



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

Evolution of Pilbara Network Rules Project

Scope of Works

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

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1. Introduction

The Pilbara region is, and will remain, a significant driver of the State's economic and export performance. The significant private sector investment in electricity infrastructure in the region is expected to escalate as the system transitions to accommodate decarbonisation, electrification and new industries (such as renewable hydrogen or downstream processing). Historically, the unique context of Pilbara, and the commercial drivers of the resource sector, has led to largely disparate or weakly interconnected transmission systems to maintain a secure and reliable electricity supply for large mining operations.

Transitioning to a low carbon future may require the Pilbara electricity system to evolve from a system with vertically integrated entities providing their own electricity supply to a system of greater interconnection and shared assets. This will necessitate improved levels of coordination between participants, with assistance from Government, to ensure that decarbonisation goals are met while supporting efficient development of current and future industries, to optimise economic opportunities for Western Australia.

Following the conclusion of the Pilbara Industry Roundtable (Roundtable) process in August 2023, the Western Australia Government has endorsed a Pilbara Energy Transition Plan (PETP) to continue the work program and consensus goals which participants published in the [Roundtable Communiqué](#).

The current Pilbara Network Rules (PNR) were designed around a power system that is based predominantly on dispatchable thermal generation comprised of gas turbines. Decarbonisation efforts will see a radical change in the types of technologies that are available to supply electricity as well as various system support services. In particular, increased levels of intermittent generators like wind and solar will require firming from storage facilities over time as fossil fuel generation gradually retires. It is also likely that the technical rules will need to be adapted to reflect these technology changes.

The purpose of this project is for Energy Policy WA (EPWA) to work closely with stakeholders to identify and implement any changes necessary to evolve the Pilbara Network Rules (PNR) to ensure they enable and support efficient decarbonisation of the Pilbara electricity system, including any changes in the way system support services are provided.

This project will build on work completed to date, particularly the Roundtable Regulatory Evolution workstream outputs.

EPWA proposes that this project be delivered in four stages:

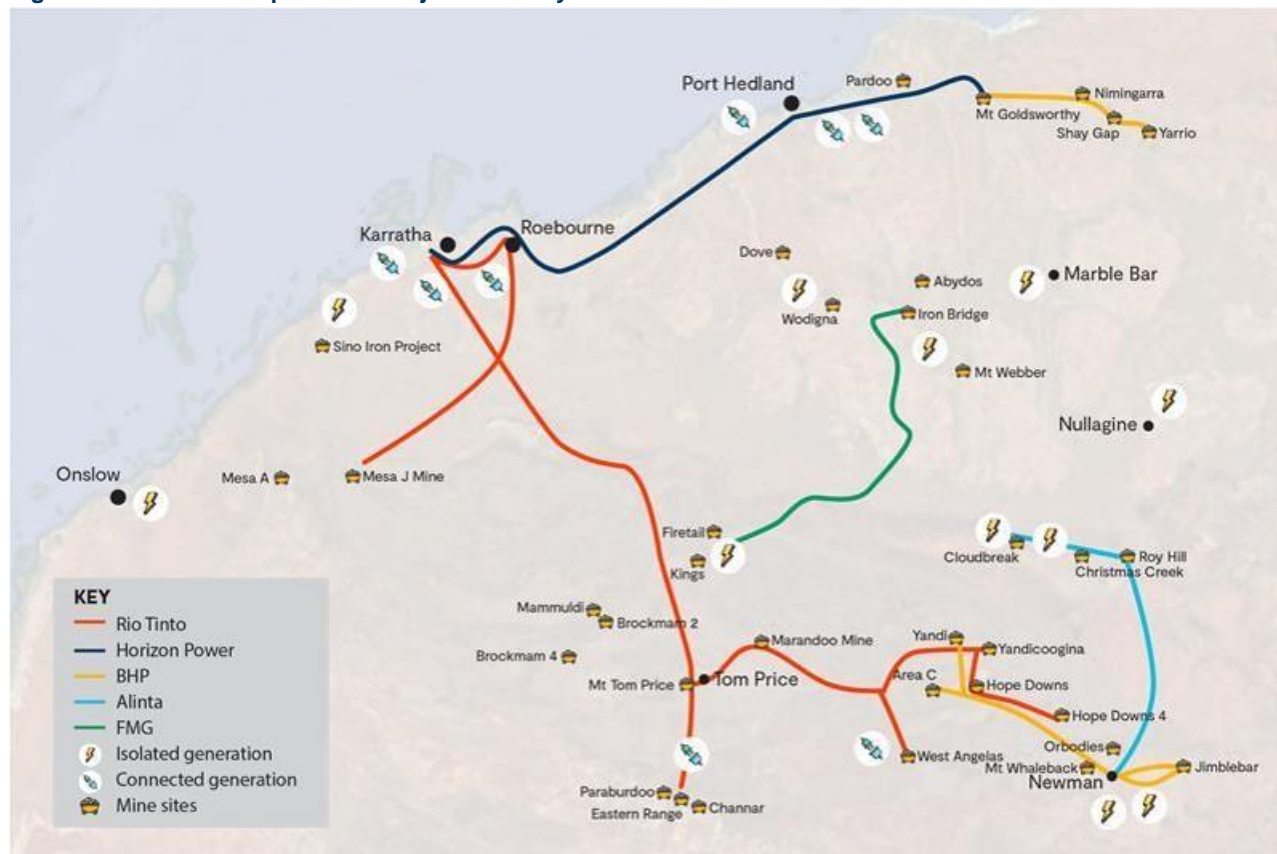
- Stage 1 – Establishment of a new Pilbara Advisory Committee (PAC) working group to support this project;
- Stage 2 – Scenario development and modelling to establish the likely trajectories that meet the decarbonisation goals for the Pilbara;
- Stage 3 – Assessment of the effectiveness and efficiency of the existing PNR against the Pilbara objectives, the decarbonisation goals for the Pilbara, and the trajectory and modelling outputs of Stage 2; and
- Stage 4 – Implementation plan for any necessary changes to the PNR to continue to meet the Pilbara objectives in the context of the decarbonisation goals for the Pilbara.

2. Background and work undertaken to date

2.1 The electricity sector in the Pilbara

The electricity system in the Pilbara comprises five transmission systems (at two transmission voltages - 132kV and 220kV), owned by five organisations, approximately 2,200 megawatts (MW) of installed capacity and a number of stand-alone power systems serving islanded mine sites. The map below shows the existing infrastructure in the region.

Figure 1. Illustrative depiction of major electricity networks in the Pilbara



Source: Horizon Power

2.2 Pilbara electricity reform (2017-2021)

On 9 August 2017, the then Minister for Energy (Hon Ben Wyatt MLA) announced that the State Government would design a fit for purpose regulatory scheme for Pilbara's North West Interconnected System (NWIS). In parallel to the Pilbara electricity reforms, Horizon Power's coastal network was declared a covered network under the Electricity Networks Access Code 2004 by the former Minister for Energy on 2 February 2018. Alinta's Port Hedland network became a covered network as of 1 July 2021.

On 1 July 2021, the regulatory framework for the Pilbara electricity system commenced. The regulatory framework was established under Part 8A of the *Electricity Industry Act 2004* (Industry Act) and 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), which operates under the PNR.

The PNR govern the operation, management, security, and reliability of the Pilbara system, as well as the functions of the Pilbara ISOCO. The rules cover governance, essential system services, planning, and reporting. They also include harmonised technical rules that define the technical performance requirements of the power system and the responsibilities of network service providers in maintaining transmission and distribution systems to meet these requirements.

A high-level overview of the Pilbara electricity system regulatory framework is provided in **Appendix A**.

2.3 Pilbara Industry Roundtable

In recognition of the challenges and opportunities for decarbonisation in the Pilbara, the Minister for Energy established the Pilbara Industry Roundtable in August 2022. The Roundtable was established to discuss future electricity infrastructure needs in the Pilbara region, and to explore the opportunities and challenges of common use infrastructure to support increased renewable energy production.

The Roundtable progressed four priority workstreams, including:

- modelling of the Pilbara electricity system to identify future demand and supply scenarios;
- review of the electricity regulatory framework to identify any changes required to facilitate efficient decarbonisation and increased common use transmission infrastructure;
- review of land tenure and access pathways to examine whether existing pathways are a barrier to decarbonisation goals, and identify opportunities for improvement; and
- consideration of social licence issues, with a particular focus on First Nations people.

The Roundtable work program reached its conclusion in July 2023, with the outcomes publicly communicated through a Ministerial media statement on 1 August 2023 and the publication of a [Roundtable Communiqué](#). Importantly, Roundtable members reached agreement that new common use infrastructure has an important role to play in the decarbonisation efforts in the Pilbara. Roundtable members also agreed to a future work program, arising from the four priority workstreams that has been captured in the PETP.

2.4 Roundtable – regulatory evolution workstream

Currently, the Pilbara is dominated by vertically integrated participants, who operate their own power systems and supply their own loads using their own generation. As higher levels of renewables are connected to the system, this model may need to adapt and evolve.

As part of the Roundtable's regulatory evolution workstream, a high-level regulatory framework review was undertaken to identify any regulatory changes to the Pilbara electricity system regulatory framework required to facilitate efficient decarbonisation of the region.

From this basis, a high-level consideration of potential reform options and a proposed reform program was developed, organised into three categories: security and reliability, commercial (energy and exchange and settlement) and multi-user asset investment certainty. An expanded summary of the Roundtable regulatory evolution workstream is available in **Appendix B**.

The Roundtable process culminated in a commitment from participants to support the proposed regulatory evolution plan and agree to participate in the process of implementing further reforms as required.

The outputs of this workstream and Roundtable commitment will inform the starting point of this PNR Project.

3. Scope

Following the Roundtable process, further work is required to establish governance mechanisms that can effectively progress the policy design which would ensure the PNR remains fit for purpose to support the energy transition.

3.1 Scope clarifications

The PNR project scope is limited to:

- the PNR, and its enabling legislation and regulations to the extent changes are necessary to facilitate the evolution of the PNR; and
- the Harmonised Technical Rules (HTR), which are included in Appendix 5 of the PNR, to ensure, as a priority, that they are fit for purpose for renewables and storage developments, and to ensure the HTR evolve in parallel with any changes to the PNR.

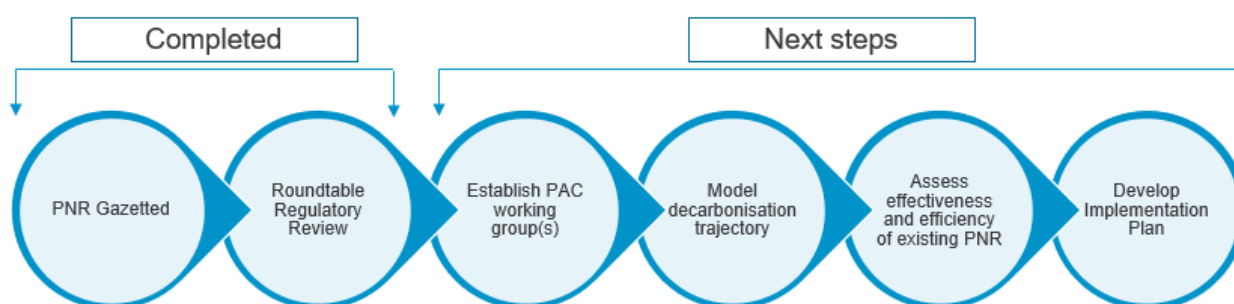
For avoidance of doubt, the PNAC is out-of-scope for this project.

3.2 Staged delivery

Energy Policy WA proposes that this project is delivered in four stages (see Figure 2 for visualisation):

- Stage 1 – Establishment of a new Pilbara Advisory Committee (PAC) working group to support this project;
- Stage 2 – Scenario development and modelling to establish a trajectory that meets the decarbonisation goals for the Pilbara;
- Stage 3 – Assessment of the effectiveness and efficiency of the existing PNR against the Pilbara objectives, the decarbonisation goals for the Pilbara, and the trajectory and modelling outputs of Stage 2; and
- Stage 4 – Implementation plan for any necessary reforms to the PNR to continue to meet the Pilbara objectives in the context of the decarbonisation goals for the Pilbara.

Figure 1: Work completed and next steps



At a high level:

- The objective of Stage 1 is to establish governance mechanisms to support the analysis and development necessary to complete the scope of this project.
- The objective of Stage 2 is to, with the support of the PAC and its working groups, develop scenarios and undertake modelling to establish a trajectory or trajectories that meet(s) the Pilbara decarbonisation goals.

- The objective of Stage 3 is to complete a comprehensive review of the PNR to identify existing or future development needs in the context of the outcomes of Stage 2.
- The objective of Stage 4 is to ensure that any evolution needs emerging as a result of Stages 2 and 3 are captured in a comprehensive Implementation Plan.

3.2.1 Stage 1 overview - establishment

Stage 1 will establish a governance framework and working structure that support effective delivery of this project. In line with the Government's approach to the Roundtable process, evolution of the PNR will involve close work with key stakeholders. To this end, EPWA expects that the PAC will play a pivotal role in facilitating stakeholder input, providing technical advice, and leveraging participant experience and insights. Given the breadth of the PNR, it is likely at least two PAC working groups will be required, one to support PNR development (generally) and a second, more technical group focused on parallel development of the HTR.

3.2.2 Stage 2 overview – scenario development and modelling

Stage 2, with the support of the PAC and its working groups, will develop and model a small number of scenarios to establish a trajectory or trajectories that meet(s) Pilbara decarbonisation goals. This activity is expected to provide typical techno-economic intermittent generation and storage development scenarios (e.g. no integration vs partial integration vs full integration).

The modelling activity will provide information to allow a 'stress test' of the existing PNR at varying levels of renewable energy and storage under these scenarios at relevant points of time (i.e. 2030, 2040, and 2050). It is expected that the focus of the PAC and its working group(s) will be on scenario development (for example, providing input to 'sensible' demand forecast(s) to ensure that the modelling outcomes provide a basis to assess and evaluate required evolution of the PNR (Stage 3).

The modelling work would leverage recent modelling work completed by EPWA, to support the Sectorial Emissions Reduction Strategies and the Pilbara Roundtable process.

3.2.3 Stage 3 overview – assessment of PNR

Stage 3 will involve a review of the PNR to identify existing and future developmental needs required to support the outcomes of stage 2.

The review of the PNR, with the support of the PAC and its working groups, will be undertaken with appropriate analysis and evidence.

This stage will include:

- A comprehensive assessment of the PNR (including HTR) to identify issues and gaps (existing and future);
- detailed analysis to identify and evaluate suitable reform options; and
- identification of a 'PNR evolution glide path'.

3.2.4 Stage 4 overview – implementation plan

Stage 4 of this project will develop the PNR evolution glide path into an actionable implementation plan. Specifically, the implementation plan will:

- provide a detailed explanation of the PNR evolution stages (including issue being addressed, options considered, and rationale for each stage / initiative); and
- an outline of actions required to implement the staged evolution including timing, governance, resourcing, and milestones.

EPWA understands that a number of the Pilbara stakeholders are currently assessing renewable resources investment decisions. To facilitate these investment decisions, they need certainty around how the PNR and the HTR would evolve.

Therefore, EPWA considers that the PNR evolution should be undertaken in a number of tranches. The first tranche would include 'low-hanging fruit' changes that do not need legislation change but are needed for early investment decisions. Amongst other things these could include:

- changes to the HTR to ensure that they are fit for purpose for the integration of renewables and storage; and
- changes to Chapter 8 of the PNR - procurement and cost allocation of ESS, to ensure this is fit for purpose for rapid penetration of renewables and storage.

4. Stakeholder consultation

Successful completion of this project will require extensive collaboration, with all key stakeholders, particularly Network Service Providers, key users and the Pilbara ISOC who are responsible for the operation and maintenance of security and reliability in the Pilbara electricity system. While the PAC and its working groups will be the main forums for the engagement of key stakeholders and rule participants, public consultation will also be undertaken.

4.1 PAC and proposed Working Group(s)

Under the PNR, the Coordinator of Energy (supported by EPWA), has a function to consider and, in consultation with the PAC, progress the evolution and development of the regime under Part 8A of the Act and the PNR.

EPWA proposes that a dedicated PAC working group is formed to support this project. The PAC and the PAC Working Group(s) will be integral to the delivery of this project, with input required into each project stage (see Table 1).

Table 1: PAC Working Group inputs

Stage	Examples of PAC and PACWG input
Stage 1	<ul style="list-style-type: none">• Agreement on PAC role in this project.• Endorsement of Terms of Reference (and resourcing of) two PAC working groups – PNR general and separate HTR specific group.
Stage 2	<ul style="list-style-type: none">• Actively participate in discussions on scenario development and modelling approach.• Where applicable, actively support the provision of data and information to inform modelling activities.
Stage 3	<ul style="list-style-type: none">• Inform, review and contribute to the comprehensive assessment of the PNR.• Actively participate in discussions and provide input into the review of the PNR and develop proposals, including by:<ul style="list-style-type: none">- identifying aspects of the PNR that will require further development;- developing proposals for change, and providing feedback on the suitability and feasibility of design proposals developed by EPWA ;- identifying impact of proposals on business and operational costs;- providing input on any staging/sequencing and transitional arrangements required; and- providing input on appropriate governance arrangements.
Stage 4	<ul style="list-style-type: none">• Develop a PNR evolution glide path.

The [PAC meeting schedule for 2024](#), commences with a 22 February 2024 meeting. It is proposed that the PAC approves the creation and the Terms of Reference for the Working Group(s) at this meeting.

The PAC Working Group will require members with suitable technical skills and Pilbara specific knowledge to actively contribute to the work program. It is expected that this group will meet at least monthly, with more frequent meetings as required.

It is expected that this group will prepare analysis and other materials. There will be a heavy reliance on analysis and discussions in this group at each stage of the project to understand issues, draw conclusions and develop proposals.

The Working Group will report back to the PAC on its progress at each PAC meeting.

5. Project schedule

The project schedule is detailed in Table 2 below.

Table 2: Project Schedule

Tasks/Milestones	Timing
Stage 1 – Project establishment	
Internal approval of scope of works	December 2023
Engage a consultant(s) to assist with the review	Late January 2024
Request that the PAC approves the Terms of Reference for the PACWG(s)	February 2024
Call expressions of interest for PACWG membership	February 2024
PACWG kick-off meeting(s)	Mid-March 2024
Stage 2 – Scenario development and modelling	
Agree modelling approach / methodology	March 2024
Scenario development	March – April 2024
Modelling activity and results / trajectory(s)	April – May 2024
Stage 2 – Assessment of PNR	
Assessment and analysis of PNR against Stage 2 outcomes	May – August 2024
Development of proposals for PNR evolution	August – November 2024
Development of PNR evolution glide path	November 2024
Update PAC (multiple)	20 June, 29 August and 7 November 2024
Stage 4 – Implementation Plan	
Draft Implementation Plan	December 2024
Final Implementation Plan	February 2025

Appendix A. Outline of Pilbara networks rules

- The Minister establishes the Pilbara Networks Rules (PNR) under section 6 of the Pilbara Regulations and the PNR comprises:
- Chapter 1 (Introductory): which provides for the commencement of the PNR, includes definitions, expands on the meaning of certain key concepts, and defines the parties bound by the PNR;
- Chapter 2 (Governance): which outlines the functions and powers of the Pilbara Independent System Operator (ISO), the mechanism for the ISO to delegate those functions where required, including the delegation of its real-time functions to Horizon Power, and makes explicit the Minister's emergency powers;
- Chapter 3 (Instruments): which empowers the Pilbara Harmonised Technical Rules (HTR) and their application to Pilbara networks and relevant connected facilities (participants), as well as providing frameworks for the development of those procedures and protocols that are required for the operation of the North West Interconnected System (NWIS) and exemptions from various codes;
- Chapter 4 (Administration): which names the Pilbara ISOCO as the Pilbara ISO, outlines the obligations on participants to register and provide information that is required for the ISO to perform its functions, and the ISO's responsibilities to ensure its operating and communication systems are secure;
- Chapter 5 (Measurement): which makes explicit that the Electricity Industry (Metering) Code 2021 applies to the covered Pilbara networks (unless an exemption is granted), permits metering data to be provided to the ISO, and stipulates that Network Service Providers must determine loss factors;
- Chapter 6 (Generation adequacy): which ensures that the power system has sufficient installed generating capacity to meet peak demand in as low-cost manner as possible, noting that the NWIS does not have a capacity mechanism and requires participants to manage their own capacity margins;
- Chapter 7 (System operations): which confers obligations on participants to operate their infrastructure in a manner that will maintain system security and reliability and enables the Pilbara ISO to intervene and perform its functions where the system is not being appropriately managed or maintained;
- Chapter 8 (Essential system services, balancing and settlement): which provides for essential system services (frequency control and spinning reserve) to be procured by the Pilbara ISO in order to maintain the power system in a secure state, as well as describing the energy balancing and settlement regime which enables participants to be paid for providing, or pay for receiving, electricity;
- Chapter 9 (Network matters): which provides constraint rules and grandfathering provisions to enable new participants to access covered Pilbara networks in a manner that protects existing participants from sovereign risk;
- Chapter 10 (Planning and reporting): which outlines the Pilbara ISO's role in providing credible, independent information across a range of timeframes to assist in the efficient investment in, and development of, energy infrastructure in the Pilbara, and the ISO's responsibility for developing reports to improve visibility and understanding of current and potential future assets in the NWIS, including:
 - a transmission development plan which forecasts a range of credible scenarios for electricity supply and demand in the covered Pilbara networks; and
 - a generation statement of opportunity (Pilbara GenSOO), which identifies possible efficient investment opportunities in new or existing generation facilities;
- Chapter 11 (Information): which governs how the Pilbara ISO must publish information, including provisions for the protection of confidential information where required;

- Chapter 12 (Compliance, enforcement and review): which prescribes that the Pilbara ISO monitor the behaviour of those bound by the PNR (including itself) to ensure compliance with the PNR, and outlines the role of the Economic Regulation Authority and the Electricity Review Board where required to investigate and resolve rules disputes between the ISO and other parties;
- Chapter 13 (Disputes): which outlines the process by which dispute resolution occurs in the Pilbara, including the role of the arbitrator;
- Chapter 14 (Miscellaneous): which provides for consultation, monitoring of the regime's effectiveness and transition;
- Appendix 1 (Standard and expedited consultation processes): which outlines the processes by which a decision maker must consult, when consultation is required;
- Appendix 2 (Rule and procedure change): which provides the mechanism for rule changes, and determines the role of the Coordinator of Energy to administer the rules and consider rule change requests;
 - The role of the Coordinator of Energy (Coordinator) in the rule change process is aligned with the rule change process in the Wholesale Electricity Market Rules.
 - Under the Electricity Industry (Pilbara Networks) Regulations 2021, the Minister for Energy also has a transitional power to make rules for the first two years of the regime. This is in addition to the Coordinator's rule change function and the Minister's ongoing ability to repeal and replace the rules at any time.
- Appendix 3 (Legacy arrangements for harmonised technical rules): which describes the grandfathering arrangements for technical compliance to the HTR;
- Appendix 4 (Transitional Rules): which provides the transitional rules which apply until the PNR fully commence; and
- Appendix 5 – (Pilbara Harmonised Technical Rules): published separately

Appendix B. Workstream 2: Regulatory framework review

B.1 Purpose of workstream

Currently, the Pilbara is dominated by vertically integrated participants, who are able to operate their own power systems and supply their own loads using their own generation facilities. As higher levels of renewables are connected to the system, this model will move towards one with more common user infrastructure.

The regulatory framework review was undertaken to identify any regulatory changes to the Pilbara electricity system regulatory framework required to facilitate efficient decarbonisation of the region. The review included development of an Evolution Plan to outline a proposed regulatory reform pathway.

B.2 Current situation

The existing regulatory framework in the Pilbara electricity system commenced on 1 July 2021, and was established under Part 8A of the *Electricity Industry Act 2004*. The framework includes:

- a light-handed access regime to facilitate third party access to designated electricity network assets in the Pilbara, codified in the Pilbara Networks Access Code (PNAC); and
- an independent system operator (Pilbara ISOCo), which operates under the Pilbara Network Rules (PNR) which include the Harmonised Technical Rules (HTR).

This framework was established largely on the basis of facilitating third party access, and did not contemplate the system changes required in future to accommodate increasing levels of renewables.

B.3 Drivers and intent of reform

To guide the identification and development of options to be included in the Evolution Plan, consideration was given to legislated Electricity Objectives, key externalities and principles that recognise the needs of the Pilbara stakeholders. A vision statement was developed to provide a summary of the long-term outcomes the review must facilitate.

B.3.1 Objectives and externalities

The legislated Electricity Objectives inform policy positions in any regulatory review process. The relevant electricity objective for the Pilbara is currently in transition from the Pilbara Electricity Objective to being unified under the State Electricity Objective. Due to the transition state, both objectives have been considered in this review.

The key externalities that will drive a step change in the demands on electricity reform in the Pilbara have been identified as

- increased renewables in the generation mix on the North West Interconnected System (NWIS);
- step increase in electricity transfers (electrification); and
- learnings from the Wholesale Electricity Market (WEM)/National Electricity Market (NEM) and PNR in managing the energy transition.

B.3.2 Principles to support the evolution plan

Most of the Pilbara stakeholders can operate their own independent power systems and will only look to an interconnected system if they perceive a clear case to reduce cost and maintain security while gaining efficient access to increased firmed capacity. The following principles recognise the needs of the stakeholders in the Pilbara wholesale electricity sector and have been used to guide the development of options for inclusion in the Evolution Plan:

- interconnection of power systems is a means to reducing cost for a required level of power system security and green supply;

- participants make the decision to interconnect based on their understanding of cost impacts and security to their business (i.e. regulation should inform and facilitate private sector led investment);
- reform should reduce barriers and provide information for participants to drive increased interconnection where it results in efficient investment and operation;
- leverage lessons learned from other markets;
- recognise the unique nature of the NWIS / Pilbara compared to other systems; and
- restrict regulation overhaul where possible (i.e. planned and structured evolution).

B.3.3 Vision statement

There will be a rapid transition to net zero emissions by 2050 as increased intermittent generation is connected to the NWIS and participants seek to decarbonise existing operations (i.e. electrification). To ensure a smooth transition, the regulations should support such 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 (i.e. the lights stay on); and*
- *Traditional Owners are empowered to inform and be involved in the transition (maximise the value of land use, and minimise land and cultural impacts).*

B.4 Reform features and options

The role of regulation in responding to the externalities, consistent with the vision and the principles, is to reduce the barriers to Pilbara stakeholders using multi-user electricity assets of scale. The regulatory review identified three key barriers (reform features) to the development and use of common use infrastructure for industry in the Pilbara, being:

- security and reliability: as integration and renewable energy penetration increase, the mechanisms used to ensure security of electricity supply are less within the control of individual entities and instead become shared responsibilities across all participants;
- commercial (energy exchange and settlement): the purchase of electricity from different parts of the network with quality renewable resources (rather than own-source generation) increases, meaning new financial mechanisms must be put in place to support increasing levels of energy transfer; and
- multi-user asset investment certainty: investors in these multi-user assets must be able to recover a return from the parties that benefit from the asset in a predictable fashion that supports investment decisions.

The existing mechanisms (status quo) underpinning these reform features were reviewed in the relevant Pilbara legislative instruments, being the PNR, HTR and PNAC.

Alternative options to the status quo were established as potential reform options for consideration in the Regulatory Evolution Plan. The options to be progressed are summarised in Tables 1 and 2.

B.5 Regulatory evolution plan

The first tranche of reforms will involve detailed assessment and consultation on the following options to determine suitability and, if suitable, the timing of implementation (likely to be within the first 18 months). The options for consideration in this first tranche are summarised in Table 1.

Table 1: Summary of options for consideration in first tranche of Regulatory Review

Security and Reliability	Commercial	Multi-user network assets
<ul style="list-style-type: none"> Establish standing committee to proactively make HTR changes. Improve role definition and establish process for connecting Network Service Provider and data provision to ISO. Increase ISO Essential System Services (ESS) procurement flexibility. Replace definition of capacity with WEM certified capacity calculation mechanism. 	<ul style="list-style-type: none"> More dynamic exchange of energy: <ul style="list-style-type: none"> Top up and spill; or Centralised balancing energy dispatch. Strengthen causer / user pays: <ul style="list-style-type: none"> ESS (Regulation) reserve; and Contingency reserve; and ISO cost recovery mechanisms. 	<ul style="list-style-type: none"> Determine optimal transmission investment: <ul style="list-style-type: none"> Periodically updated by central body; or NSP establish combined forward plan framework. Increased clarity for new transmission investment: <ul style="list-style-type: none"> Increased regulatory preapproval (including pricing) to be considered (moving closer to traditional regulation); and Solution for efficient provision of transmission solutions across multiple network owners to be explored.

Options that require further detailed analysis, or are not required at this time, have been allocated a trigger event that will trigger a program of works to explore and implement regulatory reforms as summarised below in Table 2.

Table 2: Summary of options for consideration following trigger event

Option	Trigger Event
Introduce Centralised Capacity Market (WEM)	Should participants be unable to procure sufficient generation certificates from existing parties, even though sufficient generation exists, a market can be established.
Automate constraint implementation	If in implementing the Constraint Rules, the ISO or its control desk identify limitations in the PNR, this can be a trigger event for a Rule change.
Establish Net Pool Market (WEM at Inception) or Establish Gross Pool Market (NEM / WEM Balancing).	The Regulatory Evolution Plan will undertake modelling in the first year and periodically after that to determine if the pool market creates a net benefit for the Pilbara. When and if this modelling demonstrates a net benefit, this will be the trigger to commence the design and implementation of a centrally organised energy market.

B.6 Roundtable commitment

Support proposed regulatory evolution plan pathway and agree to participate in the process to implement further reforms as required.

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