



Minutes

Meeting Title:	Evolution of the Pilbara Network Rules Working Group
Date:	28 March 2024
Time:	9:30 AM – 11:00 AM
Location:	The Boardroom / Online, via TEAMS

Attendees	Company	Comment
Dora Guzeleva	Chair, Energy Policy WA	
Anthony Ravi	APA	
Rebecca Mason	APA	
Shan Paramasibam	APA	
Jay Mlilo	BHP	
Nathan Kirby	BHP	From 10:05am
Rebecca White	BHP	
Lekshmi Jaya Mohan	BP	
Anthony Guevarra	CITIC Pacific Mining	
Melinda Anderson	Economic Regulation Authority	
David Stephens	Horizon Power – Pilbara Network	
Herman Prinsloo	Horizon Power – Retail/Generation	
Jaden Williamson	Horizon Power – Pilbara Network	
Gemma Hamilton	ISOCo	
Summa McMahon	ISOCo	
Timothy Edwards	Metro Power Company	
Noel Michelson	Rio Tinto	
Iain MacKenzie	Woodside	Proxy for Scott Hiscock
Shervin Fani	Woodside	
Rudi Strobel	Yindjibarndi Energy Corporation	
Tamara Brooker	Yindjibarndi Energy Corporation	
Isadora Rebelo Salviano	Energy Policy WA	

Stephanie Hemsley	Energy Policy WA	
Tom Coates	Energy Policy WA	
Ajith Viswanath Sreenivasan	RBP	
Eija Samson	RBP	
James Seidelin	RBP	
Tim Robinson	RBP	

Apologies	From	Comment
Scott Hiscock	Woodside	

Item	Subject	Action
1	Welcome and Agenda The Chair opened the meeting at 9:30am with an Acknowledgement of Country. The Chair presented the meeting agenda.	
2	Meeting Apologies and Attendance The Chair noted the attendance as listed above.	
3	Competition Law Statement The Chair noted the Competition Law Statement, and reminded members of their obligations and encouraged them to bring any Competition Law issues to her attention as they may arise.	
4	Introductions The Chair invited each of the members to briefly introduce themselves.	
5	EPNR Project and EPNR Working Group The Chair invited Mr Coates to introduce the Scope of Works. Mr Coates provided a summary of the background and scope of work for the Evolution of the Pilbara Network Rules Project (EPNR Project) (slide 5) and made the following key points: <ul style="list-style-type: none"> The EPNR Project has resulted from, and will build upon work completed to date in the Roundtable Regulatory Evolution process in August 2022. A key purpose of the project is to work closely with stakeholders to identify and implement any changes necessary to evolve the Pilbara Network Rules (PNR) to ensure they support efficient decarbonisation of the Pilbara electricity system. The project must ensure that the energy policy trilemma, embedded within the state electricity objective, can be met by the reformed PNR. Mr Coates provided an overview of the stages of work for the review with reference to slide 5 and made the following key points: <ul style="list-style-type: none"> Stage 1 (establishment of the working group) received its own stage title to reflect Energy Policy WA's recognition of the benefits of extensive consultation and stakeholder input during the project. 	

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	<ul style="list-style-type: none"> • Stage 2 will involve scenarios modelling. • Stage 3 will be a substantive phase of the project, involving a detailed review of the PNR, and associated issues and solutions. • Two workstreams have been created to acknowledge the more technically demanding nature of evolving the Harmonised Technical Rules. 	
	<p>Mr Coates invited the Chair to present the Terms of Reference of the Working Group.</p>	
	<p>The Chair presented the working group guiding principles and expectations of members contributions (slide 4), emphasising the importance of focusing project discussions, analysis and outcomes against the state electricity objective and the Pilbara objectives, as opposed to company interests.</p>	
	<p>The Chair encouraged members to provide their perspectives and views on discussed topics, and ongoing feedback on how to run meetings more efficiently and effectively.</p>	
	<p>The Chair informed members that Energy Policy WA (EPWA) has provided indicative forward agendas for scheduled meetings and will endeavour to circulate meeting agenda and materials as early as possible, and at least 5 working days prior to meetings.</p>	
	<p>The Chair invited working group members to make any comments.</p>	
	<ul style="list-style-type: none"> • Ms White suggested that, for more material matters, members could engage in internal, out-of-session discussions within their companies after each meeting and later present their views and outcomes to EPWA via email. 	
	<p>The Chair welcomed Ms White's suggestion and encouraged working group members to copy other members on associated email correspondence (unless there is a need for confidentiality).</p>	
	<p>The Chair noted the highly technical nature of the HTR workstream and EPWA's reliance on members' expertise in providing insights and guidance. She requested members of the HTR workstream to conduct analyses and other necessary work prior to meetings to ensure they can effectively contribute to discussions.</p>	
	<p>The Chair invited Mr Robinson to present the project workplan.</p>	
	<p>Mr Robinson presented the project workplan (slide 6), highlighting the importance of ongoing participation and input from working group members. The following key points were made:</p>	
	<ul style="list-style-type: none"> • The project workplan intends to prioritise working group participation. • In recognition of project timeframes, there will be at least two working group sessions dedicated to discussing specific topics to enable sufficient time for deliberation. • RBP is currently in the process of collating data and aims to develop a base model by 15 April 2024. 	
	<p>Mr Robinson presented the project workplan for Stage 2, 3, and 4 with reference to slides 7 and 8.</p>	
	<p>Mr Robinson invited members to share their views on the project workplan.</p>	
	<ul style="list-style-type: none"> • Mr Williamson asked whether stage 3 (PNR Assessments) would solely focus on modelling outcomes or also consider elements brought up during working group discussions. 	

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	<p>Mr Robinson clarified that the PNR assessment will draw upon multiple sources (including the modelling and HTR Issues list) to guide the assessment and develop the initiatives list.</p> <p>Ms Guzeleva noted the highly technical nature of both Working Group workstreams, and the likelihood of encountering regulatory and other economic/technical challenges. She encouraged working group members to invite other subject matter experts (SMEs) with related expertise to assist with discussions if the agenda requires.</p> <ul style="list-style-type: none"> Ms White asked whether there had already been a decision to evolve to a more market-based structure, or whether that had already been decided and the consultation process was focused on determining the characteristics of the new market structure. She further questioned if there will be additional consultation processes after the development and approval of the implementation plan in February 2025. <p>Ms Guzeleva indicated no decisions had been predetermined and noted that the modelling would inform the review and analysis in the next project stage. Further, Ms Guzeleva noted that her expectation is that the EPNR Project will likely result in incremental improvements to the existing framework, rather than a wholesale change or introduction of a new regime.</p> <p>Ms Guzeleva further noted that the EPNR Project will finish with the development of an implementation plan, and reflected that implementation activities will likely become a separate, succeeding project that will likely provide further opportunity for stakeholder engagement and consultation.</p> <ul style="list-style-type: none"> Mr Prinsloo asked whether the PNR review will focus on decarbonisation or identifying existing issues and gaps in the PNR. <p>Ms Guzeleva clarified that while the main driver of the project is decarbonisation, the review will likely focus on both. She explained that if the modelling indicates that aspects of the PNR require changing to accommodate different levels of renewables, the fundamentals of certain mechanisms will need to be reviewed to ensure they are still fit for purpose.</p>	
6	<p>Modelling Approach</p> <p>Ms Guzeleva invited Mr Robinson to present the modelling approach.</p> <p>Mr Robinson presented the purpose of the EPNR modelling (slide 10). He clarified that the modelling is not concerned with determining where transmission and generation needs to be built, but rather what efficiencies and benefits can be gained by operating the Pilbara system with varying levels of integration.</p> <p>Mr Robinson presented slide 11, comparing modelling of the Pilbara network completed in 2023 against the proposed modelling for the EPNR Project.</p> <p>Mr Robinson invited comments and feedback from members.</p> <ul style="list-style-type: none"> Mr Kirby asked if the 2023 modelling would be used as a starting point for the dispatch modelling. <p>Mr Robinson confirmed that the 2023 modelling will be used as a starting point for the 2024 modelling, highlighting the opportunity to save time and resources developing new inputs. Mr Robinson noted that the working group will need to have a discussion to determine which aspects and information from the 2023 modelling are included, reused, or omitted for the 2024 modelling.</p> <p>Ms Guzeleva highlighted the different purposes of the 2023 and 2024 modelling work. She explained that, while the 2023 modelling focused on</p>	

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	<p>identifying least cost generation, storage and transmission infrastructure requirements, the 2024 modelling aims to assess the PNR's capability to facilitate each scenario. Ms Guzeleva further noted the significance of this modelling exercise utilising a dispatch model to produce operational insights.</p> <p>Ms Guzeleva advised members that the 2023 modelling work is currently being refreshed in parallel by another EPWA team.</p> <p>Ms Guzeleva also emphasised the need to avoid developing multiple permutations of the same model. She suggested selecting one or two scenarios from the 2023 modelling to use as a starting point for the 2024 modelling work.</p> <ul style="list-style-type: none"> Mr Kirby acknowledged the benefit of utilising previous modelling in the development of a new model that can conduct meaningful dispatch analyses. Mr Kirby asked whether the team refreshing the 2023 modelling is working to a similar timeframe as the EPNR Project modelling. <p>Ms Guzeleva responded that the 2023 modelling refresh is slightly behind in terms of timeframes. She noted that any new information can be considered in the 2024 modelling as it develops.</p> <ul style="list-style-type: none"> Ms Mason asked if working group members can gain access to the 2023 modelling and results. <p>Ms Guzeleva directed Ms Mason to the modelling information presented during the PAC meeting on 09 September 2023, which is available on EPWA's website.</p> <ul style="list-style-type: none"> Mr MacKenzie asked what the percentage of renewables was modelled in the 2023 modelling and if it considered the net zero by 2050 target. <p>Ms Guzeleva clarified that the modelling did consider the net zero by 2050 target.</p> <ul style="list-style-type: none"> Mr Michelson noted the gaps regarding long-duration energy storage in the recent modelling. He asked if consideration will be given to issues relating to reliability expectations, in addition to other dispatch elements, such as operationally cycling Combined Cycle Gas Turbine (CCGT) every hour. <p>Ms Guzeleva responded that issues regarding long-duration storage have arisen across many energy systems. She explained that all storage requirements can be met by derating two or four hour storage for a longer period (noting the increased costs as a result). Ms Guzeleva suggested that the working group will need to discuss and make an assumption as to when long-duration storage is needed.</p> <p>In response to Mr Michelson's second query, Mr Robinson advised that CCGT cycling would be a key consideration in the modelling. He clarified that the model is able to consider key inputs (for example, start-up and shut-down costs, minimum run-times, etc.), and plant characteristics and demand forecasts to determine the most efficient and effective way to run a fleet, which may be through frequent CCGT cycling, and produce relevant operational insights to assist the review of the PNR.</p> <p>Ms Guzeleva agreed with the suggestion that reliability standards and network planning criteria are relevant for the modelling exercise, and the PNR review. Ms Guzeleva suggested an early discussion with the working group on which power system security and reliability standards should be</p>	

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	<p>reflected in the modelling. She noted that energy systems are often subject to multiple power system security and reliability standards.</p> <ul style="list-style-type: none"> Mr Ravi asked whether the benefit of individual islanded networks and load profiles (i.e. users who build their own renewable resources to meet their own loads) is being captured in the modelling. He highlighted that the NWIS has largely evolved based on users' paramount objective of supply security. <p>Ms Guzeleva clarified that the modelling aims to determine what level of renewable penetration warrants increased integration and cooperation in the system.</p> <p>Mr Robinson presented the market modelling outcomes diagram (slide 13). He explained that the modelling captures various aspects of the facilities financial model including capital expenditure. Mr Robinson asked if Mr Ravi was seeking to include another benefit category that is not solely monetary.</p> <ul style="list-style-type: none"> Mr Ravi suggested the inclusion of some form of liability regime to quantify relevant impacts (i.e. those caused by users on other users). 	
7	<p>Compiling HTR Issues</p> <p>Ms Guzeleva noted the time constraints of the meeting and sought input from members on whether to continue.</p> <p>Consensus was reached to end the meeting on time.</p> <p>Ms Guzeleva advised that EPWA would send an email to working group members immediately following the meeting seeking input on HTR-specific issues and gaps, requesting submissions to be provided by COB Thursday, 4 April 2024.</p> <ul style="list-style-type: none"> Mr Stephens noted that additional discussion time will be needed to explore linkages between the PNR and HTR, but agreed that a preliminary HTR issues and gap list should be submitted. <p>Ms Guzeleva clarified that the HTR list is intended to be discussed at the first EPNR Working Group Workstream 2 (HTR) meeting, so it would not be finalised before then.</p> <p>Action: EPWA to circulate email by COB 28 March 2024 seeking input from working group members on HTR Issues and Gaps.</p> <p>Action: Working group members to provide a list of HTR Issues and Gaps to EPWA by COB 4 April 2024.</p>	<p>EPWA Working Group Members</p>
8	<p>General Business</p> <p>The Chair noted that the next EPNRWG workstream 1 (PNR) meeting will be held at 9:30am on Monday, 15 April 2024.</p> <p>Mr Robinson informed members that the next meeting will cover the modelling approach in more depth, discussion on reliability standard assumptions, and scenario development.</p> <p>The Chair noted that the first EPNRWG workstream 2 (HTR) meeting will be held at 9:30am on Thursday 9 May 2024.</p> <p>The Chair closed the meeting.</p>	

The meeting closed at 11:00am.