as follows:
 - the introduction of a user-pays cost allocation method is consistent with investment of the nature and scale most likely in the context of the Pilbara resource industry and the NWIS, and:
 - will facilitate efficient and proportionate arrangements for both existing large participants seeking to make a connection application and new, smaller scale entrants;
 - provides certainty and clarity in relation to cost recovery for the ISO which, in turn, will enhance its ability to appropriately allocate resources, contributing to the performance of its functions;
 - is akin to the user-pay approach for connection, access and system operation in both the National Electricity Market (NEM) and the Wholesale Electricity Market (WEM) that applies in the South West of Western Australia; and
 - was, and continues to be, considered appropriate for the allocation of other types of costs in the Pilbara regulatory regime, including for example *connection point compliance*;
 - the development of a permanent ISO ESS Procedure is necessary to:
 - improve the ISO's capability to identify and manage risks, and ensure that an appropriate level of each type of ESS is procured to maintain the *secure* and *reliable* operation of the NWIS, and minimise potential supply disruptions;
 - establish efficient and effective procurement of ESS to provide transparency over the processes and technical requirements to be followed in the procurement of ESS by the ISO with a view to minimise costs;
- have been amended to reflect the consensus views of the PAC, to the extent practicable;
- have considered any issues raised in the first and second period submissions, and have been modified, as appropriate, by the Coordinator's additional amendments to the *amending rules*; and
- on balance, provide a range of benefits that result from the ISO's ability to more effectively and efficiently carry out its functions that will 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 **1 July 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_2023_01, as published in the Coordinator's rule change notice on 23 March 2023. Both the full *rule change proposal* and the rule change notice can be found on the [Coordinator's website](#).

The ISO's *rule change proposal* sought to make three distinct changes to the PNR:

1. **Proposal A (ISO access and connection related costs):** amending the cost recovery provisions in relation to the ISO's access and connection functions under Subchapter 9.2 of the PNR.
2. **Proposal B (Procedure relating to ESS under Subchapter 8.1):** amending rule 244 of the PNR to provide for the development of a permanent ISO ESS Procedure.
3. **Proposal C (Reference error with regard to Pluto CPC measures):** correcting a reference error in subrule A4.73(b) of the PNR.

The ISO's assessment against the *Pilbara electricity objective*

Proposal A

The ISO considered that it is in the interests of all NWIS participants and the improved *reliability* and *security* of the NWIS as a whole, that the ISO is able to perform its access and connection related functions with certainty in its ability to recover the costs of doing so.

The ISO considered that issues of equity and fairness would arise if its costs were socialised through ISO fees, rather than recovered on a user-pays basis.

Proposal B

The ISO considered that Proposal B would give it a clear ability to engage with stakeholders and experts in availing itself of advice of those with the technical knowledge and understanding of the unique characteristics of the NWIS and the Pilbara region more generally.

The ISO considered that Proposal B would also assist the ISO in developing processes that ensure transparency and accountability in the procurement, delivery and performance of ESS.

The ISO noted that this would enable stakeholders to better understand the ESS related processes and to provide feedback, which will contribute to ensuring that the ISO is meeting the needs of the NWIS and its users.

Proposal C

The ISO did not provide an assessment of Proposal C against the *Pilbara electricity objective*.

Please refer to section 3 of the *rule change proposal* for the ISO's complete assessment of why it considers the changes are consistent with the *Pilbara electricity objective*.

3.2 The Coordinator's Initial Assessment of the Proposal

Under rule 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* available on the [Coordinator's website](#).

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_2023_01.

4.1 The Pilbara Advisory Committee's Initial Advice

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 5.1 of the *draft rule change report*. The summary covers:

- PAC meeting – 3 August 2022;
- PAC meeting – 30 March 2023; and
- the PAC's advice to the Coordinator.

The PAC provided advice to the Coordinator regarding *rule change proposal* PRC_2023_01 subsequent to publication of the *draft rule change report*. This is provided in section 4.5 of this *final rule change report*.

4.2 The Coordinator's Response to the Pilbara Advisory Committee's Initial Advice

Section 5.2 and section 6 of the *draft rule change report* detailed the Coordinator's response to the PAC's advice provided prior to publication of the *draft rule change report* regarding the *rule change proposal* PRC_2023_01.

4.3 Submissions Received during the First Submission Period

The first submission period for this *rule change proposal* was held between 23 March 2023 and 8 May 2023.

The Coordinator received one submission from the ISO and one confidential submission.

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

4.4 The Coordinator's Response to Submissions Received during the First Submission Period

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

4.5 The Pilbara Advisory Committee's subsequent advice

At its 25 May 2023 meeting, the PAC considered the ISO's *rule change proposal* as amended by the Coordinator following the first submission period and presented in the *draft rule change report*.

Members:

- generally supported the Coordinator's revised *amending rules*;
- considered that the Coordinator's revised *amending rules* were consistent with the PAC's initial advice; and
- considered that the Coordinator's revised *amending rules* would better achieve the *Pilbara electricity objective*.

A discussion of each of the proposals are provided in the following sections. The papers for, and minutes from, this PAC meeting are available on the [Coordinator's website](#).

4.5.1 Advice on the Introduction of a User-Pays Cost Allocation Method

The PAC provided the following advice at its 25 May 2023 meeting:

- There is a potential gap between the treatment of *covered networks* and *non-covered networks*, and this may have an impact on the ISO's cost recovery. This should be considered further in the drafting of the final *amending rules*.
- The method should account for circumstances where the ISO is directly approached by an *access seeker*, and if there is more than one *registered NSP* involved in a particular process.
- Further consideration of rule 274R is required. Specifically, how it would interact with commercial arrangements between a *registered NSP* and a *connection applicant* to ensure that there would be no unintended consequences.

4.5.2 Advice on the Development of a Permanent ISO ESS Procedure

The PAC supported the changes and recognised the benefits of having a broad and balanced representation of members on ISO's working groups.

4.5.3 Advice on the correction of reference errors

The PAC supported the changes. Members noted the need to determine whether there would be potential inconsistencies between formatting and definitions in the amended PNR and the *Pilbara Networks Access Code (PNAC)*.

4.6 The Coordinator's Response to the Pilbara Advisory Committee's Subsequent Advice

The Coordinator has made a number of additional changes to the *rule change proposal* PRC_2023_01 to reflect the advice provided by the PAC following the *draft rule change report*. The advice is summarised in section 4.5, and these additional changes are reflected in the final *amending rules* provided in section 7 of this report.

The Coordinator has considered the potential for inconsistency between the amended PNR and the *PNAC*, and will ensure the new formatting of the PNR is reflected during future changes of the *PNAC*.

4.7 Submissions Received During the Second Submission Period

The second submission period for this *rule change proposal* was held between 12 May 2023 and 12 June 2023. The Coordinator invited stakeholders to make submissions in respect of all aspects of the *draft rule change report*.

The Coordinator received submissions from the ISO and Alinta Energy, and one confidential submission. Copies of the submissions received from the ISO and Alinta Energy are available on the [Coordinator's website](#).

The same key issues related to the drafting of the rules, which were raised at the 25 May 2023 PAC meeting, were also raised in stakeholder submissions. Alternate drafting to the proposed *amending rules* in the *draft rule change report* was also suggested.

A summary of the 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 *final rule change report*.

The Coordinator has made a number of revisions to the proposed *amending 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 were as follows:

- The ISO strongly supported retaining the drafting of subrule 274P(a) on the basis that access and connection or connection point compliance (CPC) costs related to a *covered NSP* are dealt with under the *PNAC*.
- The ISO strongly supported the new *amending rules* to make the interim procedures permanent.
- Alinta Energy was broadly supportive of the proposed *amending rules*, subject to the Coordinator's consideration of some further issues affecting proposed rules 274P and 274R.
- The confidential submission expressed general support for the Coordinator's revised *amending rules*.

Access and connection related costs

Alinta Energy noted that the current proposed subrule 274P(a) states that costs incurred for a *covered NSP* are to be dealt with in accordance with the 'User Access Guide' under the *PNAC*. However, section 42(2) of the *PNAC* only provides for the applicant's reasonable costs in respect of preliminary enquiries and further investigations. Alinta Energy stated that an NSP may incur other costs in performing its access and connection or CPC functions, which would likely be agreed commercially between parties.

Alinta Energy suggested amending subrule 274P(a) so that an NSP's costs can be dealt with either under the *PNAC* or "as otherwise agreed between the parties".

The ISO noted that the Access and Connection Procedure is not specifically drafted to consider non-covered networks, nor situations where an access applicant becomes a Registered NSP upon energisation.

The ISO suggested changes to the *access and connection procedure* so that the ISO recovers costs directly from an *access applicant* for a *non-covered network*, rather than through the process reflected in the current drafting of the new subrule 274P(b).

Implementation, operation and maintenance costs

Alinta Energy suggested a similar amendment to the proposed rule 274R as it suggested for access and connection related costs under rule 274P. This would allow costs to be dealt with under the *PNAC* or “as otherwise agreed between the parties”.

Transition period for limited ISO control desk

The ISO highlighted that a short period of transition may be needed for the ISO *control desk* to move from its current interim delegation agreement between ISO and Horizon Power, to the full delegation granting enhanced powers to the ISO *control desk*. The full delegation is currently expected to commence on 1 July 2023. However, the Protocol Framework Procedure and *constraint rules* that will govern the ISO’s delegated functions still need to be developed and finalised.

The ISO suggested the introduction of *amending rules* similar to the ISO’s proposed changes to the rules related to the interim procedure and the visibility list.

Incorporating ENAC as potentially applicable procedure in future scenarios

The confidential submission highlighted that the Coordinator’s *amending rules* focus on *covered networks* and *non-covered networks* under the *PNAC*. However, in the future some networks may instead be covered by the *Electricity Networks Access Code* (ENAC) that covers areas outside the Pilbara. The submission suggested the PNR should allow for this.

Reference errors

The ISO identified some minor reference errors and drafting errors in subrules 315(1)(d), 315(2) and 316(1), Sub-appendix 2.3, and subrule A4.78(a).

4.7.2 Assessment against the Pilbara electricity objective

The assessment by stakeholders in their 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 was broadly supportive of the proposed <i>amending rules</i> , subject to its further recommendations, but did not comment specifically on the achieving of the <i>Pilbara electricity objective</i> .
Pilbara ISO	The ISO noted that the cost recovery method recommended for <i>non-covered networks</i> is aligned with a user-pays principle and thus promotes efficient operation, use of and investment in the Pilbara network.
Pilbara ISO	The ISO noted that a short transition period of limited ISO <i>control desk</i> function during the development of the Protocol Framework Procedure and <i>constraint rules</i> will promote system <i>security</i> .
Confidential	The confidential submission supported the assessment in the <i>draft rule change report</i> , and was broadly supportive that the Coordinator’s <i>revised rule change proposal</i> addresses challenges identified by the ISO in fulfilling its functions in accordance with the <i>Pilbara electricity objective</i> .

4.8 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.

5. The Coordinator's Draft Decision

The Coordinator's draft analysis of the *rule change proposal* and assessment against rules 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 proposed *amending rules* were set out in section 7 and Appendix A 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 a *final rule change report*, the Coordinator is required to assess the *rule change proposal* against the matters outlined in rules A2.4.A2 and A2.4.3 of the PNR.

In accordance with rule 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 rule A2.4.3 of the PNR in the assessment of the proposed changes, and in the final decision to accept the *rule change proposal* in a modified form.

The Coordinator's assessment of the proposed changes and the rationale for this decision is set out in the following sections.

6.1 Assessment of the Proposed Changes

The Coordinator supports the intent of ISO's rule change proposal, which consists of three proposed changes related to the functions of the ISO.

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 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 explained in the *draft rule change report*, the Coordinator proposed a number of further amendments to the ISO's *rule change proposal*. These amendments were in response to advice from the PAC, and to address issues raised in the first period submissions.

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

- The ISO strongly supported retaining the drafting of subrule 274P(a) on the basis that access and connection or CPC costs related to a *Covered NSP* are dealt with under the *PNAC*.
- The ISO strongly supported the new *amending rules* to make interim procedures permanent. Further, the ISO suggested similar amendments to extend the ISO's interim agreement with Horizon Power regarding the *control desk* powers until a permanent delegation agreement can be reached.
- The ISO suggested that it should recover costs directly from a *connection applicant* to a *non-covered network*, or a *connection applicant* who becomes a *registered NSP* upon energisation.
- Alinta Energy was broadly supportive of the proposed *amending rules*, subject to the Coordinator's consideration of some further issues affecting new rules 274P and 274R.
- The confidential submission was generally supportive of the revised *rule change proposal*.

While there was broad support for the overall framework, there were a number of specific issues highlighted in each submission and at the 25 May 2023 PAC meeting 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, 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 Access and Connection Related Costs

At the 25 May 2023 PAC meeting and in its second period submission, Alinta Energy highlighted that the current drafting of subrule 274P(a) only allows costs incurred for a *covered NSP* to be dealt with under the *PNAC*. This only provides for the *access applicant's* reasonable costs in respect of preliminary enquiries and further investigations. It does not account for further costs in the performance of access and connection functions, with these likely to be agreed commercially between the parties.

Alinta Energy suggested that subrule 274P(a) be amended so that an *NSP's* costs can be dealt with under the *PNAC* or “as otherwise agreed between the parties”.

At the 25 May 2023 PAC meeting:

- PAC members identified potential gaps in the rules in respect of *non-covered networks* and, in particular, whether the *PNAC* would cover such networks.
- Rio Tinto queried what effect the PNR would have in a scenario where:
 - there are multiple *NSPs* involved in a single access and/or connection process; or
 - there is an *access applicant* who is also an *NSP*.

In its second period submission, the ISO referred to this and other related issues. The ISO highlighted that the *access and connection procedure* is not specifically drafted to consider *non-covered networks*, nor where an applicant becomes a *registered NSP* upon energisation.

The ISO suggested changes to the *access and connection procedure* such that the ISO recovers costs directly from an applicant to a *non-covered network*, rather than through the process reflected in the drafting of the new subrule 274P(b) set out in the *draft rule change report*.

Final Decision

The Coordinator acknowledges the concerns raised above. The Coordinator's final decision is as follows:

Host NSPs

In the Coordinator's additional amendments, reference is made to a *host NSP* rather than a *registered NSP* for the purposes of Subchapters 9.2 and 9.3 of the PNR.

A definition of *host NSP* already exists in rule 8 but has now also been added to Subchapter 9.2, for consistency with Subchapter 9.3.

The Coordinator has decided to amend rule 267 so a *host NSP* for the purposes of Subchapters 9.2 and 9.3 is defined as a *registered NSP*.

Pre-existing commercial contracts

The Coordinator has decided to introduce new subrule 274O(1), which allows a contract between the parties to vary the effect of new rules 274P to 274S.

Connection application to more than one NSP

The Coordinator has decided to introduce a new subrule 274R(2)(c), which states that if a *new connection* involves *connection applications* to more than one *host NSP*, the ISO may apportion the fee between the *host NSPs* as it determines is appropriate.

ISO's direct cost recovery from other types of connection applicant (non-covered networks, where the connection applicant is also an NSP)

The Coordinator has decided to make the following further changes:

- References in each of (what is now) rules 274Q, 274R and 274S to the *PNAC* have been changed to the defined term "Access Code", to cover a future situation in which a network may be regulated under the ENAC.
- What is now rule 274R(1) was ambiguous as to who should pay, if the *connection applicant* was another *NSP*. This has been changed to clarify that the payer will be the *host NSP*, not the *connection applicant*. The *host NSP* and *connection applicant* will be free under rule 274O to contract for a different outcome, subject to the *Access Code* and any other laws.
- New rule 274R(2)(c) deals with a situation in which the *connection applicant* is seeking to access more than one network and provides that the ISO may apportion fees across the *host NSPs*.
- For *non-covered networks*, new subrule 274R(5) allows the *access and connection procedure* to provide for the *connection applicant* to bear the ISO's fee in place of the *host NSP*.

6.1.2 Implementation, Operation and Maintenance Costs

In its second period submission, Alinta Energy suggested an amendment to rule 274R so that a *connection applicant* bearing its own and the *registered NSP's* costs in respect of implementing, operating and maintaining a connection, if not dealt under the *PNAC*, is to be dealt with "as otherwise agreed between the parties".

Final Decision

The Coordinator's final decision is to adopt Alinta Energy's proposed amendment, but is doing so by introducing the new rule 274O rather than amending rule 274R. This is to allow the provision to apply more broadly where there may be alternative arrangements agreed commercially between parties.

6.1.3 Transition Period for Limited ISO Control Desk

At the 30 March 2023 PAC meeting, members discussed the making of interim procedures permanent as part of the *rule change proposal*.

In its second period submission, the ISO referred to this discussion and recommended the Coordinator draft a similar amendment to the PNR to extend an existing interim agreement between the ISO and Horizon Power, granting the ISO limited *control desk* powers.

The ISO highlighted that a short period of transition may be needed for the ISO *control desk* to move from the interim delegation agreement between ISO and Horizon Power, to the full delegation granting enhanced powers to the ISO *control desk*. The full delegation was expected to commence on 1 July 2023. The ISO suggested a transition period of sufficient length to allow it to finish developing and consulting on the Protocol Framework Procedure and *constraint rules*.

Final Decision

The Coordinator agrees that the rules should provide for a transition period of sufficient length to allow the relevant permanent procedures and agreements to be finalised. However, rather than mandating an extension of the transition period, the Coordinator's final decision is to grant the parties the option of extending should they need to.

The Coordinator has decided to introduce new rule A4.81 to give the ISO and Horizon Power the option of continuing the interim *control desk* arrangements for a further two months to allow:

- the ISO and Horizon Power time to finalise the full delegation agreement; and
- the ISO and NSPs to finalise and put in place an interim Protocol Framework and interim *constraint rules*.

The Coordinator has also decided to amend rule A4.76 to introduce a new definition of “*Interim Instrument*” for the purposes of Sub-appendix 4.14 to mean a procedure “or other instrument” developed and published by the ISO before 1 January 2024. This has the effect of the rule applying not only to procedures but also any agreement finalised between the ISO and Horizon Power.

6.1.4 Incorporating ENAC as Potentially Applicable Procedure in Future Scenarios

In its second period submission, the confidential submission highlighted that the Coordinator’s *amending rules* focus on *covered networks* and *non-covered networks* under the *PNAC*. However, in the future some networks may instead be covered by the ENAC. The confidential submission suggested the PNR should take this into account.

Final Decision

The Coordinator accepts the rationale for this proposed change.

The Coordinator has decided to amend rules 274Q to 274S to reference an “*Access Code*” rather than simply the *PNAC*. This will cover future situations where the ENAC may be applicable.

6.1.5 Reference Errors

In its second period submission, the ISO identified some minor referencing errors and drafting errors in subrules 315(1)(d), 315(2), 316(1), Sub-appendix 2.3, and subrule A4.78(a).

Final Decision

The Coordinator accepts these changes.

The Coordinator’s final decision is to add these to the existing list of typographical errors forming part of the Coordinator’s wholesale reformatting of the PNR.

6.2 Amendments to the Proposed Amending Rules

As outlined in section 6.1, 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 and 25 May 2023 PAC meeting.

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

6.2.1 Access and Connection Related Costs

The Coordinator has drafted amendments to the rules dealing with access and connection costs and CPC costs to clarify the role of the *host NSP* as follows:

- A definition of “*host NSP*” already exists in rule 8 but has now also been added to Subchapter 9.2, for consistency with Subchapter 9.3.

- Rule 267 has been amended so the definition of a *host NSP* for the purposes of Subchapters 9.2 and 9.3 is a *registered NSP*.

The Coordinator has drafted new rules to provide for commercial arrangements between parties in certain circumstances:

- The ability to contract out of the prescribed position has been applied by adding a new subrule 274O(1), which allows parties to vary the effect of new rules 274P to 274S by entering into contracts.

The Coordinator has drafted amendments to the rules to provide for a situation where an applicant seeks connection to more than one *NSP*:

- The Coordinator has added new rule 274R(2)(c), which deals with a situation in which the *connection applicant* is seeking to access more than one network and in which the ISO may apportion fees across the *host NSPs*.

The Coordinator has drafted amendments to the rules to the ISO may directly recover costs from *non-covered networks*, and in situations where a connection applicant is also an *NSP*:

- References in each of (what is now) rules 274Q, 274R and 274S to the *PNAC* have been changed to the defined term *Access Code*, to cover a future situation in which a network may be regulated under the ENAC.
- What is now subrule 274R(1) was ambiguous as to who should pay, if the *connection applicant* was another *NSP*. This has been changed to clarify that the payer will be the *host NSP*, not the *connection applicant*. The *host NSP* and *connection applicant* will be free under rule 274O to contract for a different outcome, subject to the *Access Code* and any other laws.
- For *non-covered networks*, new subrule 274R(5) allows the *access and connection procedure* to provide for the *connection applicant* to bear the ISO's fee instead of the *host NSP*.

6.2.2 Implementation, Operation and Maintenance Costs

The Coordinator has drafted a new subrule 274O(1) which allows parties to vary the effect of new rules 274P to 274S by entering into commercial agreements (and this includes arrangements as to implementation, operation and maintenance costs).

6.2.3 Transition period for limited ISO control desk

The Coordinator has drafted a new rule A4.81, which gives the ISO and Horizon Power the option of continuing the interim *control desk* arrangements for a further two months. This is to allow the ISO and Horizon Power time to finalise the full delegation agreement, and to allow ISO and NSPs to finalise and put in place an interim Protocol Framework and interim *constraint rules*.

The Coordinator has also drafted amendments to rule A4.76 to introduce a new "*Interim Instrument*" term for the purposes of Sub-appendix 4.14, which means a procedure "or other instrument" developed and published by the ISO before 1 January 2024. This has the effect of the rule applying not only to procedures but also to any agreement finalised between the ISO and Horizon Power.

6.2.4 Incorporating ENAC as potentially applicable procedure in future scenarios

The Coordinator has drafted amendments to rules 274Q to 274S (dealing with the *NSP's* costs, the ISO's costs, and costs of operating, implementing, and maintaining solutions respectively) to refer to an "*Access Code*" rather than simply to the *PNAC*.

6.2.5 Reference and typographical corrections

Additional cross-references corrected

Stakeholder feedback has identified further incorrect cross-references in version 31 March 2023 of the PNR, which the Coordinator has remedied as listed in **Table 8**.

The Coordinator considers that it's appropriate to fix the incorrect references because, while these changes could potentially have legal significance, they remove the uncertainty created by the incorrect references.

Table 8 – Additional corrected cross-references since Draft Rule Change Decision

Rule	Incorrect reference	Corrected reference
Rule 315(1)(d)	Rule 307	Rule 315(1)
Rule 316(1)	Rule 307	Rule 315(1)
Rule A4.27	Rules A4.27 {Emergency directions} and A4.45	Rules A4.28 {Emergency directions} and A4.45

Miscellaneous and Other Typographical Corrections

Since the *draft rule change report*, various additional typographic errors have been identified in passing. Where these had no, or had trivial, legal consequence, the Coordinator addresses them in **Table 3**. The Coordinator does not consider that any of these changes have legal significance.

Table 3 – Additional editorial changes made since Draft Rule Change Decision

Rule	Minor correction
Rule 8, definition of "Consumer Facility"	For consistency, the word "and" has been moved below the {note} which follows para (b)
Rule 8, definition of "Excluded Network"	Added a comma at end of para (c)
Rule 8, definition of "Facility"	Added an "or" at end of para (a)
Rule 8, definition of "Generation Facility"	For consistency, the word "and" has been moved below the {note} which follows para (b)
Rule 8, definition of "Pluto Site"	Replaced ":" with "—" in opening words
Rule 105(2)	Corrected a double full stop at end
Rule 274B(2)(b)	Replaced "," with "."

Rule	Minor correction
Rule 274C(2)(a)	For consistency, the word “and” has been moved below the {note} which follows para (a)
Rule 274D(2)	Replaced “:” with “—” in opening words
Rule 274D(2)(a)	For consistency, the word “and” has been moved below the {note} which follows para (a)
Rule 274E(a)	Replaced “:” with “—” in opening words
Rule 274E(a)(ii)	Replaced “:” with “—” in opening words
Rule 274E(a)	Relocated the word “and” at the end of sub-para (a)(ii)’s resuming words to a separate line and outdented it to align correctly
Rule 274H(1)(a)(i)	Removed underlining from “GEIP”
Rule 274H(1)(a)(i)(B)	Relocated the word “and” at the end of sub-sub-sub-para (B) to a separate line and outdented it to align correctly
Rule 274L(2)	Replaced “:” with “—” in opening words
Rule 295	Removed surplus “(1)”
Rule 315(2)	Added missing words “time <u>to time</u> ”
Rule 321(1)(b)(iii)	Corrected spelling of “practiced”
Rule 338(3)(b)	Corrected spelling of “Arbital”
Rule 364(1)(b)	Replaced “;” with “.”
Rule A1.6	Corrected spelling of “consider”
Rule [A]2.9.4	Added “A” to the rule number
Rule [A]2.9.5	Added “A” to the rule number
Rule A4.36(b)	Removed underlining from “Administered Price”
Rule A4.74	Replaced “-” with “—” in opening words

6.2.6 Formatting and typographical changes from the *draft rule change report*

Capitalisation replaces italics for defined terms, italicisation errors corrected

Defined terms have been capitalised. In response to comments raised by the PAC, the Coordinator has considered the potential for inconsistency between the amended PNR and the PNAC, and will ensure the new formatting of the PNR is reflected during future changes of the PNAC.

There were various instances throughout the rules in which terms should have been italicised, but were not. The Coordinator has endeavoured to correct all in identifying defined terms by ensuring all defined terms are capitalised. In doing so the Coordinator has removed any legal uncertainty that may have arisen as to whether or not the defined term is a word's intended meaning.

Glossary no longer in table form

The definitions in the PNR are now presented as normal text paragraphs, rather than being in table form. This reflects the formatting of the WEM Rules.

This involved a suite of punctuation and minor grammatical changes, namely:

- Insertion of colons after each label.
- Capitalising the first word of the definition text, except where the definition jumps straight into a numbered list (e.g. in the definition of "Associate").
- Relocating explanatory {notes} which appeared in the left-hand column, and removing full stops (e.g. in the definition of "Connection").
- Changing the opening words of rule 8, which make mention of a table.

The Coordinator does not consider that any of these changes have legal significance.

In the course of reworking the glossary, the Coordinator has made other minor changes described below.

Ensuring all multi-paragraph definitions in the Glossary have paragraph numbers

In some of the definitions which contain multiple paragraphs, the paragraphs were not numbered. To improve the glossary's formatting, and improve user-friendliness, the Coordinator has ensured that all multi-paragraph definitions contain paragraph numbers. This involved changes to the rules listed in **the table below**.

Table 4 – Definitions in which previously unnumbered paragraphs have been numbered

Definition
Covered
Enable
Final Rule Change Report
Generation Facility
Network Access Contract
Network User (see more information below this table)

The definition of “**Network User**” was not previously paragraphed, so the changes there included inserting a semicolon before “and” and a line break after it, and replacing “ , ” in new para (b) with “ — ”.

The Coordinator does not consider that any of these changes have legal significance.

Other minor reformatting and typographical corrections in Glossary

The Coordinator has made the minor changes to rule 8 described in **Table 5**. The Coordinator does not consider that any of these changes have legal significance. For the changes described in the first row, the word “means” was already clearly inferred.

Table 5 – Other editorial corrections in the glossary

Definition(s)	Minor correction to definition
Contingency, Enabled Generating Units, Islanding Event, Network Constraint, Network Limit, Notional Exit Point, Notional Wholesale Meter, PAC Secretariat, and Secondary FCESS	The word “Means ...” has been added to the start of these definitions.
Disable, Nominator, and Public	“ — ” has been replaced by “ , ”
Network Access Contract, Non-Covered, and Power System	In each paragraph of each definition, the first “ , ” has been replaced by “ — ”
Generation Facility	For consistency, the word “but” has been moved below the {note} which follows para (a)
Network Planning Criteria	“Means, for a Network,” has been replaced by “For a Network, means”
Primary FCESS Contract, SRESS Contract, System Coordination Report, and Transmission Development Plan	At the start of each definition, “Is” has been replaced by “Means”.
Publish	Has been amended from: “Means where a person is required to publish a thing — that ...” to

	“Where a person is required to publish a thing — means that ...”
Real Time Function	Label has been corrected from “Real Time Functions”
Statement of Reasons	Has been amended from “Means, in respect of a Final Determination, the ...” to “In respect of a Final Determination, means the ...”

Minor formatting and typographical changes to definitions elsewhere in the rules

The Coordinator has made minor changes to definitions elsewhere in the rules, as described in Table 6.

The Coordinator considers most of these changes to be of no legal significance. The various changes regarding the defined term “Applicant” remove what might have otherwise have been an ambiguity.

Table 6 – Editorial corrections to definitions elsewhere in the rules

Rule containing other definition	Minor correction
57(1)	The embedded definition “Applicant” should be limited to only rule 57, because the word “Applicant” is used in other senses elsewhere. Accordingly: “(“ Applicant ”) has been replaced by “(in this rule 57, the “ Applicant ”)
63(1)(c)	The embedded definition (“ Connection Date ”) is not used, and has been deleted.
64(1)	As the opposite of rule 57 above, this rule lacks an embedded definition of “Applicant”, which could create ambiguity. Accordingly: “... or Controller may apply ...” has been replaced by “... or Controller (in this rule 64, the “ Applicant ”) may apply ...”. In addition, “applicant” has been capitalised in rules 64(7) and 64(9).
72(1)	The embedded definition (“ First Network ”) is not used, and has been deleted.
147(1)	The embedded definition (“ Applicant ”) is not used, and has been deleted.
227(d)	Quotation marks have been added to the 6 embedded definitions.

234(4)

Quotation marks have been added to the 6 embedded definitions.

Other minor typographical corrections throughout the rules

In the course of reformatting the rules document, various typographic errors have been corrected in passing. Where these had no or trivial legal consequence, the Coordinator addresses them in Table 7. The Coordinator does not consider that any of these changes have legal significance.

Table 7 – Other editorial changes made in passing

Rule	Minor correction
4	In the final row of the table (Class 3), “Rules” is replaced with “These Rules”
4, final row of the Table	“Rules” replaced by “ These Rules”
8, definition of “Interim Determination”	Reference to “ an Rules Dispute” corrected to “ a Rules Dispute”.
8, definition of “Protected Provision”	“ the Rules” replaced by “ these Rules”
8, definition of “Reviewable Decision”	“decisions” replaced with “a decision”
8, definition of “SRESS”	“is define” replaced with “is defined”
9(1)(g) and (i)	“ the Rules” replaced by “ these Rules”
17(3)(a)	“an other” is replaced with “another”
62(1)(b)	“Change of Class” is replaced with “Change in Class”
62(3)(b)(ii), and 63(3)(b)(ii)	In both places, the expression “minus —” appeared with the incorrect level of indentation. It has been corrected in both places to align with the body text of sub-sub-paragraphs (A) and (B).
117(1)	“ the Rules” replaced by “ these Rules”
152(3)	For consistency, the word “and” has been moved below the {note} which follows para (a).
[188(2)]	[Paragraphs formerly numbered (i) to (v) have been renumbered to be (a) to (e).]
190(1)(a)	An “or” has been added to the end of this paragraph.
198(1)	“a change in to” replaced by “a change to”.
198(1)	“ the Rules” replaced by “ these Rules”
212(1)(a), and 212(2)(a)	In both paragraphs, the expression Required Headroom Level is not a definition – the definition appears in rule 210(c). Accordingly, in both places “ Required Headroom Level ”

	has been replaced by “ Required Headroom Level ”.
235(3)(a) , and 235(3)(b)	In both paragraphs, replace “ ; ” with “ — ”
250(3)	In the opening words, replace “ ; ” with “ — ”
261(2)(a) , second {note}	Replaced “ “ relevant persons ” ” with “ “ relevant person ” ”.
307(1)	In the rule and its {note}, “ the Rules ” replaced by “ these Rules ”
310	In 4 places, “ the Rules ” replaced by “ these Rules ”
311	“ the Rules ” replaced by “ these Rules ”
318(1)(a)	“ the Rules ” replaced by “ these Rules ”
318(1)(b)	“ the Rules and Procedures ” replaced by “ these Rules and the Procedures ”
330(1)	“ an Rules Dispute ” replaced by “ a Rules Dispute ”
333(8)(b)	“ If the arbitrators ” replaced by “ if the arbitrators ”
334(3)(b)	Surplus word “section” deleted.
370(2)	“Reviewable Decisions ” replaced by “ a Reviewable Decision ”
Appendix 2	
A2.8.13(f)	“ rules ” replaced by “ rule ”
A2.17.3	“Reviewable Decisions ” replaced by “ a Reviewable Decision ”
A4.7A	In the opening words, replace “ : ” with “ — ”
A4.11	In 2 places, “ the Rules ” replaced by “ these Rules ”
A4.13	“ the Rules ” replaced by “ the rest of these Rules ”
A4.21A	In the opening words, replace “ : ” with “ — ”
A4.31	“ an existing user ” replaced with “ a legacy user ”
A4.35	In the opening words, “ an existing user ” replaced with “ a legacy user ” In paragraphs (a) and (b), “the existing user ” replaced with “the legacy user ”
A4.36	In the opening words, “ an existing user ” replaced with “ a legacy user ”
A4.36(a)	“ existing users ” replaced with “ legacy users ”
A4.36(e)	In the opening words, “ existing user ” replaced with “ legacy user ”

Various

Replaced “ – ” (en-dash) with “ — ” (em-dash) in various places.

Removing surplus “(1)”s

In the rules listed in **Table 8**, the rule was numbered as subrule (1) when there was no subrule (2). The surplus “(1)” has been removed in each instance:

Stakeholders did not express any concerns about this change.

Table 8 – Rules with surplus “(1)” removed

Rule from which surplus “(1)” has been removed
26
203
268
271
280
284
354

Table of contents corrected

In version 31 March 2023 of the PNR, the table of contents did not reflect the insertion of Subchapter 9.3. This will be corrected in the next version.

Cross-references corrected

There were a number of broken cross-references in version 31 March 2023 of the PNR, which the Coordinator has remedied as listed in Table 9.

While this change could potentially have legal significance, because it removes the uncertainty created by the broken reference, the Coordinator judges that it’s appropriate to fix them.

Stakeholders did not express any concerns about these changes.

Table 9 – Corrected cross-references

Rule	Incorrect reference	Corrected reference
rule 8, definition of “Protected Provision”	rule 0	rule 39(2)(e)
rule 232, {note}	rules 235(2)(b), 0 and 0	rules 235(2)(b), 235(2)(c) and 235(2)(d)
rule 235(2)(a)	rules 235(2)(b) to 0	rules 235(2)(b) to 235(2)(d)

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.

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

ISO Access and Connection Related Costs

The Coordinator agrees with the ISO that Proposal A will introduce a user-pays cost allocation method that is consistent with investment of the nature and scale that is most likely in the context of the Pilbara resource industry and the NWIS.

The Coordinator considers this will facilitate efficient and proportionate arrangements for both existing large participants seeking to make a connection application and new entrants of a smaller scale.

Procedure Relating to ESS

The Coordinator agrees with the ISO's assessment that a *secure* and *reliable* electricity supply in the NWIS is critical to supporting the ongoing growth and development of the Pilbara resources industry. The Coordinator considers that Proposal B, with the proposed additional amendments, will enhance the ISO's capacity to identify and manage risks, and ensure that an appropriate level of ESS is procured.

The Coordinator considers that these amendments will ensure an efficient level of ESS is procured on an ongoing basis while enabling the ISO to minimise ESS costs.

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

ISO Access and Connection Related Costs

The Coordinator considers that the ISO's functions under Subchapters 9.2 and 9.3 are essential to ensuring that connection applications are assessed in a manner that is consistent with the standards needed to maintain the *security* and *reliability* of the NWIS.

By providing certainty and clarity in relation to cost recovery, the Coordinator agrees that Proposal A will enhance the ability of the ISO to appropriately allocate resources which will, in turn, contribute to the performance of its functions in maintaining the *secure* and *reliable* operation of the NWIS.

Procedure Relating to ESS

The Coordinator considers that Proposal B is important to ensure that the ISO can procure the appropriate levels of ESS to maintain the *secure* and *reliable* operation of the NWIS and minimise potential supply disruptions.

(c) 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

ISO Access and Connection Related Costs

The Coordinator notes that the user-pay principle that will be implemented under Proposal A is akin to the user-pay approach for connection, access and system operation in both the NEM and the WEM. The Coordinator also notes that the application of this approach was also considered appropriate for the Pilbara in the consideration of the costs for *connection point compliance*.

Procedure Relating to ESS

The Coordinator agrees that Proposal B will assist the ISO in developing an approach to ESS procurement that is tailored to the unique circumstances of the Pilbara region, and is beneficial for the NWIS and its users.

6.4 Reviewable Decisions

The final *amending rules* do not include changes to any clauses that contain *reviewable decisions*, and the Coordinator does not consider that any of the *amending rules* should be made *reviewable decisions*.

6.5 Cost and Practicality of Implementation

6.5.1 Cost

As stated in the *draft rule change report*, while there are no direct costs associated with implementing Proposal A, the final *amending rules* would provide a mechanism for the ISO to recover its costs incurred under Subchapters 9.2 and 9.3 from the *registered NSP* and subsequently from the *connection applicant*.

In its initial proposal, the ISO estimated the costs for the provision of *connection application* services under Subchapter 9.3 to be approximately \$20,000 to \$40,000, with potentially higher costs depending on the scale and complexity of the connection.

The ISO noted that these costs are a relatively small component of the overall connection costs payable by a *connection applicant*, and considered them unlikely to present a barrier to entry.

The costs associated with the new amending subrule 274Q(5) are commensurate with the costs estimated for *connection applications*. Under that rule, the ISO is performing the same functions as before but recovering costs directly from a *connection applicant*.

Proposal B provides for the establishment of a working group to advise the ISO in the performance of its functions and in the development of procedures (including the *ESS procedure*). The Coordinator has expanded this by introducing amendments to rule 132A to allow the ISO to establish working groups to assist or advise the ISO in connection with its functions.

The Coordinator notes that there will be administrative, resourcing and consultant costs associated with these working groups for both the ISO and relevant participants, and that these costs must be taken into account by the ISO in their establishment.

6.5.2 Practicality

Once the Coordinator's final *amending rules* are implemented, the ISO will need to ensure that all *interim procedures* it has developed undergo the requisite process for publication and consultation. To ensure that stakeholders are not overwhelmed with a large number of procedures published at the same time, the ISO has until the 1 January 2024 to complete the required consultation processes.

The ISO will provide further information on the number of procedures this will likely involve, and when participants can expect their publication.

The *rule change proposal* has practicality and efficiency benefits. The Coordinator's final *amending rules* will allow the ISO to maintain and build upon existing interim procedures, including the *ESS procedure*, and save the time and expense of duplicating effort and cost.

6.5.3 Assessment

The Coordinator considers that any indirect costs that will arise from implementing the final *amending rules* are outweighed by the benefits, which are outlined in full under the Coordinator's assessment of the proposals against the *Pilbara electricity objective* in section 6.3 above.

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 PNR as at 31 March 2023.

Subchapter 1.1 – Commencement and application

...

3 Commencement

...

- (4) Subject to ~~rule A4.3 in~~ Appendix 4, the remainder of these rules commence at 8:00 AM on 1 July 2023.

...

Subchapter 1.2 – Interpretation

...

8 Glossary

...

host NSP: in connection with —

- a) an *excluded network* — is defined in rule 22(1); and
- b) the *Pluto facility* — is defined in rule 188A(1); and
- c) Subchapter 9.2 — is defined in rule 267(1)(a); and
- ed) Connection Point Compliance Subchapter 9.3 — is defined in rule 274A.

{In each instance, “Host NSP” refers to the NSP of the Network to which the relevant Facility, Network or other Equipment is, was, or is to be, Connected.}

...

ISO fee: means the *fee* calculated under rule 129 and a fee calculated under rule 274Q.

...

Subchapter 3.6 – Procedures

...

75 Procedures – Content

...

(2) A *procedure* may include —

...

(d) requirements for ~~the provision, use, retention, deletion and disclosure of information to be submitted, disclosed or reported upon and requirements as to the updating, storage and use of information;~~ and

...

Subchapter 4.6 – Miscellaneous

...

132A Working groups

(1) The ISO may:

(a) ~~establish and administer one or more working groups comprising representatives of Rule Participants and other interested stakeholders, to assist or advise the ISO in connection with its functions; and~~

(b) ~~disband any such working group.~~

(2) ~~Before establishing a working group, and from time to time thereafter, the ISO must consider whether the ISO’s costs associated with the working group are consistent with the objective in rule 122(1)(b).~~

...

Subchapter 8.4 – Miscellaneous

...

244 EBAS and ESS Procedures

(1) The ISO must develop a *procedure* for energy balancing and for settlement of balancing and *essential system service* payments (“**EBAS procedure**”) setting out requirements relating to Subchapter 8.2 and Subchapter 8.3.

(2) ~~The ISO may develop a Procedure for Essential System Services (“**ESS procedure**”) setting out requirements relating to Subchapter 8.1 including how the ISO will or may meet the objectives in rule 199 {ESS objectives}.~~

...

Subchapter 9.2 – Access and connection

...

267 Definitions

- (1) In Subchapter 9.2 ~~and~~, Subchapter 9.3 ~~and Subchapter 9.4~~ —
- (a) ~~“New Connection”~~ **“Connection Request”** means a ~~situation in which request by~~ a person (**“Connection Applicant”**) ~~seeks to a registered NSP’s~~ (**“Host NSP”**) ~~for approval regarding of any of the following (each a “New Connection”)~~ —

...

270 ISO supervision of connection standards

...

- (7) ~~Except to the extent that the ISO, the Registered NSP or another person has caused or contributed to the cost of a solution under rule 270(5) through conduct which is in breach of these rules or GEIP, the cost of the solution is to be met by the Connection Applicant.~~ **[Blank]**

...

274 ~~ISO to develop procedure~~ **[Blank]**

~~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

...

274J ~~Costs of compliance at the connection point~~ **[Blank]**

- (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 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).~~

Subchapter 9.4 – Miscellaneous

274N ISO to develop access and connection procedure

- (1) The ISO must develop a Procedure (“Access and Connection Procedure”) in connection with its functions under Subchapter 9.2, Subchapter 9.3 and this Subchapter 9.4.
- (2) The Access and Connection Procedure must specify how costs are to be identified and allocated for the purposes of rules 274O, 274P, 274Q and 274R.

274O Freedom to contract regarding costs of Access Application

- (1) A contract may limit or vary the effect of rules 274P, 274Q, 274R or 274S.
- (2) Rule 274O(1) does not limit the Access Code or authorise a contract which is otherwise unlawful.

274P Connection applicant's own costs¹

A Connection Applicant is to bear its own costs of preparing and progressing an Access Application or an application under rule 274B(1), or otherwise in connection with seeking Access under Subchapter 9.2 or Subchapter 9.3.

274Q NSP's costs

An NSP's costs of performing a function under Subchapter 9.2 or Subchapter 9.3, including the payment of any fee under rule 274R² —

- (a) for a Covered NSP — are to be dealt with in accordance with the Access Code and
- (b) for a Non-Covered NSP — are to be dealt with in accordance with the Access and Connection Procedure or otherwise as agreed between the NSP and the Connection Applicant.

274R ISO's costs

- (1) The ISO's costs of performing a function under Subchapter 9.2 or Subchapter 9.3 in respect of a Connection Request may be recovered from the Host NSP by way of a fee determined by the ISO.³
- (2) For the purposes of rule 274R(1) —
 - (a) the ISO may from time to time determine and Publish a reasonable standard fee for a class of function or activity; and

¹ Derived from rule 274J. There is no equivalent in Subchapter 9.2.

² Addresses ISO's proposed rule 274A(2). See also former rule 274J(2) which provides that the ISO's Subchapter 9.3 costs are payable by the connection applicant, not the NSP.

³ Addresses ISO's proposed rule 274A(1). There is no equivalent in Subchapter 9.3.

- (b) where there is no such standard fee, the fee must not exceed the costs which the ISO can identify as being directly attributable to the Connection Request; and
- (c) if the New Connection is expected to involve more than one NSP granting Access to their Networks, the ISO may apportion the fee between the Host NSPs as it sees fit.
- (3) A fee under this rule 274R must not include costs for a function or activity which the ISO determines should be recovered by way of the ISO Fee under Subchapter 4.5, including because the function or activity is likely to provide a benefit more widely than for just the Connection Applicant.

{For example, if the resulting work product is likely to benefit more than one Connection Applicant, or if comparable work would likely have been required within a reasonable time frame whether or not this Connection Request was made.}
- (4) The ISO must notify the Registered NSP and the Connection Applicant of a fee under this rule 274R, before commencing the work.
- (5) The Access and Connection Procedure may provide that if a Host NSP is a Non-Covered NSP, the fee under this rule 274R may be recovered from the Connection Applicant, and if so references in this rule 274R to the Host NSP are to be read accordingly.

274S Costs of implementing, operating and maintaining solutions

- (1) Subject to rule 274S(2) and the Access Code, the Connection Applicant is to bear its own, and the Registered NSP's, costs of implementing, operating and maintaining —⁴

 - (a) any solution under rule 270(5) or otherwise required to achieve connection under Subchapter 9.2; and
 - (b) the CPC Measures for a CPC Facility.
- (2) To the extent that another person (including the ISO or the Registered NSP) causes or contributes to a cost referred to in rule 274R(1) through conduct which is in breach of these rules or GEIP, then that other person must bear the costs it causes or contributes to.⁵

Subchapter 14.4 – Transition

...

372 Effect of transitional rules ceasing

- (1) Section 37 {General savings on repeal} of the *Interpretation Act 1984* applies with appropriate amendments to the cessation of a provision in Appendix 4.

⁴ Derived from rules 270(7) and 274J(1).

⁵ Derived from rule 270(7) although that does not explicitly mention the NSP. There is no equivalent in Subchapter 9.3.

(2) Section 36 (Effect of repeal and re-enactment) of the Interpretation Act 1984 applies with appropriate amendments if the effect or operation of a ceased provision in Appendix 4 is replaced by the effect or operation of a comparable provision in the main body of these Rules.

Appendix 4 – Transitional Rules

Sub-appendix 4.1 – Introduction

...

~~These rules apply in the transition period~~ When Sub-appendices 4.1 to 4.13 apply

A4.2 The transitional rules in ~~this Appendix 4~~ Sub-appendix 4.1 to Sub-appendix 4.13 have effect on and from the *rules commencement date* and cease to have effect at 8:00AM on 1 July 2023 (“transition period”).

...

Sub-appendix 4.8 – Developing initial procedures

Interim procedures

...

A4.59 For a *procedure* to which this rule A4.59 applies —

- (a) the ISO, when developing the *procedure*, may abridge or dispense with consultation to the extent it judges appropriate, and publish an interim *procedure*; but
- ~~(b) if so, the ISO must as soon as practicable after Publishing the interim Procedure, undertake the consultation which would otherwise have been required by these rules in respect of its Development, and must thereafter Publish a Procedure to replace the interim Procedure. [Blank]~~

A4.60 ~~An interim Procedure Published under rule A4.59(a) has effect as the Procedure, until replaced under rule A4.59(b). [Blank]~~

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 [274B\(3\)\(b\)](#)~~274C(2)~~.

...

Sub-appendix 4.14 – Transitional rules for the period from 1 July 2023

When this Sub-appendix 4.14 applies

A4.75 This Sub-appendix 4.14 applies from 8:00AM on 1 July 2023, and prevails over any other provision of these Rules to the extent of any inconsistency.

Interim Instruments — Publication and consultation

A4.76 In this Sub-appendix 4.14, “Interim Instrument” means, in connection with a Procedure or other instrument which the ISO is required to Publish or regarding which the ISO is required to consult, an interim form of the Procedure or instrument developed and Published by the ISO under rule A4.77.

A4.77 Before 1 January 2024 —

- (a) the ISO may develop and Publish an Interim Instrument or an amendment to an Interim Instrument, and the Procedure Change Process or other consultation requirements in these Rules do not apply; and
- (b) the ISO must ensure that it has Published for consultation each Interim Instrument or amendment, and has Published each submission it receives in reply and its response to any issues raised in the submission.

Interim Instruments continue in effect after 1 January 2024

A4.78 From 8:00AM on 1 January 2024 —

- (a) if the ISO has complied with rule A4.77(b) in respect of an Interim Instrument — the Interim Instrument continues in effect until amended, replaced or revoked in accordance with these Rules; and

- (b) the Procedure Change Process and other consultation requirements in these Rules apply in respect of (among other things) the Procedures and other instruments continued in effect by rule A4.78(a).

Publication

A4.79 For the purposes of these Rules including this Sub-appendix 4.14, and despite rule 290, a thing is taken to be Published if before 8:00AM on 1 January 2024 the ISO disseminated it on a non-confidential basis to persons the ISO judged would be interested in responding, or otherwise made reasonable endeavours to place the thing in the public domain.

Interim Visibility arrangements

A4.80 Unless all Registered NSPs and the ISO unanimously agree otherwise, if a location was Visible at 15 March 2019, then it must remain Visible until the first Visibility List takes effect.

Interim ISO Control Desk Arrangements

A4.81 Until 8:00AM on 1 September 2023, or such earlier date as is specified in an Instrument of Delegation under rule 45 and Published by the ISO —

- (a) the ISO and Horizon Power may agree to continue the interim delegation agreement entered into between them under rule A4.21A; and
- (b) rules A4.21A to A4.25 continue to apply.

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

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
Access and connection related costs			
1	Alinta Energy	Alinta recommended amending subrule 274P(a) so that an <i>NSP's</i> costs can be dealt with not only under the <i>PNAC</i> but also "as otherwise agreed between the parties". The current proposed rule 274P(a) says costs incurred for a <i>covered NSP</i> are dealt with under the <i>PNAC</i> , which only provides for the applicant's reasonable costs in respect of preliminary enquiries and further investigations. It does not account for further costs in the performance of access and connection functions, which costs would likely be agreed between parties commercially.	The Coordinator's final decision is to adopt Alinta Energy's proposed amendment, but is doing so by introducing the new rule 274O rather than amending subrule 274P(a). This is to allow the provision to apply more broadly where there may be alternative arrangements agreed commercially between the parties.
2	ISO	The Access and Connection Procedure is not specifically drafted to consider <i>non-covered networks</i> , nor where an access applicant becomes a <i>registered NSP</i> upon energisation. As currently drafted, such costs would be dealt with as agreed between the <i>NSP</i> and <i>connection applicant</i> . The ISO requests changes to the Access and Connection Procedure so the ISO recovers costs directly from an <i>access applicant</i> to a <i>non-covered network</i> , rather than the process reflected in the current drafting of new subrule 274P(b).	For <i>Non-Covered Networks</i> , the Coordinator has introduced new subrule 274R(5), which allows the Access and Connection Procedure to provide for the <i>connection applicant</i> to bear the ISO's fee instead of the <i>host NSP</i> .
Implementation, operation and maintenance costs			
3	Alinta Energy	Alinta recommended an amendment to rule 274R so that a <i>connection applicant</i> bearing its own and the <i>registered NSP's</i> costs in respect of implementing,	The Coordinator's final decision is to adopt Alinta Energy's proposed amendment, but is doing so

Issue	Submitter	Comment/Issue Raised	Coordinator's Response
		operating and maintaining a connection is to be dealt with, if not under the <i>PNAC</i> , then “as otherwise agreed between the parties”.	by introducing the new rule 274O rather than amending rule 274PR. This is to allow the provision to apply more broadly where there may be alternative arrangements agreed commercially between the parties.
Transition period for limited ISO control desk			
4	ISO	A short period of transition may be needed for the ISO <i>control desk</i> to move from the interim delegation agreement between ISO and Horizon Power, to the full delegation granting enhanced powers to the ISO control desk. The full delegation is expected to commence on 1 July 2023. The ISO requires a transition period of sufficient length as it finishes developing and consulting on the Protocol Framework Procedure and <i>constraint rules</i> .	The Coordinator has amended the rules so the ISO and Horizon Power may continue their interim <i>control desk</i> arrangements for another two months.
Incorporating ENAC as potentially applicable procedure in future scenarios			
5	Confidential submitter	The Coordinator's <i>amending rules</i> focus on <i>covered networks</i> and <i>non-covered networks</i> under the <i>PNAC</i> , however in future some networks may instead be covered by the ENAC.	References in each of (what is now) rules 274Q, 274R and 274S to the <i>PNAC</i> have been changed to the defined term “ <i>Access Code</i> ”, to cover a future situation in which a network may be regulated under the ENAC.
Reference errors			
6	ISO	The ISO identified some minor reference errors and drafting errors in rules 315(1)(d), 315(2), 316(1), Sub-Appendix 2.3, and rule A4.78(a).	The Coordinator has corrected all the reference and drafting errors referred to in the ISO's second period submission.

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 red (~~deleted text~~, added 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.]

Subchapter 1.1 – Commencement and application

Provision for additional transitional rules

It’s necessary to adjust rule 3, to accommodate the proposed changes in Appendix 4, discussed below.

...

3 Commencement

...

- (4) Subject to ~~rule A4.3 in~~ Appendix 4, the remainder of these rules commence at 8:00 AM on 1 July 2023.

...

Subchapter 1.2 – Interpretation

Expanded definition of “Host NSP” to include Subchapter 9.2

See note at rule 267, below.

Modified definition of “ISO fee”

The changes set out in new Subchapter 9.4 (below) involve the recovery of certain of the ISO’s costs. These need to be included within the definition of “ISO Fees” to integrate properly with PNAC section 153, which requires all ISO cost recovery to be by way of “ISO fees” under the PNR.

...

8 Glossary

...

host NSP: in connection with —

- a) an *excluded network* — is defined in rule 22(1); and
- b) the *Pluto facility* — is defined in rule 188A(1); and
- c) Subchapter 9.2 — is defined in rule 267(1)(a); and
- ed) Connection Point Compliance-Subchapter 9.3 — is defined in rule 274A.

{In each instance, “Host NSP” refers to the NSP of the Network to which the relevant Facility, Network or other Equipment is, was, or is to be, Connected.}

...

ISO fee: means the *fee* calculated under rule 129 and a fee calculated under rule 274Q.

...

Subchapter 3.6 – Procedures

Minor refinement to rule 75(2)(d)

As noted below in relation to the ISO proposed changes to rule 244, the Coordinator proposes a shortform enabling provision for the ESS procedure. However, to make it clear that rule 75(2) can cover everything the ISO had proposed to list in its proposed new rule 244(2)(a) to (e), the Coordinator proposes to modify paragraph 75(2)(d) to make it simpler and broader. The ISO considers that this formulation will cover **forecasting** and **assessment** of, and **reporting** upon, information (under “use” of information), and **sources** and **updating** of information (under “provision” of information).

...

75 Procedures – Content

...

(2) A *procedure* may include —

...

- (d) requirements for the provision, use, retention, deletion and disclosure of information to be submitted, disclosed or reported upon and requirements as to the updating, storage and use of information; and

...

Subchapter 4.6 – Miscellaneous

Ability for the ISO to form working groups, consultation groups, etc

The ISO proposed in draft rule 244(2)(a) and (b) that the ESS Procedure should deal with the ISO forming a technical consultation group in connection with ESS matters.

The Coordinator supports this proposal, but believes the power should apply more broadly. Accordingly, the Coordinator proposes new rule 132A below, to allow the ISO to form working groups or technical consultation groups to assist or advise the ISO.

Proposed rule 132A(2) ensures that the ISO considers the cost-effectiveness of any working group, both before it is created, and periodically thereafter.

...

132A Working groups

(1) The ISO may:

(a) establish and administer one or more working groups comprising representatives of Rule Participants and other interested stakeholders, to assist or advise the ISO in connection with its functions; and

(b) disband any such working group.

(2) Before establishing a working group, and from time to time thereafter, the ISO must consider whether the ISO's costs associated with the working group are consistent with the objective in rule 122(1)(b).

...

Subchapter 8.4 – Miscellaneous

Separate procedures

The ISO proposed to amend (what is now) rule 244(1) to create a combined ESS and EBAS Procedure. However, to avoid unnecessary renaming, the Coordinator proposes to deal with the ESS procedure in new subrule (2).

Under rule 73, the ISO remains free to combine the instruments if it wishes.

Shortform enabling provision

The ISO proposed to set out in new rule 244(2), a shopping list of matters the new ESS Procedure may deal with.

Such lists can be useful, but even with supporting words saying the list is non-exclusive, can risk an implication that items not mentioned are intended to be excluded. For example, the ISO's proposed rule 244(2)(c)(i) listed generation *capacity*, but not the generation's *nature* or *geographic location*, and proposed rule 244(2)(d) did not mention the ISO's ability under rule 200(2) to consider alternatives to a tender or other transparent process.

Although some rules which enable Procedures do have such shopping lists (e.g. rules 103, 121 and 274L) the Coordinator generally favours a shortform approach (as in rules 31, 133, 141, 161(2)(b), 266, 274 and 289), and so proposes to omit the ISO’s proposed list.

Rule 75(2) enables a procedure to deal with a wide range of matters, and rule 75(3) makes it clear that this list is not closed. The Coordinator also proposes to expand rule 75(2)(d) as shown above. Thus, regarding the ISO’s proposed rule 244(2), the Coordinator considers that:

- proposed paragraphs (a) and (b) are dealt with by the insertion of new rule 132A, described above;
- proposed paragraph (c) can be dealt with under rule 75(2)(d), especially with the amendments described above;
- proposed paragraph (d) can be dealt with under rule 75(2)(a) and (b), including the presently-omitted ability for the ISO to adopt an alternative approach; and
- proposed paragraph (e) can also be dealt with under rule 75(2)(a) and (b).

...

244 **EBAS and ESS Procedures**

(1) The ISO must develop a *procedure* for energy balancing and for settlement of balancing and essential system service payments (“**EBAS procedure**”) setting out requirements relating to Subchapter 8.2 and Subchapter 8.3.

(2) The ISO may develop a Procedure for Essential System Services (“**ESS procedure**”) setting out requirements relating to Subchapter 8.1 including how the ISO will or may meet the objectives in rule 199 {ESS objectives}.

...

Subchapter 9.2 – Access and connection

...

Adding definitions of “Host NSP” and “Connection Request”

This better aligns Subchapters 9.2 and 9.3 and enables the drafting of Subchapter 9.4 to be simplified.

Both of these labels could also be used within Subchapter 9.2. This may be addressed in a future rule change, to allow consultation.

Adding these labels required a small grammatical restructure, which has also clarified the definition of “New Connection”. As used in Subchapter 9.2, this label should refer to the connection, change in injection etc itself, not the act of requesting approval as the previous drafting suggested.

267 **Definitions**

(1) In Subchapter 9.2 ~~and~~, Subchapter 9.3 and Subchapter 9.4 —

- (a) ~~“New Connection” “Connection Request”~~ means a ~~situation in which request by~~ a person (~~“Connection Applicant”~~) ~~seeks to~~ a Registered NSP’s (~~“Host NSP”~~) for approval ~~regarding of any of the following (each a “New Connection”)~~ —

...

Rationalising costs provisions – Move rule 270(7)

Having created Subchapter 9.4 to rationalise the cost recovery provisions for Subchapters 9.2 and 9.3, the Coordinator proposes to move rule 270(7) to there. See new rule 274R.

270 ISO supervision of connection standards

...

- (7) ~~Except to the extent that the ISO, the Registered NSP or another person has caused or contributed to the cost of a solution under rule 270(5) through conduct which is in breach of these rules or GEIP, the cost of the solution is to be met by the Connection Applicant. [Blank]~~

...

Move rule 274 to Subchapter 9.4

Having created Subchapter 9.4, the Coordinator proposes to move this Procedure-enabling provision to the same place – see rule 274N.

This matches the treatment elsewhere in the PNR, i.e. Subchapter 4.6 (rule 133), Subchapter 8.4 (rule 244) and Subchapter 10.4 (rule 289).

274 ~~ISO to develop procedure [Blank]~~

~~The ISO may develop a Procedure (“Access and Connection Procedure”) in connection with its functions under this Subchapter 9.2 and Subchapter 9.3.~~

Rationalising costs provisions – Move ISO’s proposed new rule 274A

The Coordinator therefore proposes to merge the costs provisions for Subchapters 9.2 and 9.3 together, in a new Subchapter 9.4, see below. ISO’s proposed new rule 274A will be dealt with there. See:

- for proposed rule 274A(1) — new rule 274Q; and
- for proposed rule 274A(2) — new rule 274P.

...

Subchapter 9.3 – Compliance at connection point

Reconciling costs provisions – Move rule 274J

Having created Subchapter 9.4 to rationalise the cost recovery provisions, the Coordinator proposes to move rule 274J to there. See new rule 274O and 274Q(6).

...

274J ~~Costs of compliance at the connection point~~ [\[Blank\]](#)

- ~~(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 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).~~

Subchapter 9.4 – Miscellaneous

Relocating the Procedure-enabling power

As discussed above, now that there is a Subchapter 9.4, the Coordinator proposes to move rule 274 to here.

To recognise the importance of access in the Pilbara regime, the rule now says that the ISO *must* develop this procedure.

Further change in this Final Decision

The Procedure will also deal with matters in this Subchapter 9.4, as subrule (2) shows.

274N ISO to develop access and connection procedure

- (1) The ISO must develop a Procedure (“**Access and Connection Procedure**”) in connection with its functions under Subchapter 9.2, Subchapter 9.3 and this Subchapter 9.4.
- (2) The Access and Connection Procedure must specify how costs are to be identified and allocated for the purposes of rules 274O, 274P, 274Q and 274R.

Reconciling costs provisions

The ISO proposed changes to Subchapter 9.2 to clarify cost recovery.

These changes would have covered similar ground to the provisions recently inserted in rule 274J as part of Sub-chapter 9.3, but not in the same terms. Further, neither mechanism would have integrated properly with PNAC section 153.

The Coordinator therefore proposes to bring together and rationalise all the costs provisions for Subchapters 9.2 and 9.3 together, in a new Subchapter 9.4, as shown.

The provisions dealt variously with the following classes of costs:

1. the applicant's costs of the application process;
2. the NSP's costs of the application process;
3. the ISO's costs of the application process;
4. the costs of implementing and complying with any connection requirements including CPC measures.

The Coordinator proposes that these be dealt with as follows, in turn:

1. the applicant is to bear its own costs of the application process — new rule 274O;
2. the NSP's costs of the application process are to be dealt with by the User Access Guide for covered networks, and (should they ever arise) will be subject to negotiation for non-covered networks — new rule 274P
3. the ISO's costs of the application process are to be dealt with by way of a fee charged to the NSP, providing the costs charged are clearly attributable to the relevant application, are not better dealt with by way of shared costs through the ISO annual budget process, and have been transparently notified in advance — new rule 274Q.
4. the applicant's and NSP's costs of implementing and complying with any connection requirements are to be borne by the applicant, unless someone's misbehaviour has increased those costs — new rule 274R.

The above outcomes may be adjusted by agreement, the User Access Guide, or [a Procedure?] — new rule 274S.

Footnotes in the following rules show where the new rule was previously located.

Further changes in this Final Decision

The ability to contract out of the prescribed position, already included in rule 274R, has been extended to all 4 costs rules – see new rule 274O.

References in each of (what is now) rules 274Q, 274R and 274S to the PNAC have been changed to the defined term "Access Code", to cover a future situation in which a network may be regulated under the ENAC.

What is now rule 274R(1) was ambiguous as to who should pay, if the Connection Applicant was another NSP. It has been clarified to show that the payer will be the Host NSP, not the Connection Applicant. The Host NSP and Connection Applicant will be free under rule 274O to contract for a different outcome, subject to the Access Code and any other laws.

New rule 274R(2)(c) deals with a situation in which the Connection Applicant is seeking to access more than one network – the ISO may apportion fees across the Host NSPs.

For Non-Covered Networks, new rule 274R(5) allows the Access and Connection Procedure to provide for the Connection Applicant to bear the ISO's fee in place of the Host NSP.

274O Freedom to contract regarding costs of Access Application

- (1) A contract may limit or vary the effect of rules 274P, 274Q, 274R or 274S.
- (2) Rule 274O(1) does not limit the Access Code or authorise a contract which is otherwise unlawful.

274P Connection applicant's own costs⁶

A Connection Applicant is to bear its own costs of preparing and progressing an Access Application or an application under rule 274B(1), or otherwise in connection with seeking Access under Subchapter 9.2 or Subchapter 9.3.

274Q NSP's costs

An NSP's costs of performing a function under Subchapter 9.2 or Subchapter 9.3, including the payment of any fee under rule 274R⁷ —

- (a) for a Covered NSP — are to be dealt with in accordance with the Access Code and
- (b) for a Non-Covered NSP — are to be dealt with in accordance with the Access and Connection Procedure or otherwise as agreed between the NSP and the Connection Applicant.

274R ISO's costs

- (1) The ISO's costs of performing a function under Subchapter 9.2 or Subchapter 9.3 in respect of a Connection Request may be recovered from the Host NSP by way of a fee determined by the ISO.⁸
- (2) For the purposes of rule 274R(1) —
 - (a) the ISO may from time to time determine and Publish a reasonable standard fee for a class of function or activity; and
 - (b) where there is no such standard fee, the fee must not exceed the costs which the ISO can identify as being directly attributable to the Connection Request; and
 - (c) if the New Connection is expected to involve more than one NSP granting Access to their Networks, the ISO may apportion the fee between the Host NSPs as it sees fit.
- (3) A fee under this rule 274R must not include costs for a function or activity which the ISO determines should be recovered by way of the ISO Fee under Subchapter 4.5, including because the function or activity is likely to provide a benefit more widely than for just the Connection Applicant.

{For example, if the resulting work product is likely to benefit more than one Connection Applicant, or if comparable work would likely have been required within a reasonable time frame whether or not this Connection Request was made.}

⁶ Derived from rule 274J. There is no equivalent in Subchapter 9.2.

⁷ Addresses ISO's proposed rule 274A(2). See also former rule 274J(2) which provides that the ISO's Subchapter 9.3 costs are payable by the connection applicant, not the NSP.

⁸ Addresses ISO's proposed rule 274A(1). There is no equivalent in Subchapter 9.3.

- (4) The ISO must notify the Registered NSP and the Connection Applicant of a fee under this rule 274R, before commencing the work.
- (5) The Access and Connection Procedure may provide that if a Host NSP is a Non-Covered NSP, the fee under this rule 274R may be recovered from the Connection Applicant, and if so references in this rule 274R to the Host NSP are to be read accordingly.

274S Costs of implementing, operating and maintaining solutions

- (1) Subject to rule 274S(2) and the Access Code, the Connection Applicant is to bear its own, and the Registered NSP's, costs of implementing, operating and maintaining —⁹
- (a) any solution under rule 270(5) or otherwise required to achieve connection under Subchapter 9.2; and
- (b) the CPC Measures for a CPC Facility.
- (2) To the extent that another person (including the ISO or the Registered NSP) causes or contributes to a cost referred to in rule 274R(1) through conduct which is in breach of these rules or GEIP, then that other person must bear the costs it causes or contributes to.¹⁰

Subchapter 14.4 – Transition

Managing the transition from Appendix 4 rules to the main body of rules

Because the *Interpretation Act 1984* does not automatically apply to the PNR, it's prudent to pick up some of the standard machinery for this transition.

Section 36 of the *Interpretation Act 1984* deals with repeal of a provision, and its re-enactment in the same or a different form. Used here, it provides for a seamless transfer between the ceased transitional rule and the newly-commenced primary rule. For example a process commenced under the transitional rule can continue under the primary rule.

Section 37 of the *Interpretation Act 1984* preserves the validity of things done under the ceased transitional provisions. For example, rule A4.10 should continue to protect the ISO for things it did or did not do during the transitional period.}

...

372 Effect of transitional rules ceasing

- (1) Section 37 {General savings on repeal} of the *Interpretation Act 1984* applies with appropriate amendments to the cessation of a provision in Appendix 4.

⁹ Derived from rules 270(7) and 274J(1).

¹⁰ Derived from rule 270(7) although that does not explicitly mention the NSP. There is no equivalent in Subchapter 9.3.

(2) Section 36 (Effect of repeal and re-enactment) of the *Interpretation Act 1984* applies with appropriate amendments if the effect or operation of a ceased provision in Appendix 4 is replaced by the effect or operation of a comparable provision in the main body of these Rules.

Appendix 4 – Transitional Rules

Sub-appendix 4.1 – Introduction

...

~~These rules apply in the transition period~~ When Sub-appendices 4.1 to 4.13 apply

A4.2 The transitional rules in ~~this Appendix 4~~ Sub-appendix 4.1 to Sub-appendix 4.13 have effect on and from the *rules commencement date* and cease to have effect at 8:00AM on 1 July 2023 (“transition period”).

...

Sub-appendix 4.8 – Developing initial procedures

Finalising interim procedures

The proposed new treatment for Interim Procedures is set out in new Sub-appendix 4.14.

To ensure there is no clash with the existing transitional provisions, the ISO proposes to delete rules A4.59(b) and A4.60.

Interim procedures

...

A4.59 For a *procedure* to which this rule A4.59 applies —

(a) the *ISO*, when developing the *procedure*, may abridge or dispense with consultation to the extent it judges appropriate, and publish an interim *procedure*; but

~~(b) if so, the ISO must as soon as practicable after Publishing the interim Procedure, undertake the consultation which would otherwise have been required by these rules in respect of its Development, and must thereafter Publish a Procedure to replace the interim Procedure. [Blank]~~

A4.60 ~~An interim Procedure Published under rule A4.59(a) has effect as the Procedure, until replaced under rule A4.59(b). [Blank]~~

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* –
- (c) 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
 - (d) the *ISO* may by *published* notice waive some or all of rules 274B(1), 274B(5) and [274B\(3\)\(b\)](#)~~274C(2)~~.
- ...

Sub-appendix 4.14 – Transitional rules for the period from 1 July 2023

When this Sub-appendix 4.14 applies

A4.75 This Sub-appendix 4.14 applies from 8:00AM on 1 July 2023, and prevails over any other provision of these Rules to the extent of any inconsistency.

Further change in this Final Decision

Rule A4.76 has been broadened, to deal with other things the ISO may need to publish or consult on. A specific example is Constraint Rules under rule 256(1), which will not necessarily be contained in a “Procedure”.

Interim Instruments — Publication and consultation

A4.76 In this Sub-appendix 4.14, “Interim Instrument” means, in connection with a Procedure or other instrument which the ISO is required to Publish or regarding which the ISO is required to consult, an interim form of the Procedure or instrument developed and Published by the ISO under rule A4.77.

A4.77 Before 1 January 2024 —

- (a) the ISO may develop and Publish an Interim Instrument or an amendment to an Interim Instrument, and the Procedure Change Process or other consultation requirements in these Rules do not apply; and
- (b) the ISO must ensure that it has Published for consultation each Interim Instrument or amendment, and has Published each submission it receives in reply and its response to any issues raised in the submission.

Interim Instruments continue in effect after 1 January 2024

A4.78 From 8:00AM on 1 January 2024 —

- (a) if the ISO has complied with rule A4.77(b) in respect of an Interim Instrument — the Interim Instrument continues in effect until amended, replaced or revoked in accordance with these Rules; and
- (b) the Procedure Change Process and other consultation requirements in these Rules apply in respect of (among other things) the Procedures and other instruments continued in effect by rule A4.78(a).

Publication

A4.79 For the purposes of these Rules including this Sub-appendix 4.14, and despite rule 290, a thing is taken to be Published if before 8:00AM on 1 January 2024 the ISO disseminated it on a non-confidential basis to persons the ISO judged would be interested in responding, or otherwise made reasonable endeavours to place the thing in the public domain.

Interim Visibility arrangements

A4.80 Unless all Registered NSPs and the ISO unanimously agree otherwise, if a location was Visible at 15 March 2019, then it must remain Visible until the first Visibility List takes effect.

Further change in this Final Decision – Interim arrangements extended for ISO Control Desk

New rule A4.81 continues the interim control desk arrangements for a further 2 months, to allow the ISO and Horizon Power time to finalise the full delegation agreement, and to allow ISO and NSPs to finalise and put in place under rule A4.77 an interim Protocol Framework and interim Constraint Rules.

Interim ISO Control Desk Arrangements

A4.81 Until 8:00AM on 1 September 2023, or such earlier date as is specified in an Instrument of Delegation under rule 45 and Published by the ISO —

- (a) the ISO and Horizon Power may agree to continue the interim delegation agreement entered into between them under rule A4.21A; and
- (b) rules A4.21A to A4.25 continue to apply.

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