



Pilbara Networks Rule Change Proposal Form

Rule change proposal ID: PRC_2025_01

Date received: 01 February 2025

Change requested by: Pilbara ISOCO

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Address:	L5, 216 St Georges Tce Perth
Date submitted:	1 February 2025
Proposed urgency:	Standard
Rule change proposal title:	Pilbara ISOCO's Subchapter 10.1 functions – Long-term Coordination and Planning
Pilbara Networks Rule(s) affected	Subchapter 10.1 – Long-term coordination and planning Rule 279 Rule 286

Introduction

Clause A2.5.1 of the Pilbara Networks Rules provides that any person may make a rule change proposal by completing a rule change proposal form and submitting it to the Coordinator of Energy (**Coordinator**).

This rule change proposal can be sent by:

Email to: energymarkets@demirs.wa.gov.au

Post to: Energy Policy WA
Attn: Director, Wholesale Markets
Level 1, 66 St Georges Terrace Perth, WA, 6000
Locked Bag 100
East Perth WA 6892

The Coordinator will assess the proposal and will notify you within 5 business days of receiving this form whether the rule change proposal will be further progressed.

All of the fields below must be completed for the proposal to be progressed, and the proposal must:

- provide any proposed specific changes to particular Pilbara Networks Rules; and
- describe how the proposed rule change would allow the Pilbara Networks Rules to better

address the Pilbara electricity objective.

The Pilbara electricity objective, as defined in section 119(2) of the *Electricity Industry Act 2004*, is to promote efficient investment in, and efficient operation and use of, services of Pilbara networks for the long-term interests of consumers of electricity in the Pilbara region in relation to —:

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of any interconnected Pilbara system.

Regulation 4 of the *Electricity Industry (Pilbara Networks) Regulations 2021* sets out matters to which the Coordinator must have regard when applying this objective.

Details of the proposed rule change

1. Describe the concern with the existing Pilbara Networks Rules that is to be addressed by the proposed rule change:

Subchapter 10.1 of the Pilbara Networks Rules (Rules) provides for the Pilbara ISOCO's (ISO) long term coordination and planning functions.

Under Rule 279 of the Rules, the ISO must prepare and publish network coordination and planning reports (NCP Reports), every two years the ISO must prepare and publish:

- *A transmission development plan under Rule 281;*
- *A Pilbara GenSOO under Rule 282.*

Under Rule 286 of the Rules, from time to time, on the first occasion within 2 years after the Rules commencement date and thereafter at least once every 5 years, the ISO must conduct a review of the processes and reports set out in Subchapter 10.1 against the objective in Rule 276 and the Pilbara electricity objective and publish a report on the subject.

The first of these reports are due July 2025.

Energy Policy WA is currently using techno-economic modelling to develop the Pilbara Energy Transition Plan and undertaking a review of the Rules to ensure they are fit for purpose for a low carbon future. The activities being undertaken by Energy Policy WA will overlap with the scope of ISO's Subchapter 10.1 functions.

The ISO is proposing a rule change to delay its Subchapter 10.1 functions by up to two years.

2. Explain the reason for the degree of urgency:

It is expected that a Standard Rule Change Process could be followed for this rule change proposal. If the outcome of this rule change proposal is to not shift the timing of the reports, this would need to be known with sufficient time for the ISO to prepare the reports by July 2025 or ISO may be non-compliant with the Rules.

3. Provide any proposed specific changes to particular Pilbara Networks Rules: (for clarity, please use the current wording of the rules and place a ~~strike through~~ where words are deleted and underline words added)

There are various ways for this drafting to be achieved. Below provides one option.

279 ISO to prepare and Publish biennial NCP Reports

- (1) ~~Every 2 years, the~~ The ISO must prepare and Publish, in accordance with this Subchapter 10.1 and the Planning and Reporting Procedure, the following Network coordination and planning reports (“NCP Reports”) —
 - (a) a Transmission Development Plan under rule 281; and
 - (b) a Pilbara GenSOO under rule 282.
- (2) The NCP Reports must be published every two years by 1 July.
 - (a) The first NCP Reports are to be published by 1 July 2027.

286 Review of this Subchapter 10.1’s scope and objective

- (1) ~~From time to time, on the first occasion within 2 years after the Rules Commencement Date and thereafter at least once every 5 years, the~~ ISO must conduct a review of the processes and reports set out in this Subchapter 10.1 against the objective in rule 276 and the Pilbara Electricity Objective, and Publish a report on the subject.

4. Describe how the proposed rule change would allow the Pilbara Networks Rules to better address the Pilbara electricity objective:

Energy Policy WA is currently undertaking techno-economic modelling to develop and publish a Pilbara Energy Transition Plan.

Energy Policy WA is also separately undertaking a review of the Rules to ensure they are fit for purpose for a low carbon future.

Both the techno-economic modelling and regulatory review will overlap with the scope of ISO’s Subchapter 10.1 functions.

The ISO is willing and able to fulfil these functions by July 2025. However, it would be duplicative for ISO to undertake work that is already being undertaken by Energy Policy WA.

Given the timing of when Energy Policy WA intends to publish its work and ISO’s Rules-based timelines (July 2025), the work would have to be completed simultaneously. This has the potential to create inconsistent outcomes, which would not be in the interest of the Pilbara electricity objective.

The ISO also considers that duplicative work would be contrary to the network coordination and planning objectives outlined in Rule 277 of the Rules, particularly the secondary objective in Rule 277(2)(a), to so far as reasonably practicable, minimise cost and disruption to Rules Participants.

The ISO proposes it be required to publish the reports by 1 July 2027. The timing of the publication of the Pilbara Energy Transition Plan work is uncertain. By requiring ISO to publish the reports by July 2027, it would prevent a second rule change being necessary if EPWA’s work is delayed, while also allowing ISO to publish reports earlier if desired by Pilbara stakeholders.

5. Provide any identifiable costs and benefits of the change:

The ISO has a notional amount of \$600,000 in its approved 2024-25 Budget to undertake its long-term planning functions. This cost would be deferred with this rule change. The ISO does not spend budget on functions it does not perform.

It is expected the drafting to implement a delay ISO's subchapter 10.1 functions would be minimal and the cost of developing this rule change proposal has undertaken by existing internal resources.

The majority of the scope of the information to be contained in the Transmission Development Plan and Pilbara GenSoo will still be available to market participants, as Energy Policy WA intends to publish the information it develops.
