

Market Advisory Committee (MAC) - Minutes

Date:	01 May 2025
Time:	1:30pm – 2:40pm
Location:	Microsoft Teams online

Attendees	Representing in MAC	Comment
Sally McMahon	Chair	
Amy Tait	AEMO	
Katie McKenzie	AEMO	Left at 2:23pm
Genevieve Teo	Synergy	
Zahra Jabiri	Network Operator	Left at 2:32pm
Luke Skinner	Small-Use Consumer Representative	First Meeting
Noel Schubert	Small-Use Consumer Representative	
Jacinda Papps	Energy Producer	
Adam Stephen	Energy Producer	
Paul Arias	Energy Producer	Left at 2:30pm
Patrick Peake	Energy Retailer	
Geoff Gaston	Energy Retailer	
Rajat Sarawat	Economic Regulation Authority (observer)	
Noel Ryan	EPWA (observer)	
Peter Huxtable	Contestable Customer	
Graeme Ross	Contestable Customer	

Other attendees	From	Comment
Dora Guzeleva	EPWA	MAC Secretariat
Laura Koziol	EPWA	MAC Secretariat
Sean McAvoy	EPWA	MAC Secretariat
Luke Commins	EPWA	MAC Secretariat
Kevin O'Brien	Western Power	Presenter for Item 5 (Left at 14:06pm)
Nicola Falcon	AEMO	Presenter for Item 7
Apologies	From	Comment
Tim Edwards	Energy Retailer	Apology

1. WELCOME

The Chair opened the meeting with an Acknowledgement of Country.

The Chair noted that she had no conflicts to declare.

The Chair noted her role as Commissioner at the Australian Energy Market Commission and that the views or advice provided by the MAC to the Coordinator do not necessarily represent the views of the Chair.

The Chair noted the Competition and Consumer Law obligations of the MAC members, inviting members to bring to her attention any issues should they arise.

The Chair noted that the MAC operates for the good of the Wholesale Market (WEM) Objectives and that members are to participate in the interests of the stakeholder group they represent. Any specific views pertaining to an organisation can be provided through the applicable consultation processes.

2. MEETING APOLOGIES AND ATTENDANCE

The Chair noted the attendance as listed above.

The Chair welcomed Graeme Ross and Luke Skinner as new members of the MAC.

3. MINUTES OF MEETING 2024_10_17

The 17 October 2024 meeting minutes were approved out of session and published on the Coordinator's website on 19 November 2024.

4. ACTION ITEMS

The Chair noted the Action Items and the paper was taken as read.

- Ms Tait said that Action Item 22/2024 would be addressed under Agenda Item 6(a).

5. MAJOR CUSTOMER CONNECTION PROCESS

Mr O'Brien presented an update on Western Power's Major Customer Connection Process Improvement Program.

Mr O'Brien noted that:

- Western Power commenced the review of its Major Customer Connection Process in November 2022, triggered by a substantial increase of connection requests in 2022 due to the state's decarbonisation goals and the upcoming constrained access in 2023.
- under the new process Western Power is releasing some control to customers by allowing them to facilitate their own technical studies.
- Since February 2024, customers can do their own studies for steady state using a consultant with Western Power just validating the results.
- the new Critical Projects Framework went live in June 2024 replacing the previous first in, first served approach to project progression. The first in first served approach led to projects that were progressing slowly delaying the connection of projects that are important to network stability and the State's decarbonisation goals. The new framework gives "right of way" to priority projects that are identified based on strategic importance and the probability of the project to proceed.
- around 10 GW of projects are currently on the priority list that Western Power considers are connection ready and that will support the State's decarbonisation goals.

- Mrs Papps noted that, in her capacity as Market Generator representative on the MAC, she had received the following feedback about the Critical Projects Framework from developers:
 - Overall they commended Western Power's effort to move the connection process forward as fast as possible;
 - regarding the Critical Projects Framework, there has been uncertainty about the collateral needed and developers are concerned that, as they move along in the process, additional collateral requirements might be too onerous or not align with the timing of activities planned by the developers.
- Mrs Papps asked whether Western Power would provide advance notifications about the collateral requirements, as projects move through the stages, to support the process.

Mr O'Brien responded that Western Power had published a guideline that shows the criteria and requirements for each stage of the process. The guideline is currently under review as part of a six-monthly review cycle.

Mr O'Brien asked Mrs Papps to provide any specific feedback to Western Power so it can be incorporated into the review of the process.

- Mrs Papps agreed to share some of the feedback with Western Power offline.
- Mr Peake commented that it would be good if customers had a better understanding of how much capacity is available in specific places, such as the Clean Energy Link North, so that customers can identify appropriate places to inquire about connection.
- Mr Peake expressed concerns that not much transmission capacity is being planned and asked whether private industry can do anything to help Western Power to push that process forward.

Mr O'Brien noted that:

- some information about available capacity was provided in Western Power's Transmission System Plan. He noted that providing more detail of available network capacity to attract connections in specific areas was challenging to put into practice. However, he would discuss the feedback with Western Power's system planning team.
- Western Power had recently held a registration of interest process for the Clean Energy Link North to inform the first round of customers. As more customers come through for connection to the Clean Energy Links, Western Power is discussing with Government and Industry how to progress these on an ongoing basis.
- Ms Tait informed members that AEMO is working with Western Power to uplift that whole end to end connection process across the two organisations.
- Mr Ross commended the work that has been done to see several projects get to the connection stage. However, Mr Ross considered that the cost of connection was one of the hindrances for entering into off-take agreements that a lot of the projects still required.

The Chair asked Mr O'Brien, and Ms Jabiri to come back to the MAC on:

- how to better identify locations with available capacity; and
- how Industry can support the build of new network capacity.

Action: Western Power to report to the MAC if and how:

- a) Western Power can provide information to better identify locations with available network capacity; and**
- b) industry can help support the build of new network capacity.**

6. UPDATE ON WORKING GROUPS

a) AEMO Procedure Change Working Group

The Chair acknowledged the volume of work reflected in the paper done by AEMO since the last meeting.

Ms Tait informed the MAC members that the paper covered the period to the end of April 2025. She also addressed Action Item 22/2024 by informing members of the work planned for May 2025.

Ms Tait noted that, in addition to the upcoming consultations outlined in the paper, AEMO was planning to publish the following WEM Procedures for consultation in May:

- Low Reserve Conditions (Action Item 22/2024);
- ST PASA;
- Identification of Affected Dispatch Intervals;
- Mid Peak Electric Storage Resource Obligations; and
- RCM Limit Advice Requirements.

b) Essential System Services (ESS) Framework Review Working Group

Ms Guzeleva provided the following update:

- the technical analysis has identified several areas of improvement, and AEMO has commenced work to address some of these; and
- the economic assessment has been challenging due to the volatility in market outcomes since the new WEM commencement. This has truncated the economic analysis and delayed the date that the Consultation Paper will come to the MAC.
- Mrs Papps expressed concern that the mandatory primary frequency response work discussed as part of this review could cross over to the work already undertaken during the Cost Allocation Review (CAR) on Regulation cost recovery. She noted that it was undesirable to punish generators who helped the system with the mandatory frequency response they provided, and suggested looking at the financial incentives and penalties in the frequency performance payments framework in the NEM.

Ms Guzeleva noted that:

- there was no proposal to increase any of the mandatory requirements on generators, but rather for AEMO to account for the current mandatory 4% droop response when setting ESS requirements;
- while there is a link to the allocation of Regulation costs (developed under the CAR), there is no commencement date for the implementation of this; and

- during the CAR discussions there was agreement to review the outcome of the frequency performance payments framework in the NEM once it was implemented, to see if that (more complex) method would be suitable for the WEM.
- Mr Schubert noted that as a Working Group member he was trying to encourage the best use possible of the automatic mandatory frequency response that generators can do. He noted that AEMO had advised there was one generator in the WEM currently providing mandatory frequency response at 2% droop. He stated that:
 - optimising the use of mandatory frequency response to get the most out of the available resources would be beneficial; and
 - any opportunity to improve automatic response (from the current 4%) and compensate people appropriately would result in less ESS that AEMO must procure and dispatch.

c) Power System Security and Reliability (PSSR) Standards Review Working Group

The paper was taken as read.

7. PROPOSAL TO ESTABLISH AEMO MAJOR PROJECT WORKING GROUP AND APPROVAL OF TERMS OF REFERENCE

The Chair reminded members that the MAC supported the establishment of the Working Group at its 25 July 2024 meeting.

Ms Tait presented the draft terms of reference for the Working Group.

- Mr Schubert noted that the Expert Consumer Panel considered that it was important for the Working Group to consider costs, including if a change could be implemented at a lower cost, because they ultimately flow through to the consumers.
- Mr Schubert suggested to change the name of the working group to AEMO Major Projects Working Group to distinguish it from other major projects work and possibly even refer to the WEM to distinguish it from AEMO's work in the NEM.
- Mrs Papps, Mr Stephen and Mr Arias considered that Participants should have some input in determining what constitutes a major project.

Ms Tait stated that AEMO will ultimately make the determination but will be seeking feedback from stakeholders.

- Mrs Papps asked at what stage of the Rule Change process a project would be discussed by the Working Group.

Ms Tait answered that the Working Group would consider projects after the Draft Rule Changes have been published for consultation, as earlier consideration would interfere with EPWA's consultations on the policy.

- Mr Arias noted that the terms of reference for this Working Group make it very clear that this isn't a consultation group for rule changes or AEMO's own initiated projects. It should be really clear that, when these are carried through to things like budget submissions, they haven't been consulted through the Major Projects Working Group, as this is an accountability and transparency group and not a consultation group.

- Mr Stephen suggested extending membership of the Working Group to other stakeholders beyond Market Participants such as consultants or interested investors.

Ms Tait noted that there was a need to balance membership numbers to ensure the forum was useful and productive.

- Ms Falcon noted that Market Participants are the ones paying for the projects.
- Mr Peake suggested that the terms of reference could allow AEMO to add extra people to the Working Group, subject to the approval by the MAC or if deemed appropriate to strengthen the Working Group.
- Mr Stephen agreed that this would address his concern.

Ms Tait agreed to add the suggested amendment to the terms of reference.

The MAC approved the terms of reference, subject to that agreed amendment.

8. REVIEW OF AEMO'S ALLOWABLE REVENUE FRAMEWORK

The paper was taken as read.

9. MARKET DEVELOPMENT FORWARD WORK PROGRAM

The paper was taken as read.

10. OVERVIEW OF RULE CHANGE PROPOSALS

The paper was taken as read.

11. GENERAL BUSINESS

The Chair noted that any issues or comments about Agenda Items 6c, 8, 9 and 10 that were not discussed at the meeting should be sent to the Chair or EPWA.

The meeting closed at 02:40pm.