



Department of Energy, Mines,
Industry Regulation and Safety
Energy Policy WA

Draft Rule Change Report - Pilbara ISOC Co Subchapter 10.1 Functions (PRC_2025_01)

Standard Rule Change Process

16 April 2025

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

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Energy Policy WA

Level 1, 66 St Georges Terrace

Perth WA 6000

Locked Bag 100, East Perth WA 6892

Telephone: 08 6551 4600

www.energy.wa.gov.au

ABN 84 730 831 715

Enquiries about this report should be directed to:

Telephone: 08 6551 4600

Email: energymarkets@demirs.wa.gov.au

Contents

1.	Introduction	1
1.1	Call for submissions	1
2.	Overview of the Coordinator's Draft Decision	2
2.1	Reasons for the Coordinator's draft decision	2
2.2	Proposed commencement	2
3.	Rule Change Proposal PRC_2025_01	3
3.1	The Rule Change Proposal	3
3.1.1	Issues raised	3
3.1.2	Proposed changes	3
3.2	The Coordinator's initial assessment of the proposal	3
4.	Consultation	4
4.1	Draft Rule Change Proposal	4
4.2	PAC's consideration of PRC_2025_01	4
4.3	Submissions received during the first submission period	5
5.	The Coordinator's Draft Assessment	6
5.1	Assessment of the proposed changes	7
5.2	Pilbara Electricity Objective	7
5.3	Protected provisions, civil penalty provisions and reviewable decisions	7
5.4	Cost and practicality of implementation	7
5.4.1	Cost	7
5.4.2	Practicality	7
5.5	Assessment	8
6.	Amending Rules	9
Appendix A.	Responses to the PAC's advice to the Coordinator	1
Appendix B	Responses to submissions received in the first submission period	1

1. Introduction

On 1 February 2025, the Pilbara ISOCO (ISO) submitted a Rule Change Proposal titled “Pilbara ISOCO Subchapter 10.1 Functions” (PRC_2025_01).

The Rule Change Proposal is to make two changes to the Pilbara Networks Rules (PNR):

- The first is an amendment to Rule 279 to change the date that the initial Network Coordination and Planning (NCP) Reports (the Transmission Development Plan (TDP) and Pilbara Generation Statement of Opportunities (GenSOO)) are due from 1 July 2025 to 1 July 2027.
- The second is an amendment to Rule 286 to remove the requirement that the first review of the reports and processes under Subchapter 10.1 of the PNR (which includes the NCP reports) be conducted within two years of the Rules Commencement Date while retaining a requirement that a review is conducted and published at least once every five years. This would make the first report due 1 July 2028.

This proposal is being processed using the Standard Rule Change Process described in Clauses A2.7.1A to A2.7.8 of the PNR.

The Rule Change Notice and all other documents related to this Rule Change Proposal can be found on the website of the Coordinator of Energy (Coordinator) at [Pilbara Rule Change PRC 2025_01](#).

The key dates for progressing this Rule Change Proposal are set out below.



1.1 Call for submissions

The Coordinator invites interested stakeholders to make submissions on this Draft Rule Change Report.

The submission period is 20 Business Days from the Draft Rule Change Report publication date. Submissions must be provided to the Coordinator by **5:00 pm (WST) on 19 May 2025**.

The Coordinator encourages stakeholders to use the submission form available at <https://www.wa.gov.au/government/document-collections/rule-change-process> and email the completed form to energymarkets@demirs.wa.gov.au.

Submissions may also be sent to the Coordinator by post, addressed to:

Coordinator of Energy

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

2. Overview of the Coordinator's Draft Decision

The Coordinator's draft decision is to accept the Rule Change Proposal in its proposed form.

2.1 Reasons for the Coordinator's draft decision

The Coordinator has considered stakeholder feedback, including the advice of the Pilbara Advisory Committee (PAC), and made a draft decision for the following reasons:

- to avoid duplication of work currently being undertaken by Energy Policy (EPWA), including its current review of the PNR and relevant modelling work;
- ISO confirmation that it will publish information relevant to the NCP reports as it becomes available;
- the Amending Rules providing flexibility for the NCP Reports to be delivered earlier;
- the support from the PAC for the Rule Change Proposal; and
- that the Rule Change Proposal is consistent with the Pilbara Electricity Objective.

More detailed analysis and assessment leading to this decision is provided in section 6 of this report.

2.2 Proposed commencement

The Amending Rules are proposed to commence at 8:00 am (AWST) on 18 June 2025.

The proposed commencement date is provisional and may change in the Final Rule Change Report.

3. Rule Change Proposal PRC_2025_01

3.1 The Rule Change Proposal

This section provides a summary of Rule Change Proposal PRC_2025_01. The full Rule Change Proposal can be found on the Coordinator's website at [Pilbara Rule Change PRC_2025_01](#).

3.1.1 Issues raised

In PRC_2025_01, the ISO stated that it would be duplicative for the ISO to complete the NCP reports under Subchapter 10.1 of the PNR by 1 July 2025, as they overlap with elements of EPWA's work program. This includes modelling work being carried out under the Pilbara Energy Transition (PET) Plan, which is expected to be undertaken during 2025, and the review of the PNR which may impact the scope of functions in Subchapter 10.1.

The ISO was concerned that completing their reports simultaneously has the potential to create inconsistent outcomes, and necessitates further expense from market participants, which is contrary to Rule 277(2)(a) to, so far as reasonably practicable, minimise cost and disruptions to participants.

The ISO also noted that, if the due date for the NCP reports is to be delayed, the date by which they should review Subchapter 10.1 processes and reports (which includes the NCP reports) should be delayed accordingly.

3.1.2 Proposed changes

The ISO's Rule Change Proposal seeks to make two changes to the PNR:

- amend Rule 279 by extending the date of publication for the TDP and GenSOO by two years - from 1 July 2025 to 1 July 2027; and
- amend Rule 286 to remove the requirement that the first review of reports and processes under Subchapter 10.1 of the PNR is completed within two years of the Rules Commencement Date, retaining a requirement that a review is conducted and published at least once every five years.

3.2 The Coordinator's initial assessment of the proposal

The Coordinator decided to progress PRC_2025_01 based on a preliminary assessment that, under clause A2.5.6A of the PNR, it is not:

- (a) materially incomplete;
- (b) manifestly inconsistent with the Pilbara Electricity Objective; or
- (c) materially the same as another Rule Change Proposal considered by the Coordinator in the 12 months before the date of the Rule Change Proposal.

Under Clauses A2.5.15 and A2.7, the Coordinator determined that PRC_2025_01 would progress using the Standard Rule Change Process.

4. Consultation

Section 5 of this Draft Rule Change Report provides a summary of:

- the consultation that has been conducted on the Rule Change Proposal with the PAC and the Coordinator's response to the views of the PAC; and
- submissions made in the first submission period and the Coordinator's response to the issues raised in those submissions.

4.1 Draft Rule Change Proposal

Before commencing the development of this Rule Change Proposal, the ISO consulted the PAC at its meeting on 29 August 2024 and submitted a concept paper for consideration. PAC members unanimously supported the ISO proceeding with the development of a Rule Change Proposal. The [meeting papers](#) and [minutes](#) from this PAC meeting are available on the Coordinator's website.

A pre-Rule Change Proposal was circulated to PAC members on 24 January 2025 for feedback prior to formal submission on 1 February 2025. Two submissions were received and are summarised in Table 1 below.

Table 1: Summary of feedback on the ISO's pre-Rule Change Proposal

Submitter	Feedback
BHP	<p>BHP supported the pre-Rule Change Proposal in principle, particularly to avoid the duplication of effort.</p> <p>BHP identified items from the NCP reports that may not be specifically addressed by the modelling provided through the PET Plan and suggested that these items would be valuable to publish separately.</p> <p>BHP suggested that the scope of the NCP Reports, to be published by 1 July 2025, could be limited to those identified items, with a second version - covering the full scope under the current PNR - published by 1 July 2027.</p>
Woodside	<p>Woodside suggested that the ISO could adopt a flexible approach to its obligations under Subchapter 10.1, consistent with Rule 285, which states:</p> <p>"In preparing the NCP Reports, subject to the Planning and Reporting Procedure, the ISO may inform itself in any manner it sees fit."</p> <p>On this basis, Woodside proposed that the ISO could avoid duplication of effort by incorporating the EPWA modelling in its reports as appropriate, with any additional/missing information included with any relevant qualifications – for example, regarding existing network constraints.</p>

4.2 PAC's consideration of PRC_2025_01

Clause A2.4.3(d) of the PNR requires the Coordinator to consider any advice from the PAC regarding the Rule Change Proposal. A PAC meeting was held on 13 March 2025 to discuss the proposal. During the meeting, the PAC reached consensus to provide advice to the Coordinator on PRC_2025_01. In summary, the PAC advice was that it:

- continues to support the Rule Change Proposal;

- encourages the ISO to publish any information that becomes available ahead of the timelines outlined in the proposal; and
- notes the intention to avoid duplicating work undertaken by EPWA, while recognising the potential dependency on that work being completed.

The PAC also requested that any further delays to the NCP Reports and associated planning reports be avoided.

The PAC's discussion of the Rule Change Proposal is recorded in the 13 March 2025 PAC Minutes published on the Coordinator's website at [Pilbara Advisory Committee \(www.wa.gov.au\)](http://www.wa.gov.au).

A more detailed summary of issues raised by the PAC and the Coordinator's response is provided in Appendix A of this report.

4.3 Submissions received during the first submission period

The first submission period for this Rule Change Proposal was held from 5 February 2025 to 19 March 2025. The Coordinator received three submissions from:

- APA;
- Horizon Power; and
- Woodside.

APA has indicated its support for the Rule Change Proposal, noting that due to EPWA's current work program, the NCP reports would not add value for Participants in the current environment

Horizon Power indicated support for the Rule Change Proposal but requested clarification about ISO's budget for long term planning, asked what ISO would do in the event of the Rule Change Proposal being rejected, and suggested a revision that ISO must undertake its Subchapter 10.1 functions if EPWA does not undertake its work program by a specific date.

Woodside opposed the Rule Change Proposal, stating that the ISO's NCP Reports and EPWA's techno-economic modelling serve fundamentally different purposes, and that the results of EPWA's modelling will not provide critical information for rule participants and, in particular, new entrants considering making investment decisions in the NWIS that the NCP reports would provide. It argued that without the NCP reports, proponents will need to undertake individual system studies at additional costs to meet regulatory timeframes and emissions standards.

A summary of the issues raised in each stakeholder submission, and the Coordinator's responses, is provided in Appendix B of this report.

Copies of all submissions received during the first submission period are available on the [Coordinator's website](#).

5. The Coordinator's Draft Assessment

In preparing a Draft Rule Change Report, the Coordinator must assess the proposal in accordance with clauses A2.4.A2 and A2.4.3 of the PNR.

Under clause A2.4.A2 of the PNR, the Coordinator must not make amending rules unless satisfied that the rules, as proposed to be amended or replaced, are consistent with the Pilbara Electricity Objective. Pursuant to Section 119(2) of the *Electricity Industry Act 2004* (Act), the Pilbara Electricity Objective is to meet the State Electricity Objective in the Pilbara region.

Section 3A of the Act sets out that:

- 1) The State electricity objective is to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity in relation to —
 - (a) the quality, safety, security and reliability of supply of electricity; and
 - (b) the price of electricity; and
 - (c) the environment, including reducing greenhouse gas emissions.

The Coordinator's assessment of the Rule Change Proposal against the Pilbara Electricity Objective is provided in section 6.2.

The table below outlines the matters in clause A2.4.3 the Coordinator must take into account when deciding whether to make amending rules and where these are discussed in this report.

Matters considered by the Coordinator	Applicable Sections of Report
Any applicable statement of policy principles given to the Coordinator under clause A2.5.2.	Not applicable
Any advice provided by the PAC regarding the evolution or the development of the regime under Part 8A of the Act or the PNR.	Not applicable
The practicality and cost of implementing the Rule Change Proposal.	Section 5.4
The views expressed in any submissions on the Rule Change Proposal.	Section 4.3 & Appendix B
Any advice by the PAC where the PAC met to consider the Rule Change Proposal.	Section 4.2 & Appendix A
Whether advice from the PAC provided under clause A2.4.3(aA) or A2.4.3(d) reflects a consensus view or a majority view, and, if the latter, any dissenting views included in or accompanying the advice and how these views have been taken into account by the Coordinator.	Section 4.2 & Appendix A
Any technical studies that the Coordinator considers are necessary to assist in assessing the Rule Change Proposal.	Not applicable

5.1 Assessment of the proposed changes

The Coordinator supports the intent of ISO's Rule Change Proposal, which is to avoid duplication with work underway at Energy Policy WA, avoid inconsistent modelling outcomes, and minimise costs to participants. These goals are in line with:

- Rule 277(2)(a) of the PNR to so far as reasonably practicable, minimise cost and disruption to Rules Participants; and
- the Pilbara Electricity Objective (to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity)).

5.2 Pilbara Electricity Objective

Based on feedback from the first submission period, the Coordinator considers that PRC_2025_01 will better achieve the Pilbara Electricity Objective.

The Coordinator agrees that duplicating work undertaken by EPWA and ISO, and the resultant costs and possible inconsistent outcomes for participants is not consistent with the Pilbara Electricity Objective.

The Coordinator considered the mixed views in stakeholder submissions on the value the NCP reports being produced by 1 July 2025. The Coordinator does not consider that the delay to NCP reports will create uncertainty for stakeholders seeking network connection, as EPWA expects to complete its techno-economic modelling in 2025. The Coordinator notes the advice from the ISO provided to the PAC at its 13 March 2025 meeting that:

- a period of up to 12 months would be required to fully complete the NCP report;
- the ISO, as part of its role to assist participants by providing information about the NWIS, is happy to publish information upon request when it is helpful and useful to stakeholders.

5.3 Protected provisions, civil penalty provisions and reviewable decisions

The draft Amending Rules set out in section 7 of this report would not impact on any protected provisions or civil penalty provisions or reviewable decisions, and the Coordinator does not consider that any of the Amending Rules should fall under any of these categories.

5.4 Cost and practicality of implementation

5.4.1 Cost

The ISO has indicated that it has not incurred any costs to date in relation to the NCP reports. There is no implementation costs associated with the Rule Change Proposal.

5.4.2 Practicality

No comments were made specifically on the practicality of implementing PRC_2025_01.

A consistent theme in stakeholder feedback was that the Rule Change Proposal will avoid duplication of effort and potentially inconsistent modelling outputs.

The Coordinator considers that there are no barriers to the ISO or participants implementing the draft Amending Rules set out in section 7 of this report.

5.5 Assessment

The Coordinator has assessed that there is a net benefit from accepting PRC_2025_01 and implementing the draft Amending Rules set out in section 7 of this report because:

- the Rule Change Proposal is designed to minimise costs to participants, by avoiding duplication of work and inconsistent outputs;
- the PAC has provided advice to support the Rule Change Proposal.

The Coordinator acknowledges stakeholder requests for additional information and the willingness of the ISO to publish available information at its earliest convenience.

6. Amending Rules

The Coordinator has determined to implement the following amending rules (~~deleted text~~, added text, rules that are included for context but not amended). The Amending Rules are presented below, marked up against the Pilbara Networks Rules as of 1 July 2023:

Subchapter 10.1 – Long term coordination and planning

...

Extending long term coordination and planning obligations by up to two years

The ISO proposed changes to Subchapter 10.1 to postpone its long-term coordination and planning obligations, specifically under rules 279 and 286.

The first of the reports, which must be prepared and published under rules 279 and 286, are due by July 2025.

EPWA is currently developing the PETP and undertaking a review of the PNR in its Evolution of the PNR project. These activities overlap with the scope of the ISO's functions under sections 279 and 286.

The Coordinator, therefore, proposes to delay the ISO functions in sections 279 and 286 by up to two years.

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.

Appendix A. Responses to the PAC's advice to the Coordinator

Comment	Coordinator Response
The PAC is supportive of the Rule Change in its current form	The Coordinator's draft decision is to accept PRC_2025_01 taking into account the support from the PAC.
The PAC suggests that important information that can be published before 1 July 2027 should be made available for all participants.	The Coordinator notes the recommendation from PAC, and the ISO's comments on publishing available information made at the 13 March 2025 PAC meeting and reflected in the meeting minutes .
The PAC recommends that EPWA completes its relevant work program as soon as possible, including techno-economic modelling and reforms.	The Coordinator notes the recommendation from the PAC.

Appendix B Responses to submissions received in the first submission period

Submitter	Comment/Issue Raised	Coordinator's Response
APA	APA supports delaying the requirement for the ISO to prepare and publish the Transmission Development Plan and the Pilbara GenSOO, on the basis that publishing this information would not add value in the current environment - where EPWA has announced Pilbara Expression of Interest corridors for common-user infrastructure and is consulting on a significant reform package for the Pilbara.	The Coordinator's draft decision is to accept PRC_2025_01.
Horizon Power	<p>Horizon Power sought clarification on the ISO's budget for long-term planning and what has or hasn't already been spent in the current financial year.</p> <p>Horizon Power also requested clarification on the steps the ISO would take if the Coordinator were to reject this Rule Change Proposal.</p> <p>Additionally, Horizon Power suggested that the proposal should be amended to include a commitment from the ISO to fulfil its Subchapter 10.1 functions earlier, should EPWA does not undertake its work program - specifically the techno-economic modelling and regulatory review - by a specified date.</p>	<p>The ISO provided responses to Horizon Power's requests for clarification at the 13 March 2025 PAC meeting, as recorded in the meeting minutes.</p> <p>The Amending Rules provide flexibility for these reports to be delivered earlier than 1 July 2027.</p>

Submitter	Comment/Issue Raised	Coordinator's Response
Woodside	<p>Woodside considers that the purpose and outcomes of the following activities are fundamentally different:</p> <ul style="list-style-type: none"> the work required of the ISO to publish the NCP reports and Subchapter 10.1 Review Report; and EPWA's techno-economic modelling. <p>Woodside consider that the timely provision of the information in the NCP Reports is required so that potential access seekers can understand the incremental investment required to connect to the covered networks.</p> <p>Woodside notes that deferring the publication to July 2027 may increase costs and potentially hinder grid-connected investment decisions in the short term.</p> <p>If the Rule Change is to proceed, Woodside requests that any extension be limited to the shortest feasible time after July 2025 - ideally no more than six months, to December 2025.</p>	<p>EPWA's PET Plan modelling - separate to the Evolution of the PNR Project modelling - is relevant to the scope of the ISO's NCP modelling and reporting in accordance with Rule 281(b) and (d).</p> <p>EPWA expects to complete its modelling in 2025. ISO has proposed an extension of two years to avoid necessitating a further Rule Change Proposal in the near future.</p> <p>Participants may also request information from the ISO that is unrelated to the modelling, such as that covered by Rule 281(c) and certain elements set out in Rule 282. The ISO has publicly indicated its willingness to publish available information. The 29 August PAC meeting materials include an ISO concept paper indicating the availability of information under Rules 281 and 282.</p> <p>The ISO indicated that the NCP reports could be delivered six months earlier than the proposed 1 July 2027 timeline, assuming the EPWA modelling results are published in 2025. The Amending Rules provide flexibility for these reports to be delivered earlier.</p>

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Level 1, 66 St Georges Terrace, Perth WA 6000

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