

Minutes

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| Meeting Title: | Demand Side Response Review Working Group (DSRRWG) |
| Date: | 15 February 2024 |
| Time: | 11:00 AM to 12:00 PM |
| Location: | Microsoft TEAMS |

| Attendees | Company | Comment |
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| Dora Guzeleva | (Chair) EPWA | |
| Tom Butler | AEMO | |
| Allicia Volvricht | AEMO | |
| Devika Bhatia | Economic Regulation Authority | |
| Scott Cornish | Enel X | |
| Bronwyn Gunn | EPWA | |
| Thomas Marcinkowski | EPWA | |
| Bobby Ditric | Lantau Group, Consultant | |
| Dave Carlson | Lantau Group, Consultant | |
| Tessa Liddelow | Shell Energy | |
| Graeme Ross | Simcoa Operations | |
| Dimitri Lorenzo | Bluewaters Power | |
| Chris Alexander | Small-Use Consumer Representative | |
| Noel Schubert | Small-Use Consumer Representative | |
| Peter Huxtable | Water Corporation | |
| Valentina Kogon | Western Power | |
| Aaron Bowling | Western Power | |
| Rhiannon Bedola | Synergy | |
| Oscar Carlberg | Alinta Energy | |
| Apologies | Company | Comment |
| Mitch O'Neill | Grids | Not in attendance |
| Jake Flynn | Collgar Wind Farm | Not in attendance |
| Michael Zammit | Integrated Management Services | Not in attendance |
| James Elliott | Horizon Power | Not in attendance |
| George Martin | Starling Energy | Not in attendance |
| Wayne Trumble | Newmont Mining | Apologies sent |

| Item | Subject |
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| 1 | Welcome |
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The Chair opened the meeting with an Acknowledgement of Country and noted that the minutes for the previous meeting had not been circulated.

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| 2 | Review of the WEM Initial Amending Rules Exposure Draft |
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Secondary metering:

Mr Ditric ran through clauses 2.30A.1 and 2.30A.2.

- Mr Huxtable asked if the word component needed to be defined.

The Chair clarified that it is already used extensively in the rules and not defined.

- Mr Schubert asked if proposed clause 2.30A.2(b) would pose a problem for a facility with two network connections.

The Chair responded that facilities behind multiple connections will not be eligible to participate in these arrangements, as the premise is that a secondary interval meter is netted off a single primary meter.

- Mr Carlberg suggested that the main purpose of these rules is to allow the registration of two Facilities behind a single connection point, and that a Facility with two connection points would not have a need for these rules, noting that its separate connection points would already allow it to register separate Facilities under the current WEM Rules.

The Chair stated this is not possible if the components are electrically connected at the site and noted that the complexity with allowing separately registered components, in the presence of multiple connection points, arises due to matters such as different loss factors at the different connection points. She noted that if there was a real-life use case for it and the benefits could be demonstrated that it could be considered, but as it stands the benefits do not appear to outweigh the complexities.

Action: EPWA to define the different component provided for by proposed section 2.30A as a component of a different technology type.

- Mr Schubert asked if a problem was created by proposed clause 2.30A.2(d) in the case of a DSP also providing interruptible load for contingency raise.

The Chair responded that the proposed rule only states that if a facility already has a component registered separately, they cannot separately register a second component.

- Mr Butler said that AEMO needed more time to consider the interaction between sections 2.31 and 2.30A.
- Mr Butler asked whether these new clauses would form part of the application process, or if it was intended to be a separate process before the application process.
- Mr Butler also asked how the proposed section 2.30A relates to existing facilities.

The Chair said that it is for both existing and new facilities and if a participant wants to remove its separate registration of a component and move back to a single facility, they need to update their current facility registration. She noted that the intent is to rely on existing processes in section 2.31 as much as possible.

- Mr Butler asked if that process would trigger a review of both the existing facility and the separately registered component so that AEMO must review both.

The Chair confirmed this.

Item Subject

Action: EPWA to amend the proposed section 2.30A to clarify that once approval is provided under section 2.30A, a participant must utilise the normal registration process under section 2.31, and must both register the separate component and have the Facility Class for the remainder of the facility reassessed.

- Mr Butler asked if the 10 business days referenced in clause 2.30A.4 was enough time to liaise with the Network Operator and receive its feedback.

The Chair noted that this drafting was for discussion, and asked for feedback on the appropriate length of time.

- Mr Butler stated that AEMO needed to consider the alignment between the timeframes in this section and section 2.31.

The Chair clarified that section 2.30A is not prescribing the registration itself, only the process of AEMO notifying a participant that they can apply to register a separate component.

The Chair invited members to make submissions on whether 10 business days was sufficient.

Mr Ditric said that the consultation process under the proposed clause 2.30A.3 is limited to confirming whether there is a meter installed, which should not take too long.

- Mr Huxtable commented that he does not think that the proposed rule meets the intent but referring to different technology types seeking separate registration may be helpful.
- Mr Carlberg asked what the rationale is behind limiting registration as a separate facility to one component.

The Chair said that with more than one component there must be revenue meters on all components that are registered separately, which would be complex because settlement needs to be able to account for each one. This also needs to include allocation of losses and this may require significant rules and system changes.

- Mr Carlberg noted that there could be benefit in that this would allow for multiple facilities to connect behind a connection point if there is capacity for this, and avoid the need for more network investment.

The Chair asked whether, given that each component has to be a separate technology type, that there would be more than 3 technology types behind a connection point that a participant would want to register separately.

- Mr Carlberg said that this was more of an edge case and not something that should delay this change, and noted his support for the initiative overall.
- Mr Carlberg asked if the purpose of this change was to work around the restriction in the current rules that prevents multiple facilities behind a single connection point, and why this current restriction could not just be removed noting that this may be simpler than creating new rules to permit the registration of separate Facilities behind a single connection point.

The Chair said that this rule will allow for what is akin to disaggregating a facility, but in a limited way and settlement values will still be calculated with reference to the main connection point, with just one component of a separately technology type registered separately, and reiterated that each facility needs to be associated with a connection point and a “master” meter.

Mr Ditric said the proposed approach involved netting off the secondary meter from the main meter so whatever is left is the main facility’s reading.

- Ms Volvricht commented that the process in clause 2.30A.7, in which a Rule Participant applies to AEMO to de-register a previously registered separate component does not specify whether AEMO has the ability to deregister it.

| Item | Subject |
|------|---------|
|------|---------|

- Ms Volvrict also highlighted that there was no minimum amount of time which a participant had to give AEMO in its notice of deregistration.

Action: EPWA to redraft proposed section 2.30A so it is clear that AEMO must deregister a separate component on application from a participant, and to specify a minimum time a Participant needs to give AEMO in a notice of de-registration (e.g. 5 business days).

Mr Ditric then provided a brief summary of the other proposed amendments that had been drafted regarding updated registration forms, capacity credit allocation for separately registered components and changes to the Metered Schedule.

The Chair moved discussion onto the Dynamic Baseline but encouraged members to keep providing comments and making submissions during the consultation process on these amending rules.

Dynamic Baseline.

Mr Carlson said that the design of the baseline is a 10 of 10 baseline similar to that of the CAISO and as used in the NEM. He discussed the elements of the baseline as presented in the papers.

- Mr Schubert said that the 10 qualifying days selected ideally will be the days most like the days on which capacity is needed, rather than the most recent days, to ensure the baseline is as accurate as possible.

Mr Carlson said that the purpose of the adjustment was to take into account the difference in the baseline on event days and other days.

- Mr Schubert said that, if the baseline excluded days when an event occurred, it might exclude similar days.

Mr Ditric said that the reason for exclusion was because demand will not be accurate on those days because it has been curtailed.

- Mr Schubert suggested that another method was to add the demand that was curtailed on those days.

Mr Carlson said that the baseline methodology was in two stages: first, forming a baseline taking account of trading intervals on similar business days and then, scaling the baseline to take account of special conditions of the day on which the event was called.

- Mr Cornish sought clarification on whether 'the hour before the DSP dispatch event' referred to the time dispatch instructions are given or when dispatch occurs.

The Chair confirmed that this was when the instruction is given, but the terminology could be changed if it caused confusion.

Mr Carlson said that the reason for measuring from when the notice is given was to not allow for variations in demand after the notice has been given.

- Mr Cornish said that the 1 hour adjustment window is short compared to the NEM's adjustment window and that, in the NEM, the adjustment window starts 4 hours before the event (when the demand side resource is actually curtailed) and 3 hours before notification goes out. This helps to smooth over any variance that might happen in a single hour. He recognized the need to balance between the smoothing effect and the accuracy benefits of having the adjustment window closer to dispatch.

The Chair stated that the timing could be revisited.

Mr Carlson noted that the notice period in the WEM can vary significantly and, while minimum notice of two hours is required, significantly more notice can be provided.

| Item | Subject |
|------|---------|
|------|---------|

Mr Ditric added that this means that the adjustment window can be some time before the dispatch occurs.

- Mr Cornish said that, if the notice is given very early in the day, it may be pushing the adjustment window to a time before all the businesses are ramping up for the day and losing some of the accuracy. He stated that a cap on the amount of notification time would limit that to some degree. For example, at least a minimum of 2 hours but no more than 4 hours.

The Chair noted that putting the adjustment window prior to the notice is required to prevent gaming.

- Mr Cornish agreed that this was necessary but, if that was 6-8 hours before dispatch, the accuracy would be compromised.

The Chair stated that the drafting would be amended to limit the DSP dispatch instructions to no more than four hours before curtailment is required.

Mr Carlson recalled that in the rules for testing of DSP curtailment there is a minimum of 2 hours but maximum of 3 hours, so perhaps the changes should be based on that.

- Mr Ross asked for clarification on the relationship between the dynamic baseline over the qualifying days and capacity credit allocation, and whether changes to the Relevant Demand would affect capacity credit allocation.

The Chair clarified that the dynamic baseline is not used for capacity certification, that it was only regarding relevant demand and not the required level.

Mr Ditric noted that the dynamic baseline only matters when a DSP is dispatched or tested, and that there is a separate process to look at Associated Loads as part of the certification.

- Mr Schubert noted that, if a participant is allocated a number of capacity credits, its ability to comply during an event is determined by this dynamic baseline, and it might not be able to comply in winter but can in summer.

The Chair said that a static baseline would carry more risk.

- Mr Schubert said that the issue is whether the allocation of capacity credits reasonably matches the dynamic baseline.

The Chair said that capacity credits are allocated 2 years in advance and they do not change as a result of the dynamic baseline, which just measures the performance of a DSP when called.

- Mr Ross asked whether capacity payments would be affected if a DSP's relevant demand is less than the required level.

The Chair said that it affects refunds, but not capacity credits.

- Mr Schubert noted that this means the allocation of capacity credits needs to be the lowest amount consistent with what a DSP can deliver. For example, a DSP that can deliver 25MW in winter and 50MW in summer would only be allocated 25 capacity credits.

The Chair responded that it is within a DSP's control how many capacity credits they ask for and that DSPs have also been called during winter recently.

The Chair said that she was willing to continue this discussion outside the meeting.

Mr Carlson continued summarising the rest of the dynamic baseline drafting.

Ms Gunn stated that the issue of the baseline for the weekends still needed to be discussed.

Mr Ditric said that the weekend baseline would be identical to the weekday baseline but would use a 4 of 4 methodology instead of a 10 of 10.

| Item | Subject |
|------|---------|
|------|---------|

Mr Carlson said that the NEM allows for four baselines, and the baseline for loads that operate differently on weekdays versus weekends is the 'composite level' baseline.

Mr Carlson said that the composite level baseline uses a 4 of 4 methodology for weekends, 10 of 10 for weekdays and different adjustments for each, depending on when an event is called.

- Ms Bedola said that she is concerned about how complex the composite baseline model is versus its value, and that there might not be much variance between how commercial loads that are participating in DSPs are operating during the peak, e.g. at 6pm, on the weekends and on weekdays.

The Chair considered that on weekends commercial load may be lower, and that the peak is defined as 4.30-8.30.

- Mr Schubert said that the issue is not so much about the difference in load on the weekend but is more to do with the DSP's load profile and how that changes between weekdays and weekends.

The Chair encouraged members to make submissions as part of consultation.
