



Meeting Agenda

Meeting Title:	Pilbara Advisory Committee (PAC)
Date:	Thursday 21 September 2023
Time:	9:30 AM – 10:30 AM
Location:	Online, via TEAMS.

Item	Item	Responsibility	Type	Duration
1	Welcome and Agenda	Chair	Noting	2 min
2	Meeting Apologies/Attendance	Chair	Noting	1 min
3	Competition Law Statement	Chair	Noting	1 min
4	Minutes			
	(a) Minutes of Meeting 2023_05_25	Chair	Noting – Already approved	1 min
5	Action Items	Chair	Noting	1 min
6	Pilbara Industry Roundtable – Update to the PAC	EPWA	Discussion	45 min
7	Schedule of 2024 meetings	Chair	Approval	5 min
8	General Business	Chair	Discussion	4 min
	Next meeting: 9:30 AM, 16 November 2023			

Please note, this meeting will be recorded.



COMPETITION LAW OBLIGATIONS

Members of the Pilbara Advisory Committee (**Members**) note their obligations under the *Competition and Consumer Act 2010 (CCA)*.

If a Member has a concern regarding the competition law implications of any issue being discussed at any meeting, please bring the matter to the immediate attention of the Chairperson.

Part IV of the CCA (titled “Restrictive Trade Practices” contains several prohibitions (rules) targeting anti-competitive conduct. These include:

- (a) **cartel conduct.** Cartel conduct is an arrangement or understanding between competitors to fix prices; restrict the supply or acquisition of goods or services by parties to the arrangement; allocate customers or territories; and or rig bids, see s45AD and Division 1 of Part IV of the CCA more generally.
- (b) **concerted practices:** a concerted practice can be conceived of as involving cooperation between competitors which has the purpose, effect or likely effect of substantially lessening competition, in particular, sharing Competitively Sensitive Information with competitors such as future pricing intentions and this end:
 - a concerted practice, according to the ACCC, involves a lower threshold between parties than a contract arrangement or understanding; and accordingly,
 - a forum like the meetings of the MAC is capable being a place where such cooperation could occur.

See s45(1)(c), s45 of the CCA more generally, and [these](#) guidelines published by the ACCC.

- (c) **anti-competitive contracts, arrangements understandings:** Any contract, arrangement or understanding which has the purpose, effect or likely effect of substantially lessening competition, see section 45 of the CCA and Division 2 of Part IV of the CCA more generally.
- (d) **anti-competitive conduct (market power):** any conduct by a company with market power which has the purpose, effect or likely effect of substantially lessening competition, see s46 of the CCA.
- (e) **collective boycotts:** where a group of competitors agree not to acquire goods or services from, or not to supply goods or services to, a business with whom the group is negotiating, unless the business accepts the terms and conditions offered by the group, see Division 2 of Part IV of the CCA.

A contravention of the CCA could result in a significant fine (up to \$500,000 for individuals and more than \$10million for companies). Cartel conduct may also result in criminal sanctions, including gaol terms for individuals.

Sensitive Information means and includes:

- (a) commercially sensitive information belonging to a Member’s organisation or business (in this document such bodies are referred to as an **Industry Stakeholder**); and
- (b) information which, if disclosed, would breach an Industry Stakeholder’s obligations of confidence to third parties, be against laws or regulations (including competition laws), would waive legal

professional privilege, or cause unreasonable prejudice to the Coordinator of Energy or the State of Western Australia).

Guiding Principle – what not to discuss

In any circumstance in which Industry Stakeholders are or are likely to be in competition with one another a Member must not discuss or exchange with any of the other Members information that is not otherwise in the public domain about commercially sensitive matters,¹ including without limitation the following:

- (a) the rates or prices (including any discounts or rebates) for the goods produced or the services produced by the Industry Stakeholders that are paid by or offered to third parties;
- (b) the confidential details regarding a customer or supplier of an Industry Stakeholder;
- (c) any strategies employed by an Industry Stakeholder to further any business that is or is likely to be in competition with a business of another Industry Stakeholder, (including, without limitation, any strategy related to an Industry Stakeholder's approach to bilateral contracting or bidding in the energy or ancillary/essential system services markets);
- (d) the prices paid or offered to be paid (including any aspects of a transaction) by an Industry Stakeholder to acquire goods or services from third parties; and
- (e) the confidential particulars of a third party supplier of goods or services to an Industry Stakeholder, including any circumstances in which an Industry Stakeholder has refused to or would refuse to acquire goods or services from a third party supplier or class of third party supplier.

Compliance Procedures for Meetings

- If any of the matters listed above is raised for discussion, or information is sought to be exchanged in relation to the matter, the relevant Member must object to the matter being discussed. If, despite the objection, discussion of the relevant matter continues, then the relevant Member should advise the Chairperson and cease participation in the meeting/discussion and the relevant events must be recorded in the minutes for the meeting, including the time at which the relevant Member ceased to participate.



Minutes

Meeting Title:	Pilbara Advisory Committee (PAC)
Date:	25 May 2023
Time:	2:04pm – 3:05pm
Location:	Videoconference (Microsoft Teams)

Attendees	Class	Comment
Sally McMahon	Chair	
Jacinda Papps	Registered Network Service Provider (NSP)	From 2:09pm
David Stephens	Registered NSP	His last meeting, to be replaced by Sandy Morgan as Horizon Power's representative
Momcilo Andric	Registered NSP	
Chris Bossong	Excluded NSP	
Neil Midolo	Excluded NSP	
Chris Alexander (proxy for Geoff White)	Small-Use Consumer	
James Campbell-Everden	Independent System Operator (ISO)	
Noel Ryan	Observer appointed by the Minister	

Also in Attendance	From	Comment
Dora Guzeleva	PAC Secretariat	Observer
Sarah Graham	PAC Secretariat	Observer
Thomas Marcinkowski	PAC Secretariat	Observer
Li-Lin Ang	Rio Tinto (Senior Corporate Counsel)	Observer

Apologies	From	Comment
Geoff White	Small-Use Consumer	Chris Alexander attended as proxy

Anne Taylor	Excluded NSP	Apologies not received, but not in attendance
Frances Hobday	Observer appointed by the Economic Regulation Authority	Apologies not received, but not in attendance

Item	Subject	Action
1	Welcome	
	<p>The Chair opened the meeting at 2:04pm with an Acknowledgement of Country and welcomed the PAC members.</p> <p>The Chair noted that as the Independent Chair, the views or advice provided by the PAC to the Coordinator of Energy (Coordinator) do not represent her personal views.</p> <p>The Chair advised that the meeting was being recorded for the purposes of capturing minutes.</p>	
2	Meeting Apologies/Attendance	
	<p>The Chair noted the attendance and apologies as listed above.</p> <p>The Chair noted that this was David Stephens's final PAC meeting, and that Sandy Morgan would be replacing him as Horizon Power's representative on the PAC. The Chair thanked Mr Stephens for his participation and contribution to the PAC to date.</p> <p>The Chair welcomed Li-Lin Ang as an observer for the purposes of assisting Rio Tinto with its consideration of the PRC_2023_01 rule change.</p>	
3	Competition Law Statement	
	<p>The Chair acknowledged the Competition Law Statement and the related obligations of PAC members, and encouraged members to bring any Competition Law issues to her attention as they may arise.</p>	
4	Minutes	
	<p>(a) Minutes of Meeting 2023_03_30</p> <p>The PAC noted the minutes of the 30 March 2023 PAC meeting and that these had already been approved by the PAC.</p>	
5	Action Items	
	<p>The closed action items were taken as read and there were no comments from the PAC on this item.</p>	
6	Rule Changes	
	<p>(a) PRC_2023_01 – Overview of Rule Change Proposals</p> <p>The Chair noted the draft rule change report for PRC_2023_01 was published on 12 May 2023.</p> <p>The Chair noted rule change PRC_2022_01 commenced on 31 March 2023.</p> <p>The paper was taken as read and there were no comments from the PAC on this item.</p>	

Item	Subject	Action
	<p data-bbox="300 259 1114 327">(b) PRC_2023_01 – Various Pilbara ISO Functions (Access and connection costs; ESS procurement; CPC measures)</p> <p data-bbox="300 342 1214 409">The Chair outlined the recommendations in the cover paper, which asked the PAC to consider the draft rule change report for PRC_2023_01, and:</p> <ul data-bbox="300 425 1214 694" style="list-style-type: none"> <li data-bbox="300 425 1214 533">• discuss the Coordinator’s additional amendments to the proposed amending rules and determine whether they sufficiently address the PAC advice previously provided to the Coordinator; <li data-bbox="300 548 1214 616">• provide any further advice to the Coordinator on whether the PNR as amended would better achieve the Pilbara electricity objective; and <li data-bbox="300 631 1214 694">• advise whether any further changes should be made to the proposed amending rules. <p data-bbox="300 710 1203 817">The Chair noted that she would summarise the discussion and seek to draw together a final PAC position to be captured in the minutes as the PAC’s further advice to the Coordinator.</p> <p data-bbox="300 833 1198 936">The Chair noted that the second submission period closes on 12 June 2023 and that this provides an opportunity for individual members to make a submission.</p> <p data-bbox="300 952 1129 981">Ms Guzeleva provided an introduction to the agenda item, noting that:</p> <ul data-bbox="300 996 1214 1303" style="list-style-type: none"> <li data-bbox="300 996 1214 1064">• the Coordinator received two submissions on the ISO’s rule change proposal – one from the ISO and one confidential submission; <li data-bbox="300 1079 1214 1187">• the Coordinator’s draft decision was to accept the rule change proposal – with additional changes made to the amending rules to reflect the first period submissions and the advice from the PAC; and <li data-bbox="300 1202 1214 1303">• as Mr Campbell-Everden had previously provided a comprehensive overview of the proposal – discussion would be focused on these additional changes to the amending rules. <p data-bbox="300 1319 801 1348"><u>Proposal A: Access and connection costs:</u></p> <p data-bbox="300 1364 1139 1467">Ms Guzeleva noted that the Coordinator supported Proposal A and the causer pays principle, and provided an overview of the additional amendments, which included amendments to:</p> <ul data-bbox="300 1482 1214 1863" style="list-style-type: none"> <li data-bbox="300 1482 1214 1630">• allow the ISO to distinguish between costs that are directly attributable to the connection application (and may be passed through to relevant NSP), and costs that are shared and have wider implications or benefits (and would be spread across the NSPs); <li data-bbox="300 1646 1214 1753">• allow the ISO to determine and publish a standard fee to ensure there is more clarity and transparency around the ISO costs that would be payable by the access or connection applicant; and <li data-bbox="300 1769 1214 1863">• align and combine the cost recovery mechanisms for both connection point compliance (CPC) and access and connection applications under the same subchapter. <p data-bbox="300 1879 1165 1946">The Chair invited comments or questions on the draft report in respect of Proposal A.</p> <p data-bbox="300 1962 1219 2024">Mr Alexander asked whether smaller residential customers were exempt from these access and connection costs.</p>	

Item	Subject	Action
	<p>Mr Campbell-Everden confirmed that small users would not be captured under subchapter 9.2 of the PNR as they would not meet the relevant threshold.</p> <p>Mr Momcilo Andric expressed the following general views regarding Proposal A:</p> <ul style="list-style-type: none"> • it would be cleaner and simpler for the ISO to estimate the costs upfront and recover them directly from the access seeker in advance of performing its functions (rather than recover them through the registered NSP); • if the costs are passed through the registered NSP, a situation may arise in which a registered NSP is required to recover costs from an access seeker with whom they have no commercial relationship; and • there may also be situations in which several registered NSPs are involved in a single access and/or connection process which would lead to complexity. <p>The Chair invited Mr Campbell-Everden to respond to Mr Andric. He noted the following:</p> <ul style="list-style-type: none"> • the access and connection process clearly delineates the roles of the access applicant, the registered NSP, and the ISO and it has been drafted for covered networks; • the covered NSPs must work with connection applicants to meet the registered NSP's obligations under the access and connection process, and the ISO's role is to conduct due diligence checks as required; • it may not make sense to follow the access and connection procedure if the access seeker has approached the ISO directly and does not have a relationship with the NSP. <p>Mr Andric added that this may become more complicated if the access seeker is a competitor or potential competitor of the NSP.</p> <p>Mr Campbell-Everden noted that the ISO has also identified a number of gaps in the access and connection procedure and PNR where there is a registered NSP and a potential registered NSP (upon connection), and so there is room for some potential carve outs under the procedure.</p> <p>The Chair asked Mr Campbell-Everden whether Mr Andric's query regarding the estimate and payment of ISO costs has been covered off.</p> <p>Mr Campbell-Everden noted that the ISO does not require payment upfront, provided the costs are clearly outlined in advance and are recovered through the registered NSP.</p> <p>Ms Papps referred to the changes to the proposed rule 274R noting the following:</p> <ul style="list-style-type: none"> • the amendments state that the applicant is to bear the costs, referencing the user access guide. However, it is unclear how this would interact with separate commercial agreements ; • the user access guide wouldn't necessarily cover this kind of commercial agreements so the drafting may need to be reconsidered. 	

Item	Subject	Action
	<p>Ms Guzeleva noted that EPWA had previously considered this issue and would ensure that it is raised again with the drafter.</p> <p>Ms Guzeleva also invited Alinta to make a submission on the matter, to which Ms Papps agreed.</p> <p>Ms Guzeleva noted that the previous discussion on whether costs should be charged straight to the applicant had not been resolved and requested clarification.</p> <p>The Chair summarised the discussion as follows:</p> <ul style="list-style-type: none"> • There may be a situation where the access seeker may go directly to the ISO or there may be more than one registered NSP involved. • There may, therefore, be a gap in the drafting when it comes to the treatment of covered versus non-covered networks and the issue requires further consideration. <p>Ms Guzeleva agreed but noted there still remained the issue that was raised regarding whether the ISO should charge costs directly to the applicant. The following was discussed:</p> <ul style="list-style-type: none"> • Mr Andric clarified that the ISO recovering its costs from a registered NSP, which would then pass them onto an access seeker, would make ISO's cash flow more complicated. He noted that upfront payment is better for managing cash flow, particularly for smaller organisations. • Mr Campbell-Everden responded with the following: <ul style="list-style-type: none"> ○ Generally access and connection applications will be for the covered networks, for which the roles and responsibilities of the parties and the interaction between them is clearly set out. ○ The interactions in this circumstance is always between the registered NSP and the access applicant, not the ISO and the access applicant. ○ There is scope to differentiate between the covered and non-covered networks as the current flow charts in the procedure do not cover this potential scenario. ○ This also applies to other scenarios in which the ISO is required to do modelling under the PNR and there is no ability to recover its costs. <p>Ms Guzeleva asked Mr Campbell-Everden to confirm that, if there were a higher number of applications and if the ISO was to charge applicants directly, this would require a more sophisticated billing system and thus would increase the ISO's costs.</p> <p>Mr Campbell-Everden provided the following answer:</p> <ul style="list-style-type: none"> • The reason the ISO should not bill the applicant upfront is because the ISO's relationship is with the registered NSPs. • If the ISO needed to form a relationship with the applicants, it would need to investigate their financial details to determine solvency and the ISO is not resourced to do this. 	

Item	Subject	Action
	<ul style="list-style-type: none"> Noting Momcilo's point earlier, what is proposed is a cleaner and simpler approach from a billing point of view as even if there are a large number of applications and payment is delayed, payment is ultimately still guaranteed through the registered NSP. <p>The Chair asked each PAC member whether there were further questions or comments on Proposal A.</p> <p>Mr Campbell-Everden noted that ultimately it comes down to the access and connection process, and the fact that the ISO's relationship is with the registered NSP (not the connection applicant).</p> <p>Mr Stephens had no further comment but advised Horizon Power would be making a second period submission.</p> <p>Mr Chris Bossong noted that his previous comments seem to have been addressed and he had nothing further.</p> <p>Mr Chris Alexander noted that he was happy with the proposal.</p> <p>Mr Neil Midolo noted that the proposal is not something that impacts FMG but is happy with what is happening.</p> <p>The Chair invited Ms Guzeleva to introduce Proposal B.</p> <p>Proposal B: Essential System Services Procedure</p> <p>Ms Guzeleva provided a summary of the additional changes to Proposal B and noted the following key points:</p> <ul style="list-style-type: none"> The PAC had been very supportive of the proposal from an efficiency point of view and only one comment had been made around ensuring the ESS and EBAS procedures are separate documents under the rules. The Coordinator has made additional amendments to the rules to this effect. The ISO's proposal also sought to retain the Technical Consultation Group (TCG) which it formed (with the technical experts in the Pilbara) to provide input in the development of the ESS procedure. The confidential submission expressed concerns around the TCG predominantly consisting of the registered NSPs, and suggested that the procedure change process and the PAC would be a more appropriate group to provide future input into the ESS procedure. The Coordinator considered that the ISO's should retain its ability to form working groups, as with the Woodside rule change proposal this proved very effective. To Coordinator has made amendments to enable the ISO to establish any working group to assist with technical matters. However (to address the confidential submission) any working group should consist of any stakeholders with an interest in the process. <p>The Chair invited questions and comments from the PAC on the draft position presented in the paper, and in particular whether the amendments address previous advice by the PAC.</p> <p>Mr Midolo confirmed his support for the changes and noted that there needs to be broader representation on the TCG as there are parties other than the registered NSPs who have an interest in the development of procedures.</p>	

Item	Subject	Action
	<p>Mr Alexander noted the amendments were good from a small customer perspective as they ensure greater clarity and more balanced representation.</p> <p>Mr Campbell-Everden referred to the ISO's status as an independent body and noted that it was never the intent of the ISO to exclude people or groups with an interest in developing the ESS procedure.</p> <p>Ms Guzeleva advised PAC members that it is preferable that parties submit redacted public submissions if required instead of confidential submissions, as it is more difficult for the Coordinator and the PAC to consider confidential submissions.</p> <p>The Chair noted Ms Guzeleva's comment and invited her to introduce Proposal C.</p> <p>Proposal C: Reference error with regard to Pluto Connection Point Compliance (CPC)</p> <p>Ms Guzeleva noted that Proposal C simply corrects some cross-referencing errors and invited any feedback from the PAC on these corrections.</p> <p>Ms Papps supported the changes but noted that the changes to the formatting of defined terms has created inconsistency between the PNR and the PNAC, and asked whether the PNAC would be updated to reflect the new PNR formatting.</p> <p>Ms Guzeleva responded that, ideally, the PNAC formatting would also be changed. However, as her team is not responsible for the PNAC, she would confirm this with the relevant team.</p> <p>Ms Guzeleva added that the reason the italics were changed to capitals is that quite often italics fall away when changes are being made to the instrument.</p> <p>Ms Guzeleva added that there were also some additional amendments made by the Coordinator relating to the interim procedures, noting the following key points:</p> <ul style="list-style-type: none"> • Amendments have been made to allow for interim procedures developed under the PNR to become permanent, provided the ISO publicly consults for at least 15 Business Days on each procedure before 1 January 2024. • The view of the PAC was that it is more efficient to carry these procedures past 1 July 2023, as any person is able to propose changes to any procedure. • An amendment has also been made in response to the ISO's submission, which is to extend the current arrangements for visibility until such time as the permanent visibility list can be established under rule 105. <p>Mr Campbell-Everden added the following related points:</p> <ul style="list-style-type: none"> • The current visibility arrangements fall away on 1 July 2023 and there is likely to be a gap before the permanent visibility list is able to come into effect under rule 105 as more work it is needed on it. This is the rationale for extending the interim visibility arrangements. 	

Item	Subject	Action
	<ul style="list-style-type: none"> • Some of the work will also follow on from the protocol framework procedure, which is due to commence on 1 July 2023, and involves the role of the ISO control desk and what it needs to see to be able to perform its functions. • A protocol framework procedure has already been drafted by the ISO. However, further work is needed, including consultation with Horizon Power, so there is potentially a gap between 1 July 2023 and when the procedure can be finalised. <p>Ms Guzeleva added that the Coordinator is seeking to commence the amending rules on 1 July 2023 due to the expiry of a number of interim procedures on that date. This is the reason for the expedited preparation of both the draft and the final rule change reports.</p> <p>The Chair invited further questions or comments on the Coordinator's additional amending rules. There were no additional comments.</p> <p>The Chair confirmed that the PAC's advice to the Coordinator should note that PAC generally supports the amending rules and considers that they reflect the previous PAC advice and better achieve the Pilbara electricity objective. The PAC also made a number of additional comments on each of the proposals as follows:</p> <p>Proposal A</p> <ul style="list-style-type: none"> • There is a potential gap with the treatment of covered vs non-covered networks and the impact this would have on ISO cost recovery, and this should be considered further in the drafting of the final rules. • This should include consideration of where the ISO is directly approached by an access seeker and where there is more than one registered NSP involved in a particular process. • There should be further consideration of rule 274R and how it would interact with commercial arrangements between a registered NSP and connection applicant – to ensure there are no unintended consequences. <p>Proposal B</p> <p>The PAC supports the changes and recognises the benefits of having a broad and balanced representation of members on working groups.</p> <p>Proposal C</p> <p>The PAC supports the changes but notes the need to determine whether there will be potential inconsistencies between formatting and definitions in the amended PNR and the PNAC.</p> <p>The Chair reminded PAC members that second period submissions for the rule change proposal are due on 12 June 2023.</p>	
7	<p>General Business</p> <p>The Chair noted that the next meeting will be held at 9:30am on Thursday 27 July 2023 and closed the meeting.</p>	

The meeting closed at 3:05pm.

Agenda Item 5: PAC Action Items

Pilbara Advisory Committee (**PAC**) Meeting 2023_09_21

Shaded	Shaded action items are actions that have been completed since the last PAC meeting. Updates from last PAC meeting provided for information in RED .			
Unshaded	Unshaded action items are still being progressed.			
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.			
Item	Action	Responsibility	Meeting Arising	Status
-	(There are currently no outstanding action items.)	-	-	-



Agenda Item 6: – Pilbara Industry Roundtable – Update to the PAC

Meeting 2023_09_21

1. Purpose

- To update the *Pilbara Advisory Committee* (PAC) on the Pilbara Industry Roundtable outcomes.

2. Recommendation:

That the PAC notes the information in the presentation (**Attachment 1**).

3. Background

- The Minister for Energy convened the Pilbara Industry Roundtable (Roundtable) in August 2022. The membership of the Roundtable included senior representation from the resources sector, industry representative bodies and Government.
- The purpose of the Roundtable was to discuss the unique opportunities and challenges of a clean energy transformation in the Pilbara, and, in recognising the collective challenge that decarbonisation presents, to explore the opportunities of developing new common use electricity infrastructure to underpin renewable energy development.
- The Roundtable consisted of four priority workstreams:
 - Pilbara electricity sector modelling;
 - Regulatory framework review;
 - Land tenure and access; and
 - Social licence, specifically with respect to First Nations people.
- The Roundtable series concluded on 26 July 2023, when participants agreed the following objectives:
 - new common use electricity infrastructure has an important role to play in supporting increased levels of renewable energy and decarbonisation in the Pilbara, and future modelling (on an annual basis if there are material changes) should inform its development;
 - there is support for the Pilbara electricity regulatory regime to evolve to support the energy transition and agreement to participate in the consultation process, which will support the implementation of further reforms as required;
 - as a priority first step, key Government agencies will work together to update existing land tenure guidance for common use electricity infrastructure and renewable energy development; and
 - any electricity infrastructure development should support rights to self-determination and empower Aboriginal people to realise opportunities from the clean energy transformation.

- The findings of the Roundtable:
 - were used by the Minister for Energy to secure up to \$3 billion of Commonwealth funding through Rewiring the Nation to support major projects in the South West Interconnected System and the North West Interconnected System; and
 - will be used to design the next phase of work in consultation with industry stakeholders and Tradition Owners.
- The attached presentation (**Attachment 1**) outlines the key findings and recommendations, as well as the agreed outcomes and commitments, of the Roundtable for each of the four workstreams.

4. Attachments

- (1) Pilbara Industry Roundtable slides - Update to the PAC.



Government of Western Australia
Energy Policy WA

Pilbara Industry Roundtable

Update to the Pilbara Advisory Committee

21 September 2023

Working together for a
brighter energy future.

Pilbara Industry Roundtable

Established in August 2022 to discuss future electricity needs in the region and explore opportunities and challenges for common use infrastructure

Senior representation from large mining companies, the Pilbara electricity industry, CMEWA and government agencies.

Competition protocols established, including competition lawyer reviewing all papers and attending meetings

Supported by a Pilbara Industry Liaison Committee.

Progressed four key priority workstreams.

1. Pilbara electricity sector modelling

To identify future Pilbara electricity system demand scenarios and corresponding supply options.

Leveraging modelling being undertaken as part of the electricity sector SERS.

2. Regulatory Framework Review

To identify any changes to the regulatory framework for the Pilbara electricity system that will facilitate decarbonisation and drive increased interconnection and common user infrastructure where efficient.

3. Land Tenure and Access Review

To develop a shared understanding of land tenure pathways for the development of the Pilbara electricity system, examine whether those pathways are a barrier to decarbonisation goals, and identify opportunities for improvement.

4. Social Licence

To ensure First Nations people are informed, engaged and empowered in the planning of the Pilbara electricity sector.

Understand how clean energy activity can create opportunities for capacity building and empowerment through participation.

Modelling Insights

Expected approach to accessing renewable energy – 2030 a key date

Now – 2030

Industry will access solar from existing mining tenure near operations.

2027 +

Industry will seek access to high quality wind to complement solar to reach targets.

From 2030+

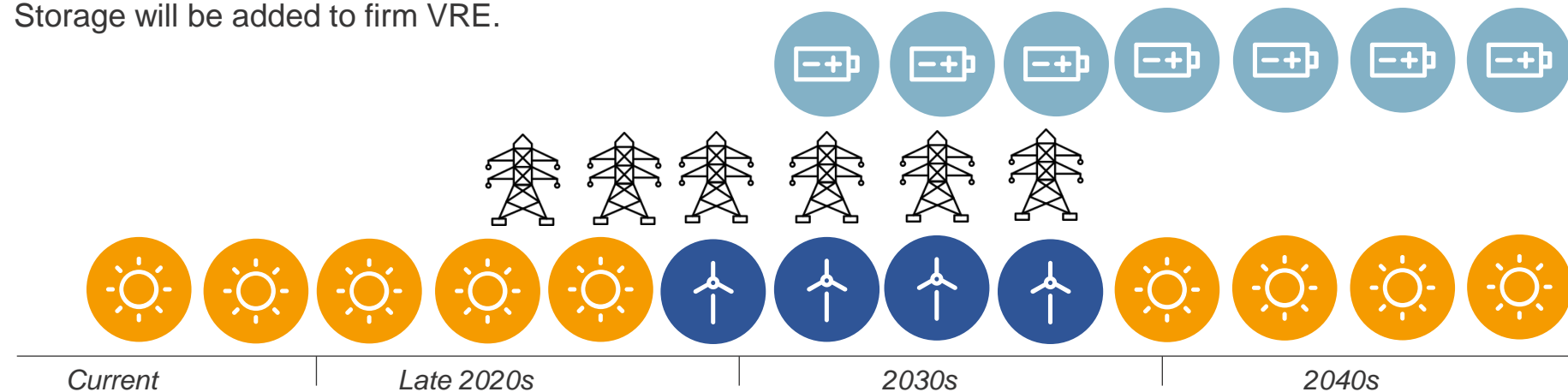
New loads at the coast will seek firmed renewable energy from RGHs.

2032+

Once transmission to high quality wind is developed, more solar will be developed at RGHs.





2035+

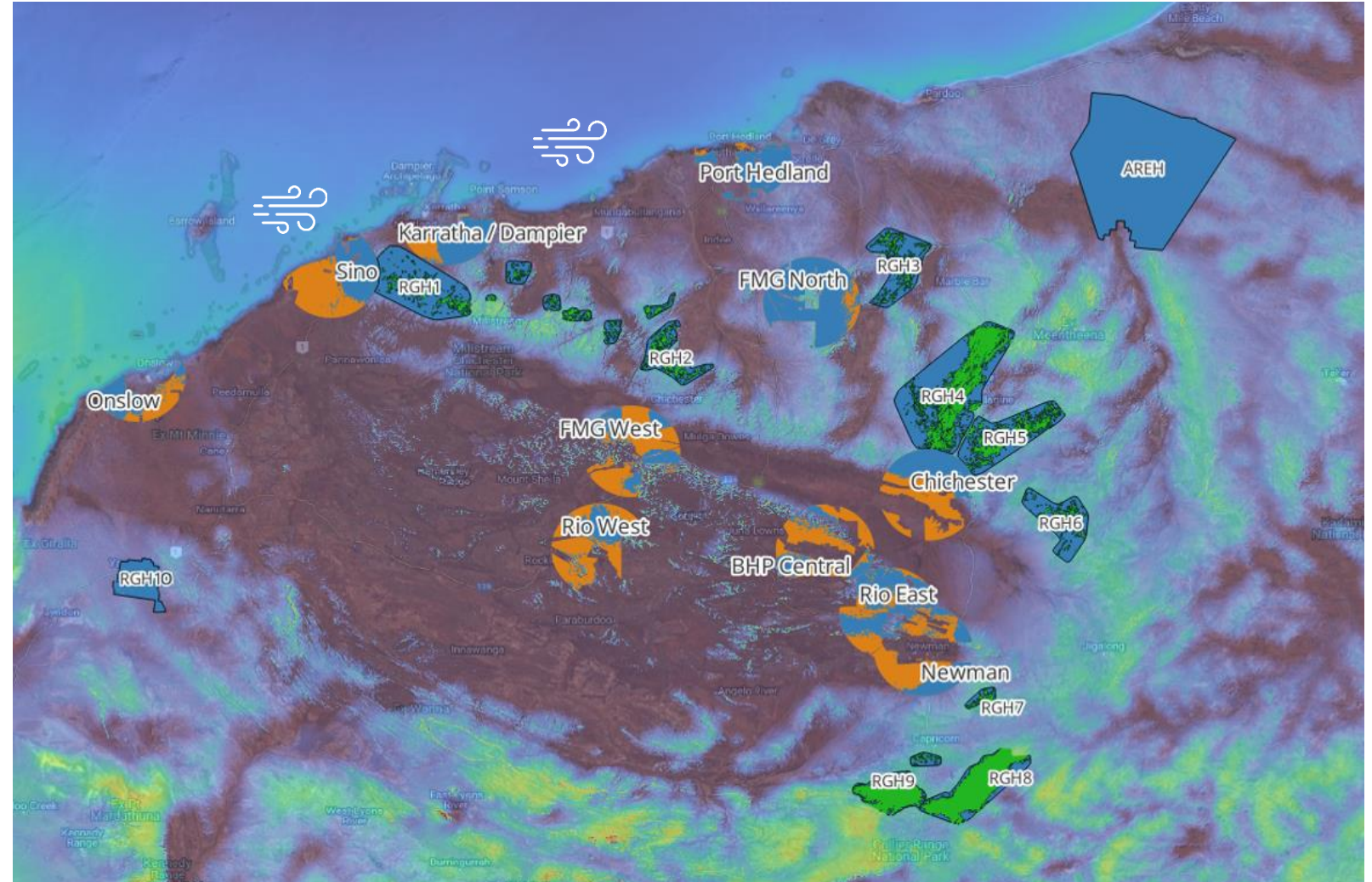
Storage will be added to firm VRE.



Modelling the geospatial context

Demand location vs renewable resource capacity factors

-  Amount of solar resource in demand nodes
-  Amount of wind resource in demand nodes
-  Renewable generation hubs (areas of >40% wind capacity factors)
-  Cyclone rating along the coast adds costs

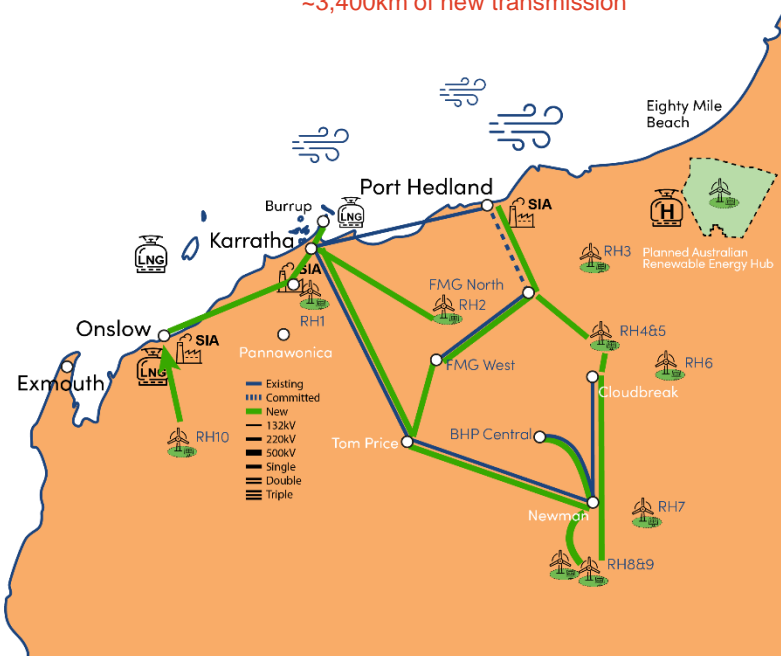


Grid configuration overview

Across 3 scenarios modelled

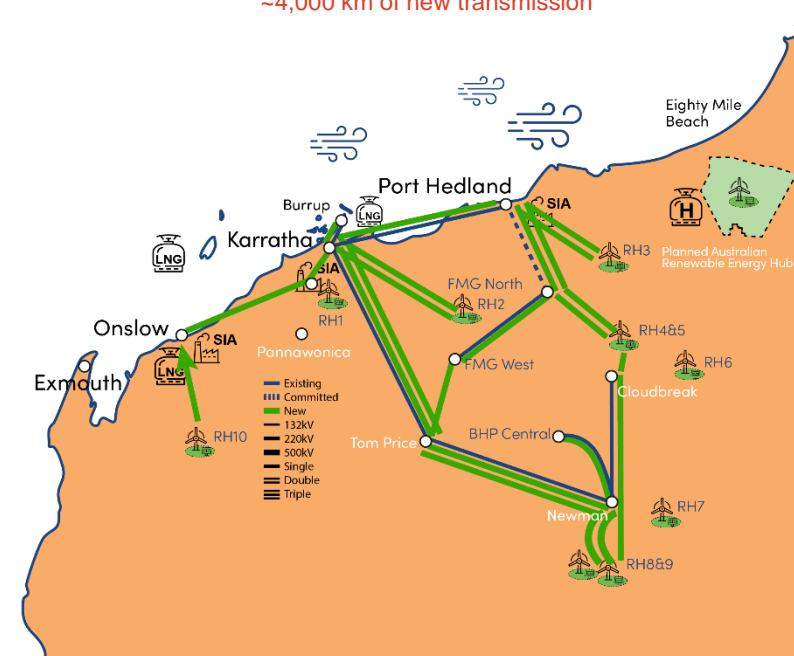
Current trajectories

~3,400km of new transmission



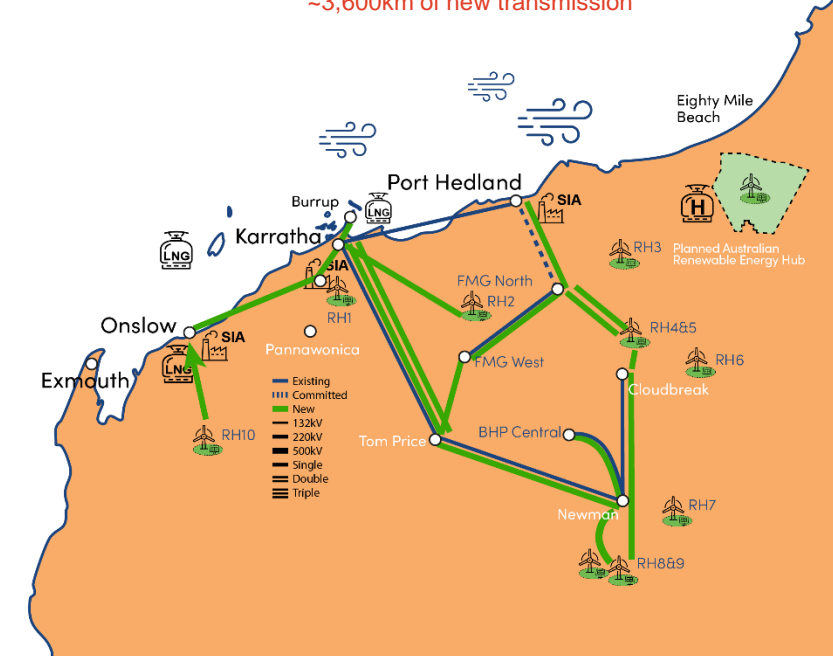
Current trajectories +

~4,000 km of new transmission



WA Step Change

~3,600km of new transmission



Regulatory framework review

Background and purpose

- Existing regulatory framework was established under Part 8A of the *Electricity Industry Act 2004* and commenced on 1 July 2021. It includes:
 - a light-handed access regime to facilitate third party access to designated electricity network assets in the Pilbara, which is codified in the Pilbara Networks Access Code (PNAC); and
 - an independent system operator (Pilbara ISOC_o), which operates under the Pilbara Network Rules (PNR), which include the Harmonised Technical Rules (HTR).
- Purpose of the workstream was to identify any regulatory changes required to this framework to facilitate efficient decarbonisation of the Pilbara region.
- Included development of an evolution plan that identifies options for further consideration/assessment and implementation.

Regulatory framework review

Principles

- **Interconnection is a means to reduce cost** for required power system security and level of green supply.
- **Participants make the decision to interconnect** based on their understanding of cost impacts and security to their business.
- Reform should **reduce barriers** and **provide information** to **drive increased interconnection where efficient**.
- Reform should **leverage lessons learned** from other markets.
- Recognise the **unique nature of the Pilbara** and **restrict regulation overhaul** where possible.

Vision

- **To ensure a smooth transition, regulations should support the rapid transition by ensuring:**
 - **Pilbara participants are not hindered in rapidly seeking to meet their clean energy targets;**
 - **existing assets are efficiently used and future investments are optimised;**
 - **security and reliability are maintained; and**
 - **Traditional Owners are empowered to inform and be involved in the transition.**

Reform Features

Security and Reliability

- Participants need confidence that the required level of supply security will be delivered by a more integrated electricity system

Commercial (energy exchange and settlement)

- Each user must bear their own costs and cross subsidisation should be minimised

Multi-user Asset Investment Certainty

- Ensure investors in multi-user network assets can recover a reasonable return from all parties that benefit from that asset

Reform Features

Security/Reliability

Review robustness and efficiency of existing process in the PNR to change HTR.

Clarify roles when interconnecting NSPs

Review requirements for centrally procured ESS

Establish way for the contribution new technologies make to meeting peak load to be recognised commercially

Establish efficient implementation of generation constraints to deliver a secure and efficient network.



Commercial (Energy / Settlement)

Support more dynamic exchange of energy between parties.

Seek low cost, simple solutions reflective of 80-90% bilateral trading outcomes delivered in WEM and large use of hedging in the NEM.

Strengthen causer pays outcomes in cost recovery.



Multiuser Network Assets

Mechanism to determine and propose the optimal transmission investment to meet the requirements of multiple parties

Increase clarity / provide guidance on use of NFIT to support large scale network investments.

Mechanism to provide reasonable return to investors in transmission infrastructure.



Security and Reliability

Issue	Feature	Options
HTR Evolution	Review robustness and efficiency of existing process in the PNR to change HTR	<ul style="list-style-type: none"> • Status Quo ✓ Establish standing committee to proactively make changes
Clarity in roles in connecting new NSP	Clarify roles for technical assessment when interconnecting NSPs	<ul style="list-style-type: none"> • Status Quo ✓ Improve role definition and establish process for connecting NSP data provision to ISO
Adequacy and flexibility of ESS procurement arrangements	Review requirements for centrally procured ESS	<ul style="list-style-type: none"> • Status Quo ✓ Increase ISO ESS procurement flexibility
Generation adequacy and intermittent generators	Establish way for the contribution new technologies make to meeting peak load to be recognised commercially	<ul style="list-style-type: none"> • Status Quo ✓ Replace definition of capacity (at all times) with WEM certified capacity calculation mechanism T Introduce Centralised Capacity Market
Implementation of Generation Constraints	Establish efficient implementation of generation constraints to deliver a secure and efficient network	<ul style="list-style-type: none"> • Status Quo • Implement generation caps T Automate constraint implementation

- ✓ To be further assessed in first tranche of reforms
- Excluded from further consideration
- T Future trigger event

Commercial (Energy/Settlement)

Issue	Feature	Options
More dynamic exchange of energy	<ul style="list-style-type: none"> • Support more dynamic exchange of energy between parties • Seek low cost, simple solutions reflective of 80-90% bilateral trading outcomes delivered in WEM and large use of hedging in the NEM 	<ul style="list-style-type: none"> • Status Quo ✓ Top Up and Spill, <u>OR</u> ✓ Centralised balancing energy dispatch T Establish Net Pool Market (WEM at inception), <u>OR</u> T Establish Gross Pool Market (NEM/WEM balancing)
Strengthen causer/user pays	<ul style="list-style-type: none"> • Strengthen causer pays outcomes in cost recovery. 	<ul style="list-style-type: none"> • Status Quo ✓ ESS Regulation Reserve, <u>AND</u> ✓ Review ISO cost recovery mechanisms

- ✓ To be further assessed in first tranche of reforms
- Excluded from further consideration
- T Future trigger event

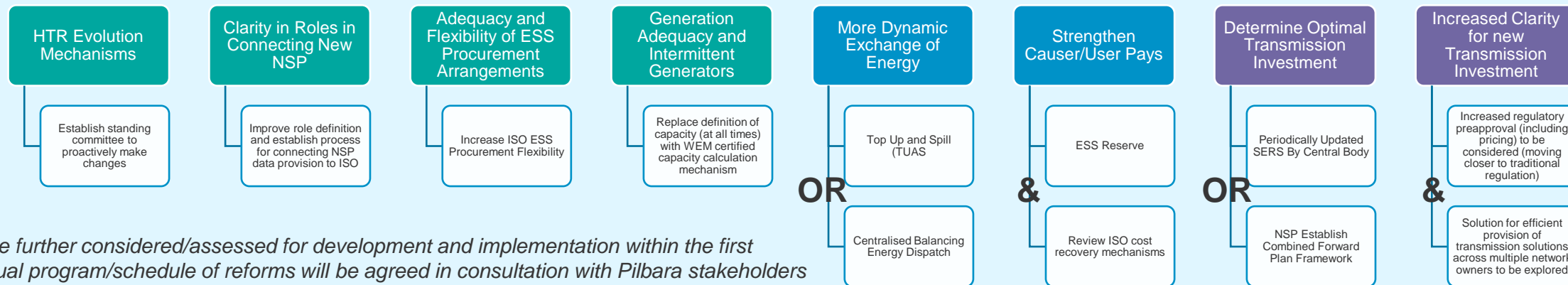
Multiuser Network Assets

Issue	Feature	Options
Determine optimal transmission investment	<ul style="list-style-type: none"> Mechanism to determine and propose the optimal transmission investment to meet the require 	<ul style="list-style-type: none"> Status Quo ✓ Periodically updated SERS by central body, <u>OR</u> ✓ NSPs establish combined forward plan framework
Increased clarity for new transmission investment	<ul style="list-style-type: none"> Increase clarity / provide guidance on use of NFIT to support large scale network investments of multiple parties Mechanism to provide reasonable return to investors in transmission infrastructure. 	<ul style="list-style-type: none"> Status Quo ✓ Increased regulatory pre-approval (including pricing) to be considered (moving closer to traditional regulation), <u>AND</u> ✓ Solution for efficient provision of transmission solutions across multiple network owners to be explored

- ✓ To be further assessed in first tranche of reforms
- Excluded from further consideration
- T Future trigger event

Preliminary Evolution Plan

First Tranche* of Regulatory Reform Reviews



*Options that will be further considered/assessed for development and implementation within the first 18-24 months. Actual program/schedule of reforms will be agreed in consultation with Pilbara stakeholders

Triggered Tranches of Regulatory Reform Reviews



Generation Adequacy and Intermittent Generators	Trigger: Should participants be unable to procure sufficient generation certificates from existing parties, even though sufficient generation exists, market can be established Option: Introduce Centralised Capacity Market (WEM)
Implementation of Generation Constraints	Trigger: ISO Control desk indicates manual system ineffective (frequency of constraints). Option: Automate constraint implementation
More Dynamic Exchange of Energy	Trigger: The evolution plan will undertake modelling in the first year and periodically after that to determine if a pool market creates a net benefit for the Pilbara. Option: Establish Net Pool Market OR Establish Gross Pool Market

Roundtable commitment

The Pilbara is rich in natural resources, generating considerable wealth for both Western Australia and the nation from an economy dominated by the extraction, processing and export of minerals and hydrocarbons.

The Minister for Energy, the Hon. Bill Johnston MLA established the Pilbara Industry Roundtable (Roundtable) in August 2022. The membership of the Roundtable has been broad and representative.

Its purpose has been to discuss the unique opportunities and challenges of a clean energy transformation in the Pilbara and, in recognising the collective challenge that decarbonisation presents, to explore the opportunities of developing new common use electricity infrastructure to underpin renewable energy development.

The Roundtable has now met four times and has overseen a work program that has modelled future electricity demand scenarios, assessed the current regulatory framework, examined land tenure arrangements and explored social licence with a focus on the empowerment of First Nations people.

The Roundtable's work program has now reached its goal with consensus among participants that:

- new common use electricity infrastructure has an important role to play in supporting increased levels of renewable energy and decarbonisation in the Pilbara, and future modelling, on an annual basis if there are material changes, should inform its development.
- there is support for the Pilbara electricity regulatory regime to evolve to support the energy transition and agreement to participate in the consultation process which will support the implementation of further reforms as required;
- as a priority first step, key Government agencies will work together to update existing land tenure guidance for common use electricity infrastructure and renewable energy development; and
- any electricity infrastructure development should support rights to self-determination and empower Aboriginal people to realise opportunities from the clean energy transformation.

In supporting these objectives, participants acknowledged that the shift to common use electricity infrastructure would be complex, take time to fully implement, and require individual commercial consideration. It was also noted this work must coexist with continued individual company projects and progress towards decarbonisation.

The Minister for Energy will now use the findings of the Roundtable to design the next phase of work in consultation with industry stakeholders, engage with Traditional Owners and promote the need for Commonwealth investment in the Pilbara via the Rewiring the Nation initiative. All parties are committed to continue participating in the process for this next phase.

Landmark agreement signed to aid decarbonisation in the Pilbara

The Cook Government is pleased to announce that members of the "Pilbara Industry Roundtable" (PIR) have all agreed on common use electricity infrastructure in the Pilbara.

- Pilbara Industry Roundtable agree on clean energy development in the Pilbara
- Roundtable includes key resources players in the Pilbara
- Cook Government committed to net zero emissions by 2050

The Cook Government is pleased to announce that members of the "Pilbara Industry Roundtable" (PIR) have all agreed on common use electricity infrastructure in the Pilbara.

The agreement recognises the importance of supporting increased use of renewable energy in the Pilbara.

Members of the PIR include the Minister for Energy Bill Johnston and representatives from Rio Tinto, BHP, Fortescue, Roy Hill, Woodside Energy, Horizon Power, Alinta Energy, ATCO, bp, TransAlta, Pilbara Independent System Operator Company, the Chamber of Minerals and Energy of Western Australia and the Macquarie Group.

The PIR met four times in the past year to oversee a works program modelling future electricity demand scenarios.

It assessed the current regulatory framework, examined land tenure arrangements, and explored social licence with a focus on empowering local Aboriginal people.

The PIR agreement recognises the challenges and opportunities that decarbonisation presents for industry and the region.

The Minister for Energy will use the findings of the Roundtable to design the next phase.

To view the agreement, visit <https://www.wa.gov.au/government/announcements/landmark-agreement-pilbara-decarbonisation>

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1 August 2023

Ministers



Hon. Bill Johnston

Minister for Mines and Petroleum; Energy; Hydrogen Industry; Industrial Relations



Hon. Reece Whitby

Minister for Environment; Climate Action; Racing and Gaming

[See all media statements from this Government](#)

Next steps

- The Roundtable work program informed negotiations with the Commonwealth to secure up to \$3 billion through Rewiring the Nation.
 - Joint Commonwealth/State announcement 29 August 2023.
- EPWA is seeking Government approval to progress an ongoing work program based on Roundtable outcomes including:
 - annual electricity sector modelling;
 - regulatory framework evolution;
 - improved land tenure support and guidance;
 - establishment of Renewable Generation Hubs; and
 - support and capacity building for First Nations people.

*We're working for
Western Australia.*



Agenda Item 7: Schedule of PAC Meetings for 2024

Pilbara Advisory Committee (**PAC**) Meeting 2023_09_21

1. Purpose

PAC members to approve the schedule for the PAC’s 2024 meetings.

2. Recommendation

That the PAC considers and approves the proposed PAC meeting dates for 2024.

3. Process

The PAC Secretariat has developed, in consultation with the Independent Chair, the proposed schedule for PAC meetings for 2024.

It is proposed that the PAC continues to meet on Thursdays, every eight to ten weeks commencing in February 2024, and avoiding meetings on public holidays and school holidays where practicable.¹

Month	Proposed PAC Meetings
January	
February	9:30AM, Thursday 22 February 2024
March	
April	9:30AM, Thursday 18 April 2024
May	
June	9:30AM, Thursday 20 June 2024
July	
August	9:30AM, Thursday 29 August 2024
September	
October	
November	9:30AM, Thursday 7 November 2024
December	

¹ Note that:

- the Market Advisory Committee (**MAC**) will meet on Thursdays, on a six-weekly cycle, commencing on 8 February 2024; and
- the Gas Advisory Board (**GAB**) will meet on Thursday afternoons, twice a year on 7 March 2024 and 19 September 2024, scheduled to avoid weeks with MAC and PAC meetings.