

Meeting Agenda

Meeting Title:	Market Advisory Committee (MAC)
Date:	Thursday 24 July 2025
Time:	2:00 PM – 3:30 PM
Location:	Online

Item	Item	Responsibility	Type	Duration
1	Welcome and Agenda <ul style="list-style-type: none"> Conflicts of interest Competition Law 	Chair	Noting	2 min
2	Meeting Apologies/Attendance	Chair	Noting	1 min
3	Minutes of Meeting 2025_06_19 Approved out of session. Published 11 July 2025	Chair	Noting	1 min
4	Action Items	Chair	Noting	5 min
5	Certification of Capability Class 2 Technologies Review - Scope of Work and Terms of Reference	EPWA	Decision	30 min
6	Benchmark Reserve Capacity Providers - Scope of Work	EPWA	Discussion	15 min
7	WEM Effectiveness Review – Next steps	EPWA	Discussion	15 min
8	Update on Working Groups			
	(a) AEMO Procedure Change Working Group	AEMO	Noting	2 min
	(b) Major Projects Working Group (MPWG)	MPWG Chair	Noting	2 min
	(c) Essential System Services (ESS) Framework Review Working Group	ESSFRWG Chair	Verbal update	2 min
9	Market Development Forward Work Program	Chair/Secretariat	Noting	1 min
10	Overview of Rule Change Proposals	Chair/Secretariat	Noting	1 min
11	General Business	Chair	Discussion	10 min
	Next meeting: 1:30pm Thursday 4 September 2025			

Please note, this meeting will be recorded.

Competition and Consumer Law Obligations

Members of the MAC (**Members**) note their obligations under the *Competition and Consumer Act 2010* (**CCA**).

If a Member has a concern regarding the competition law implications of any issue being discussed at any meeting, please bring the matter to the immediate attention of the Chairperson.

Part IV of the CCA (titled “Restrictive Trade Practices”) contains several prohibitions (rules) targeting anti-competitive conduct. These include:

- (a) **cartel conduct**: cartel conduct is an arrangement or understanding between competitors to fix prices; restrict the supply or acquisition of goods or services by parties to the arrangement; allocate customers or territories; and or rig bids.
- (b) **concerted practices**: a concerted practice can be conceived of as involving cooperation between competitors which has the purpose, effect or likely effect of substantially lessening competition, in particular, sharing Competitively Sensitive Information with competitors such as future pricing intentions and this end:
 - a concerted practice, according to the ACCC, involves a lower threshold between parties than a contract arrangement or understanding; and accordingly; and
 - a forum like the MAC is capable being a place where such cooperation could occur.
- (c) **anti-competitive contracts, arrangements understandings**: any contract, arrangement or understanding which has the purpose, effect or likely effect of substantially lessening competition.
- (d) **anti-competitive conduct (market power)**: any conduct by a company with market power which has the purpose, effect or likely effect of substantially lessening competition.
- (e) **collective boycotts**: where a group of competitors agree not to acquire goods or services from, or not to supply goods or services to, a business with whom the group is negotiating, unless the business accepts the terms and conditions offered by the group.

A contravention of the CCA could result in a significant fine (up to \$500,000 for individuals and more than \$10 million for companies). Cartel conduct may also result in criminal sanctions, including gaol terms for individuals.

Sensitive Information means and includes:

- (a) commercially sensitive information belonging to a Member’s organisation or business (in this document such bodies are referred to as an Industry Stakeholder); and
- (b) information which, if disclosed, would breach an Industry Stakeholder’s obligations of confidence to third parties, be against laws or regulations (including competition laws), would waive legal professional privilege, or cause unreasonable prejudice to the Coordinator of Energy or the State of Western Australia).

Guiding Principle – what not to discuss

In any circumstance in which Industry Stakeholders are or are likely to be in competition with one another a Member must not discuss or exchange with any of the other Members information that is not otherwise in the public domain about commercially sensitive matters, including without limitation the following:

- (a) the rates or prices (including any discounts or rebates) for the goods produced or the services produced by the Industry Stakeholders that are paid by or offered to third parties;
- (b) the confidential details regarding a customer or supplier of an Industry Stakeholder;
- (c) any strategies employed by an Industry Stakeholder to further any business that is or is likely to be in competition with a business of another Industry Stakeholder, (including, without limitation, any strategy related to an Industry Stakeholder’s approach to bilateral contracting or bidding in the energy or ancillary/essential system services markets);
- (d) the prices paid or offered to be paid (including any aspects of a transaction) by an Industry Stakeholder to acquire goods or services from third parties; and
- (e) the confidential particulars of a third party supplier of goods or services to an Industry Stakeholder, including any circumstances in which an Industry Stakeholder has refused to or would refuse to acquire goods or services from a third party supplier or class of third party supplier.

Compliance Procedures for Meetings

If any of the matters listed above is raised for discussion, or information is sought to be exchanged in relation to the matter, the relevant Member must object to the matter being discussed. If, despite the objection, discussion of the relevant matter continues, then the relevant Member should advise the Chairperson and cease participation in the meeting/discussion and the relevant events must be recorded in the minutes for the meeting, including the time at which the relevant Member ceased to participate.

Agenda Item 4: MAC Action Items

Market Advisory Committee (MAC) Meeting 2025_07_24

Shaded	Shaded action items are actions that have been completed since the last MAC meeting. Updates from last MAC meeting provided for information in RED .
Unshaded	Unshaded action items are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

Item	Action	Responsibility	Meeting Arising	Status
11/2024	EPWA to include the Terms of Reference (TOR) for the Procedure Content Assessment Working Group (PCAWG) as an agenda item	EPWA	2024_03_21	Open EPWA is updating the TOR to reflect the MAC's and other stakeholder feedback and will provide it at a future MAC meeting
01/2025	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.	Western Power	2025_05_01	Open Response provided below.

Item	Action	Responsibility	Meeting Arising	Status
	<p>As mentioned, and captured within the MAC minutes, Western Power provides as much information as feasibly possible to enable new proponents to seek the most appropriate location to plan their future facilities, noting that this must be balanced with projects that are still in the early phases of planning and scoping versus projects that are committed. The decision to proceed with lodging a connection application has to be cognisant of the challenges for large transmission projects to be executed in a timely manner. Western Power will endeavour to provide as much relevant information as possible and are available to address any customer concerns or queries. In the public domain, Western Power provides the following information (some of which Mr O'Brien mentioned at the MAC):</p> <ul style="list-style-type: none"> • Transmission System Plan (TSP) – WP develops and publishes a Transmission System plan to advise capacity constraints, confirmed augmentation, non-network opportunities as well as general information on the overall Transmission system. This document also outlines the methodologies Western Power employs for Power System planning and Demand & Energy Forecasting. This document is published annually. • Network Opportunities Map (NOM) – provides insights into the challenges within the SWIS over the next 5 to 10 years (Transmission and Distribution) as well as offering opportunities for Non-network solutions to potentially participate. This document is published annually. • Network Capacity Mapping Tool – interactive online tool to outline the amount of capacity available at a substation level, along with locations of constraints, and reference to the NOM where relevant. • Additional specific information – below are links to: <ul style="list-style-type: none"> Clean Energy Link - North Clean Energy Link Let's Talk Power - in addition to the information available on the website, there is an option for proponents to register their interest and get notified on updates as they occur. SWIS Demand Assessment - fast tracked assessment of the future low-emissions electricity demand analysis and impact on all key elements of the electricity value chain. SWIS Base Model - Western Power actively encourages proponents the opportunity to request access to our free SWIS Base Model to perform their own network Steady State Studies to determine locations with available capacity on the transmission network. <p>With respect to additional generational capacity to support the alleviation of network constraints, this can be achieved by reaching out to Western Power on opportunities outlined in the NOM or TSP, or participating in any future NCESS (previously Non-network services – NSS) procurement processes.</p> <p>With respect to additional network capacity augmentation, Western Power plans, designs and builds through its internally driven standards and specifications, as well as outsourcing specific elements of the delivery chain through a robust commercial process.</p>			

Item	Action	Responsibility	Meeting Arising	Status
	Should any of the MAC members want to participate or enquire about opportunities in participating in the delivery chain, please reach out to Western Power on this matter.			
2/2025	Western Power to discuss with EPWA and report to the MAC how Western Power can provide useful information about available network capacity, including outside of peak demand times.	Western Power/EPWA	2025_06_19	Open See the response provided for Action Item 1/2025.



Agenda Item 5: Certification of Capability Class 2 Technologies Review Scope of Work and Terms of Reference

Market Advisory Committee (**MAC**) Meeting 2025_07_24

1. Purpose

Energy Policy WA to:

- provide the Scope of Work (SoW) for the Certification of Capability Class 2 Technologies (CCT) Review to the MAC;
- request the MAC to establish the Certification of Capability Class 2 Technologies Review Working Group (CCTRWG) to support the review; and
- request the MAC to approve the Terms of Reference (ToR) for the CCTRWG.

2. Recommendation

That the MAC:

1. notes the SoW for the CCT Review (Attachment 1);
2. approves the establishment of the CCTRWG; and
3. approves the ToR for the CCTRWG (Attachment 2).

3. The CCT Review

3.1. Background

- The Coordinator of Energy (Coordinator) must complete its first review of the effectiveness of the certification of Reserve Capacity for energy and availability limited resources in accordance with section 4.13B of the Electricity System and Market (ESM) Rules by 1 October 2026.
- This review was introduced in the ESM Rules on 1 November 2021. On 15 January 2025, additional provisions for this review were introduced to implement the outcomes of the Reserve Capacity Mechanism (RCM) Review.

3.2. Scope of Work

- The Coordinator will undertake this first review in accordance with the ESM Rules that were in effect prior to 15 January 2025. The recently introduced 15 January 2025 Rules have only been in place for a short period and, therefore, the Coordinator considers that it is too soon to review these provisions. The Coordinator considers that it is appropriate to undertake a review of the provisions that have been in operation for five years at the completion of the review aligning with the intent of the relevant ESM Rules.

- Therefore, the Coordinator will review the following:
 - whether the methodology for rating the capacity of Electric Storage Resource (ESR) for the purposes of setting Certified Reserve Capacity remains consistent with the State Electricity Objective (SEO);
 - whether the obligation duration for Demand Side Programmes (DSPs) remains consistent with the SEO;
 - whether the ESR Obligation Intervals (ESROI) remain consistent with the SEO; and
 - whether the methodology and processes used by AEMO to determine the ESROI remain consistent with the SEO.
- The SoW for the CCT Review (Attachment 1) provides further background and outlines the analyses to be undertaken during the review.

3.3. The CCT Review Working Group

- Energy Policy WA recommends that the MAC establishes the CCTRWG to assist with this project.
- Energy Policy WA has developed a draft Terms of Reference for the CCTRWG (Attachment 2) for consideration and approval by the MAC.

4. Next Steps

Following approval of the ToR by the MAC:

- the MAC Secretariat will establish the CCTRWG;
- a CCTRWG webpage will be created on the Coordinator's website; and
- the MAC Secretariat will publish a call for nominations for the CCTRWG.

5. Attachments

- (1) Agenda Item 5 – Attachment 1 – Scope of Work for the Certification of Capability Class 2 Technologies Review
- (2) Agenda Item 5 – Attachment 2 – Terms of Reference for the Certification of Capability Class 2 Technologies Review Working Group

Scope of Work – Certification of Capability Class 2 Technologies (CCT) Review

1. The review

1.1 Requirements of the review as outlined in the Rules

The Coordinator of Energy (Coordinator) must review the effectiveness of certification of Reserve Capacity of energy and availability limited resources in accordance with section 4.13B of the Electricity System and Market (ESM) Rules. Under clause 4.13B.2 of the ESM Rules, the first review must be completed by 1 October 2026.

Section 4.13B of the Electricity System and Market (ESM) Rules outlines the requirements of this review. This review was originally introduced to the ESM Rules on 1 November 2021. On 15 January 2025, additional provisions for this review were introduced to implement the outcomes of the Reserve Capacity Mechanism (RCM) Review.

The Coordinator will undertake this first review in accordance with the ESM Rules that were in effect prior to 15 January 2025. The recently introduced 15 January 2025 Rules have only been in place for a short period and, therefore, the Coordinator considers it too soon to review these provisions. The Coordinator considers that it is appropriate to undertake a review of the provisions that have been in operation for five years at the completion of the review aligning with the intent of the relevant ESM Rules.

This is the relevant ESM Rules clause prior to 15 January 2025:

4.13B.3. A review conducted under clause 4.13B.1 must examine:

- (a) whether the methodology for rating the capacity of Electric Storage Resources for the purposes of setting Certified Reserve Capacity remains consistent with the *State Electricity Objective*;
- (b) whether the Electric Storage Resource Obligation Duration for Electric Storage Resources remains consistent with the *State Electricity Objective*;
- (c) whether the Electric Storage Resource Obligation Intervals for Electric Storage Resources remain consistent with the *State Electricity Objective*; and
- (d) whether the methodology and processes used by AEMO to determine the Electric Storage Resource Obligation Intervals, in which the Reserve Capacity Obligation Quantity for Electric Storage Resources applies, remain consistent with the *State Electricity Objective*.

EPWA notes that:

- the subject of clause 4.13B.3(b) was recently reviewed under the Availability Duration Gap review and changes were implemented in Tranche 8. Consequently, the Coordinator will not review this item for Electric Storage Resources (ESR) in its 2026 review; and

- the reference to *Wholesale Market Objectives* was replaced with the *State Electricity Objectives* to reflect the changes to the objectives in the *Electricity Industry Act 2004*. The review will assess the relevant provisions against the State Electricity Objective, rather than the Wholesale Electricity Objectives, to reflect recent changes to the objectives in the *Electricity Industry Act 2004*.

EPWA proposes the following approach to the review:

Table 1 – Proposed review scope

	Clause #	Review item	Approach for review	In scope for 2026?
1	Former 4.13B.3(a)	Whether the methodology for rating the capacity of ESR for the purposes of setting Certified Reserve Capacity remains consistent with the SEO	EPWA will undertake a jurisdictional review of ESR certification methods used by other capacity markets. The current method and other methods will be reviewed against a criterion (based on the SEO) to determine the most effective method and recommend changes, if necessary.	Yes
2	Former 4.13B.3(b)	Whether the ESR Obligation Duration for ESR remains consistent with the SEO	The Coordinator has recently reviewed the ESR Obligation Duration (ESROD) in undertaking the Availability Duration Gap Review. Changes to the method to determine the ESROD required to meet peak demand was implemented in Tranche 8 in June 2025. The Coordinator will not review this item again in its 2026 review. The Coordinator will review whether the obligation duration for Demand Side Programmes (DSPs) remains consistent with the SEO (clause 4.10.1(f)(vi)).	Yes (modified for DSPs only)
3	Former 4.13B.3(c)	Whether the ESR Obligation Intervals for ESR remain consistent with the SEO	The Coordinator will review whether the Obligation Intervals for ESR remain consistent with the SEO. Together with AEMO, EPWA will model the 1 in 10-years system peak demand to determine the duration, and start and end of the peak demand period.	Yes
4	Former 4.13B.3(d)	Whether the methodology and processes used by AEMO to determine the ESR Obligation Intervals, in which the Reserve Capacity Obligation Quantity for ESR applies, remain consistent with the SEO.	The Coordinator will review AEMO's methods and processes used to determine the ESROI. This will include the AEMO's method for setting the Mid Peak ESROI.	Yes
5	4.13B.1(c)	Review the effectiveness of Reserve Capacity Refunds for ESR and DSPs	Defer to next review under section 4.13B. Defer review of DSP RC Refunds as considerable changes to this framework for DSPs will commence on 1 October 2026.	No

6	4.13B.1(d)	Information published for Limb B assessment	Defer to next review under section 4.13B. The changes to clause 4.5.12 outlining the information to be published under this clause were introduced on 13 December 2023. EPWA considers it too soon to review this clause.	No
7	4.13B.3(b)	Whether use of different Peak ESRODs for ESR commissioned in different years remains consistent with SEO	Defer to next review under section 4.13B. The ESROD protection was extended to 10 years on 4 June 2025 and EPWA considers that it is a risk to investment certainty to make changes, which will impact the ESROD outside of the new ADG calculation framework at this stage.	No
8	4.13B.3(d)	AEMO's method for setting the Mid Peak ESROI is consistent with the SEO	This will be included in the review against the requirement of the former 4.13B.3(d) (refer above).	Refer above
9	4.13B.3(f)	Year to year ADG trends and implications for the approach of ESR certification	Defer to next review under section 4.13B. At the time of this review there will only be one ADG determined and published, meaning trends in year to year ADG values do not exist at this stage and cannot be reviewed.	No
9	4.13B.3(g)	Whether the method for determining the Peak and Flex DSP Dispatch Requirement remains consistent with the SEO	Defer to next review under section 4.13B. This method was introduced on 13 December 2023. EPWA considers that it is too soon to review this method.	No

In accordance with the ESM Rules, after the review and consultation, the Coordinator must publish a report containing:¹

- the issues identified by the Coordinator;
- the assumptions made by the Coordinator in undertaking the review;
- the results of any technical studies;
- a summary of any submissions received during consultation;
- the Coordinator's responses to the issues raised in those submissions;
- any recommendations of the Coordinator; and
- any other matters the Coordinator considers relevant to the review.

Any changes to be made, must be progressed through a Coordinator initiated Rule Change or Procedure Change Proposal (or recommend AEMO to initiate a Procedure Change Proposal where applicable).²

¹ Clause 4.13B.5

² Clause 4.13B.6

1.1.1 State Electricity Objective

The Coordinator must assess the effectiveness of each of the review items against the State Electricity Objective:

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.

2. Background

2.1 History of certification of ESR

The current method for certifying energy limited technologies was implemented ahead of the 2021 Reserve Capacity Cycle³ by the Energy Transformation Taskforce.⁴

A requirement was introduced for the Coordinator to conduct a review every 5 years to ensure the framework for accrediting ESR remains consistent with the market objectives. The intent of this review is to consider whether changes should be made given, as the Energy Transformation Taskforce (the Taskforce) noted, it was likely that the system peak duration may change over time while ensuring sufficient time between reviews to provide participants with some certainty that the method for ESR certification will be applied consistently for a fixed period.

Additional items were introduced to the requirements for the Coordinator's review on the 15 January 2025 ESM Amending Rules, which implemented the outcomes of the RCM Review. These additional requirements relate to provisions which, at the time of the review, would have been implemented for less than 3 years.

EPWA considers that sufficient time has not passed to warrant reviewing these new provisions and proposes to defer these items to the next review under section 4.13B in 2031. To allow sufficient time prior to reviewing these items, EPWA proposes to reduce the scope of the current review as outlined in table 1.

2.1.1 Items under Review

This section provides further detail for the review items outlined in table 1.

1. Method for rating capacity of ESR – former clause 4.13B.3(a)

Capacity Credits are currently assigned to ESR by using the linearly derating model. Linear derating determines the maximum capacity, in MW, that an ESR can be guaranteed to be

³ Implemented in Tranches 2 and 3

⁴ [Information Paper Reserve Capacity Mechanism - Changes to support the implementation of constrained access and facilitate storage participation.pdf](#) (section 4)

available over the ESROD assuming continuous discharge across the period. The linear derating model is a simple approach that accounts for the energy limited nature of ESR.

When determining how to certify ESR, the Taskforce considered that the existing methods of certifying capacity for other technologies (non-intermittent generation, intermittent generation and Demand Side Programmes) each posed different barriers to storage participation in the RCM. As a result, the Taskforce decided to investigate an alternate certification method which recognises that storage can guarantee its availability during peak demand, but for a shorter duration in comparison to other technologies.⁵

Three different methods were assessed by the ETS, with linear derating being chosen.

Derating method



	Linear	Effective Load Carrying Capability	Equivalent Firm Capacity	Least worst regrets
Minimises complexity for market participants and AEMO	Green	Yellow	Yellow	Red
Alignment with existing approaches to de-rating.	Red	(Once new RLM introduced) Green	Red	Red
Not overly volatile.	Yellow	Yellow	Yellow	Yellow
Compatible with other aspects of the RCM	Green	(Once new RLM introduced) Green	Yellow	Red
Transparent	Green	Yellow	Yellow	Red
Accurately measures the contribution of resources of different durations	Yellow	Green	Green	Green
Ease of implementation.	Green	Yellow	Yellow	Red

Taskforce endorsed approach: Linear model

In 2021, the ESR reserve capacity obligation period was set to 4 hours, as this was modelled by AEMO to be the typical peak demand event duration. Storage which was not able to meet this obligation would need to be derated.

Linear derating of capacity was chosen to rate ESR's capacity as this method was considered to strike a balance between:

- ensuring that facilities, which can control their output, that participate in the RCM are available in the energy market when required to ensure that the system reliability criteria is met; and
- ensure appropriate flexibility for storage resources given that there is a range of services they can provide in the market and their capacity is energy limited.

Following the RCM Review, the concept of the Availability Duration Gap (ADG) was introduced on 13 December 2023 to allow for the ESR obligation duration to extend when needed. If an ADG is determined and published in the Electricity Statement of Opportunities, the ESR discharge period (now known as the ESROD) extends by the duration of the ADG to ensure no gaps in capacity emerge due to the energy limited nature of ESR.

⁵ [Storage participation in the RCM – Information Paper](#)

The CCT review would examine alternative methods for certifying ESR capacity used by other capacity markets and assess whether the linear derating method is still the most effective method for the WEM compared to other methods.

2. Facility obligation duration – former clause 4.13B.3(b)

The Coordinator has recently reviewed the ESR Obligation Duration (ESROD) in undertaking the Availability Duration Gap Review. Changes to the method to determine the ESROD required to meet peak demand was implemented by the Tranche 8 ESM Amending Rules in June 2025. The Coordinator will not review this item again in the 2026 CCT review.

The Coordinator will instead review whether the DSP 12 hour DSP obligation duration remains consistent with the SEO (clause 4.10.1(f)(vi)).

DSPs have an RCOQ equal to the quantity of Capacity Credits assigned to the Facility. However, their RCOQ can be zero in some circumstances:

- DSPs must be available for dispatch between 8am and 8pm on each Business Day. Their RCOQ is set at zero otherwise; or
- If the Facility has been dispatched for the maximum allowable number of hours in a year, then the RCOQ is zero for the rest of that Capacity Year.

Amending Rules have been gazetted with no commencement date which split this period from 6am to 10pm and 2pm to 10pm on all Business Days. This change was made to allow for aggregated DSPs which contain behind the meter storage to charge in the middle of the day.

The CCT review should seek to assess the most efficient obligation period of DSPs. This includes:

- Modelling the dispatch of DSPs across the period, including of DSPs containing behind-the-meter storage;
- Assessing whether behind the meter storage associated with a DSP would have sufficient time to recharge, if applicable;
- Assessing whether splitting the obligation period would likely create a barrier to entry of some types of DSP; and
- Considering how the DSP obligation period works together with the ESR Obligation Intervals.

3. Whether ESROI for ESR is consistent with the SEO – former clause 4.13B.3(c)

The ESR Obligation Intervals (ESROI) determine the time-of-day ESR must be available to meet the peak. These intervals are determined by AEMO.

This review should undertake a technical study of the 1 in 10-years system peak demand to determine the duration, and start and end time, of the typical peak demand event.

This review should be done together with AEMO and in conjunction with review item 4 below.

4. Whether the methodology and processes used by AEMO to determine the ESROI is consistent with the SEO – former clause 4.13B.3(c)

The Mid Peak ESROI sets the midpoint of each ESR facility's ESROD, thus determining when during the day the ESR's obligation lies. AEMO must determine the Mid Peak ESROI, which is the Trading Interval which is the midpoint of the peak demand period, in accordance with a [WEM Procedure](#) outlined in clause 4.11.3A(c).

AEMO must publish the Mid Peak ESROI in the Electricity Statement of Opportunities (ESOO) for each Trading Day. The Mid Peak ESROI does not need to be the same Trading Interval for

each day. AEMO may revise previously published Mid Peak ESROI ahead of the Capacity Year in subsequent ESOOs under clause 4.11.3A(b) (in developing this scope, EPWA identified errors in this clause which will be amended in this review).

By 6:50am before the Trading Day, AEMO may adjust and publish the Peak ESROI that will apply in that Trading Day to meet system needs, and must publish the Peak ESROI it expects will apply for the next 7 days under clause 6.3A.2. AEMO must keep a record of the Mid Peak ESROI which applied for each day under section 6.3.

This review should consider whether the methodology and processes used by AEMO are consistent with the SEO. This will be undertaken in conjunction with review item 3.

3. Out of scope

As proposed in Table 1, anything which was implemented in the last five years and anything which has recently been reviewed and amended is out of scope.

4. Deliverables

1. Jurisdictional review
 - Undertake a review of the different methods used by other capacity markets to certify capacity provided by ESR.
2. Development of criterion
 - Development of a criterion, based on the State Electricity Objective, for assessment of methods to certify ESR capacity.
3. Assessment of the following:
 - Methods identified in the jurisdictional review (deliverable 1) against the criterion (deliverable 2);
 - Assess the effectiveness of the current method and other methods used by other jurisdictions for certification of ESR; and
 - The methodology and processes used by AEMO to determine the ESROI. This assessment should consider findings from the technical analysis in deliverable 4, and include, but not limited to, assessment of the following:
 - The WEM procedure developed under clause 4.11.3A(c) of the ESM Rules;
 - Publication requirements in clauses 4.11.3A(a) and (b), and 6.3A.2; and
 - Section 6.3 and the Glossary.
4. Technical analysis of the following:
 - The 1 in 10-years system peak demand to determine the duration, and start and end time, of the typical peak demand event;
 - What the ESROI should be during the 1-in-10 years peak day which is most consistent with the SEO;
 - Analysis to determine whether the 12 hour obligation duration for DSP is consistent with the SEO;
 - The efficiency of DSP alternative obligation periods:
 - (i) 8am-8pm, or
 - (ii) 6am-10am and 2pm-10pm, including whether DSPs containing behind-the-meter storage would have sufficient time to recharge and whether the split window would create barriers to entry for certain types of DSPs; and

- How the DSP obligation should work together with the ESR Obligation Intervals.
5. Assessment of outcomes of deliverables 3 and 4 and the development of ESM Amending Rules or WEM procedure changes, if required.
 6. Consultation paper
 - Develop and publish a consultation paper, and undertake public consultation.
 7. Information paper
 - Develop and publish Information Paper.
 8. Rule change process (if applicable)

5. Project schedule

Tasks/Milestones	Task undertaken
Project establishment	
Finalisation of project scope	July 2025
Bring Scope to Market Advisory Committee and establish working group Approve Terms of Reference for CCT Review Working Group	24 July 2025
Procure consultant	August 2025
Assessment of current method and development of proposals	
Deliverable 1. Undertake jurisdictional review of different methods to certify capacity of ESR.	August 2025
Deliverable 2. Develop a criterion for assessment of methods to certify ESR.	August 2025
Deliverable 3. Assessment of: <ul style="list-style-type: none"> ▪ effectiveness of the current method and alternative methods used by other jurisdictions for certification of ESR against the criterion; and ▪ methodology and processes used by AEMO to determine ESROI. 	September 2025
CCT Review Working Group (CCTRWG) to present overview of deliverables 1 and 2.	October 2025

Tasks/Milestones	Task undertaken
<p>Deliverable 4. Technical analysis of:</p> <ul style="list-style-type: none"> ▪ The start and end time of the 1 in 10-years system peak demand to determine the duration, and start and end time, of the typical system peak demand event; ▪ The time of day the ESROI should apply during the 1-in-10 years peak day; ▪ Analysis to determine whether the 12 hour obligation duration for DSP is consistent with the SEO; ▪ The efficiency of DSP alternative obligation periods: <ul style="list-style-type: none"> (i) 8am-8pm, or (ii) 6am-10am and 2pm-10pm, including whether DSPs containing behind-the-meter storage would have sufficient time to recharge and whether the split window would create barriers to entry for certain types of DSPs. 	October 2025
CCT Review Working Group (CCTRWG) – present overview of outcomes from deliverables 3-4 to CCTRWG and workshop proposed changes (deliverable 5).	November 2025
Deliverable 5. Assess outcomes of Deliverables 3 and 4 and, if required, develop ESM Amending Rules or WEM procedure changes.	November 2025
CCTRWG meeting – present proposed changes to CCTRWG for input ahead of public consultation.	December
Consultation	December-January
<p>Deliverable 6 – develop Consultation Paper.</p> <ul style="list-style-type: none"> ▪ Includes assessment and consideration of Working Group feedback/comments 	December
Consult with the MAC on draft Consultation Paper	18 December 2025
Public consultation	December 2025 – February 2026
Development of CCT Review Information Paper	February 2026 - March 2026
Consider responses received in the public consultation and finalise proposals.	February 2026
Deliverable 7– develop and publish Information Paper, and respond to feedback/comments received during public consultation.	March 2026

Tasks/Milestones	Task undertaken
Rule Change Process (if applicable)	April 2026 – September 2026
Coordinator consults MAC prior to development of Rule Change Proposal (RCP) (<i>see clause 2.5.1C</i>)	18 December 2025
Coordinator considers MAC feedback and submits RCP (Day n)	
Coordinator decides to progress RCP (Day n + 5BD)	
Coordinator publishes notice of RCP (Day n + 7 BD)	
Ministerial approval required to accept a COE initiated RCP (<i>see clause 2.5.8A</i>)	
COE must notify MAC whether the RCP requires a meeting (day after notice of RCP is published)	
First RCP submissions (30BD)	
Draft Rule Change Report (20 BD)	
Second RCP submissions (20BD)	
Final Rule Change Report (20BD)	
Ministerial Approval (if necessary) (20BD)	
Implementation of final rules	
Commencement of final rules (if applicable)	1 October 2026

Terms of Reference

Certification of Capability Class 2 Technologies

Review Working Group

24 July 2025

1. Background

The Coordinator of Energy (Coordinator) must review the effectiveness of the Reserve Capacity certification of energy and availability limited resources in accordance with clause 4.13B.1 of the Electricity System and Market (ESM) Rules. Under clause 4.13B.2 of the ESM Rules, the first review must be completed by 1 October 2026.

Section 4.13B of the ESM Rules outlines the requirements of this review. This review was originally introduced in the ESM Rules on 1 November 2021. Additional provisions were introduced on 15 January 2025 by ESM Amending Rules implementing the outcomes of the Reserve Capacity Mechanism (RCM) Review.

Several review items introduced in section 4.13B on 15 January 2025 require the review of provisions implemented within the last three years. As the intent of the rules was to review methods and frameworks after 5 years of operation, the Coordinator is only reviewing items implemented before or for the 2021 Reserve Capacity Cycle.

The scope of this Certification of Capability Class 2 Technologies (CCT) Review includes:

- Whether the methodology for rating the capacity of ESR for the purposes of setting Certified Reserve Capacity remains consistent with the SEO;
- Whether the DSP Obligation Duration remains consistent with the SEO; and
- Whether the Electric Storage Resource (ESR) obligation intervals (ESROI), including the effectiveness of the method used by AEMO to determine the ESROI, is consistent with the State Electricity Objective (SEO).

The Market Advisory Committee (MAC) has established the Certification of Capability Class 2 Technologies Review Working Group (CCTRWG) under clause 2.3.17(a) of the WEM Rules to assist the Coordinator with the CCT Review.

2. Scope of the Working Group

The CCTRWG has been established to provide expert advice.

Key areas of focus for the CCTRWG include providing advice on:

- the assessment of alternative methods for the certification of ESR used in other capacity markets and the WEM linear derating method against the SEO;
- how effective is the linear derating method for ESR in the WEM;
- the effectiveness of the current and the new (gazetted in Electricity System and Market Amendment (Tranche 8) Rules 2025) DSP reserve capacity obligation duration;
- the effectiveness of the ESR obligation intervals and the methodology for determining the ESR obligation intervals.

3. Membership

Energy Policy WA will Chair of CCTRWG.

Market Participants and other interested stakeholders may nominate a person for membership on the CCTRWG for approval by the Chair of the CCTRWG.

All members of the CCTRWG Working Group are required to contribute their time and resources to complete specific analysis and other tasks as requested by the Chair.

There are no restrictions on the number of CCTRWG members. However, the Chair of the CCTRWG may only approve one member from each organisation.

The Chair of the CCTRWG will have discretion to allow additional subject matter experts or consultants to attend specific meetings or workshops, either generally or on a case-by-case basis.

AEMO will provide technical analysis and data assistance to the CCTRWG.

4. Documentation

Energy Policy WA will establish a CCTRWG webpage on its website. Any discussion papers, meeting papers and meeting minutes will be posted to this page.

Market Participants and other stakeholders may register with Energy Policy WA to receive email communications regarding the CCTRWG, including notices of publication of papers on the CCTRWG webpage.

5. Responsibilities of Meeting Attendees

A person attending a CCTRWG meeting is expected to:

- have suitable knowledge and experience to engage in and contribute to discussions relevant to the specific meeting;
- prepare for the meetings, including by reading any meeting papers distributed before the meeting;
- participate as a general industry representative rather than representing their company's interests; and
- complete actions requested by the Chair, which may include undertaking of analysis or preparation of papers for discussion by the CCTRWG.

6. Administration

Energy Policy WA will provide secretariat support for the CCTRWG.

Energy Policy WA will ensure contact details for the CCTRWG are maintained on the CCTRWG webpage.

The CCTRWG will meet monthly. The Chair of the CCTRWG will convene meetings of the working group in accordance with the timelines in the scope of works for the Review.

Energy Policy WA will prepare and distribute all meeting correspondence to the CCTRWG via email. Energy Policy WA will endeavour to provide the following documentation by email to the CCTRWG members:

- notices of meetings, agendas, and relevant meeting papers at least 5 Business Days prior to the meeting; and

- key outcomes and actions emerging from each meeting no more than 5 Business Days following the meeting.

All meeting documentation will be published on Energy Policy WA's website as soon as practicable after it has been sent to the CCTRWG members.

Meetings will generally be held online via TEAMS. Meeting minutes are to record meeting attendance, main outcomes of discussion, agreed recommendations to the MAC and action items. Meetings will be recorded to assist with development of minutes.

7. Reporting Arrangements

The CCTRWG Chair must provide a report to the MAC on the CCTRWG activities at every MAC meeting. The reports must include, at a minimum:

- details of all CCTRWG meetings since the last report to the MAC, including the date of the meeting and the key outputs of each meeting;
- the date of the next meeting and the issues to be considered (if known); and
- any recommendations from the CCTRWG to the MAC.

8. Projected Timeline

Task/Milestone	Timing
(1) Preliminary Steps	
(a) MAC comments on the Scope of Work for the review	24 July 2025
(b) MAC approval of the Terms of Reference for the Working Group	24 July 2025
(c) Coordinator approval and publication of the Scope of Work	July 2025
(d) Appointment of consultants	August 2025
(2) Assessment	
(a) CCTRWG meeting to review and analyse the inter-jurisdiction review and analyse the different methods to certify capacity of ESR	October 2025
(b) CCTRWG meeting to review and analyse the technical analysis of DSP duration obligations and ESR interval obligations	October 2025
(c) CCTRWG meeting to review and analyse final outcomes	November 2025
(3) Consultation Paper	
(a) CCTRWG meeting for input on the Consultation Paper	December 2025
(b) Consult with the MAC on a draft of the Consultation Paper	December 2025
(c) Publish the Consultation Paper	December 2025
(d) Submissions on the Consultation Paper	February 2026

9. Contact Details

Rule Participants and other stakeholders may contact the CCTRWG Secretariat at energymarkets@deed.wa.gov.au.

Documentation and information related to the CCTRWG will be published on Energy Policy WA's website.

Agenda Item 6: Benchmark Reserve Capacity Providers Scope of Work

Market Advisory Committee (**MAC**) Meeting 2025_07_24

1. Purpose

The MAC to note the Scope of Work for the Benchmark Capacity Providers Review (**Attachment 1**).

2. Recommendation

That the MAC notes the Scope of Work for the Review of the Benchmark Capacity Providers.

3. Background

- Under clause 4.16.11 of the Electricity System and Market Rules (ESM Rules), the Coordinator is conducting a review of the Benchmark Capacity Providers, which will be used to determine the Benchmark Reserve Capacity Prices (BRCPs).
- The Coordinator must determine the Benchmark Capacity Providers within six months of the Electricity Storage Resource Duration Requirement (ESRDR) being published in AEMO's Electricity Statement of Opportunities (ESOO), if the ESRDR is different from the ESRDR for the previous Reserve Capacity Cycle.
- AEMO's 2025 ES00 was published on 24 June 2025 and included an ESRDR of 6 hours, an increase from the previous ESRDR of 4 hours.
- The Coordinator must complete its review by the end of September to allow sufficient time for the Economic Regulation Authority to amend and consult on its BRCP methodology and the BRCPs for the 2028/29 Capacity Year.
- The review will consist of two key items:
 - Benchmark Peak Capacity Provider; and
 - Benchmark Flexible Capacity Provider.

The following will be assessed for both:

- determining which technology represents the most efficient new entrant; and
 - whether gross costs of new entry (CONE) or net CONE should apply.
- The Coordinator will consult with the WEM Investment Certainty (WIC) Review Working Group (WICRWG) during this review. The Working Group Chair will report to the MAC on the discussions at the Working Group.

4. Next Steps

A Public Consultation paper will be published and submissions taken into account prior to the Coordinator making its determination.

5. Attachment

(1) Agenda Item 6 - Attachment 1 – Scope of Work - Benchmark Capacity Providers Review



Scope of Work for the Review of the Benchmark Capacity Providers

1. Introduction

The Coordinator of Energy (Coordinator) is conducting a review of the Benchmark Capacity Providers that are used to determine the Benchmark Reserve Capacity Prices (BRCPs) under clause 4.16.11 of the ESM Rules.

Clause 4.16.11 requires that the Coordinator must determine the Benchmark Capacity Providers by the earlier of:

- (a) within six months of the revised Electricity Storage Resource (ESR) Duration Requirement being published in the Electricity Statement of Opportunities, if the ESR Duration Requirement determined by AEMO is different from the ESR Duration Requirement for the previous Reserve Capacity Cycle; or
- (b) within three years of the previous determination of the Benchmark Capacity Providers

AEMO's Electricity Statement of Opportunities is due to be published on 24 June 2025 and is expected to include a revised ESR Duration Requirement. The Coordinator must conduct its review by the end of September to allow time for the ERA to amend and consult both its BRCP methodology and the BRCPs for the Capacity Year 2028/29 Capacity Year.

The BRCP Reference Technology Review aims to ensure that the WEM will provide incentives for the most efficient new capacity entering the WEM.

2. Background

2.1 The BRCP

The BRCP is an important input for the calculation of the Reserve Capacity Price as it provides the anchor point for the price formula.

The BRCP is intended to reflect the marginal cost of providing additional Reserve Capacity in each Capacity Year and is determined by the Economic Regulation Authority (ERA) based on the WEM Procedure outlined in clause 4.16.3 of the ESM Rules.

The ERA must review the WEM Procedure for setting the BRCP at least every 5 years; or within one year of a review of the Benchmark Capacity Providers that results in a change to the Benchmark Capacity.

The ERA usually publishes their BRCP Determination by 15 January, to be applied in that year's Reserve Capacity Cycle.

Transitional provisions for the timeline for the ERA's determination of the 2026 BRCP have been introduced through the Tranche 8 Amending Rules to:

- change the ERA's deadline for publishing the 2026 BRCP from 15 January to 15 March 2026; and

- require the ERA to review the WEM Procedure under clause 4.16.3 to meet the 15 March 2026 timeline for the determination of the BRCP.

EPWA will work closely with the ERA to ensure that any changes to the Benchmark Capacity Providers that arise from this review can be reflected in its 2026 BRCP Determination.

2.2 Current Benchmark Capacity Providers

When the 2023 review of the Benchmark Capacity Providers was conducted, no Benchmark Capacity Provider for the Flexible Service had previously been established.

The main outcome of the 2023 review was the Coordinator's determination of the Benchmark Capacity Providers for both the Peak and Flexible BRCPs. The parameters for the Capacity Providers are outlined in the BRCP WEM Procedure and are as follows:

The Benchmark Capacity Providers are a lithium battery energy storage system (BESS) with:

- 200 megawatts (MW) of injection
- 800 megawatt hours (MWh) of energy storage
- a 330 kilovolt (kV) connection
- an unconstrained connection location near Kwinana or Pinjar
- a lithium iron phosphate sub-chemistry
- an installed capacity that enables 200 MW injection on 1 October of Year 3 of the Reserve Capacity Cycle
- enough energy storage capacity to enable 800 MWh charge and discharge on 1 October of Year 3 of the Reserve Capacity Cycle
- the minimum level of equipment or systems required by the WEM Rules

3. Project Scope

The objective of this review is to determine the most appropriate Benchmark Capacity Providers which:

- provide efficient investment signals to ensure system security and reliability; and
- by selecting the most efficient new entry technology, ensure that customers don't overpay for capacity.

To do so, the Coordinator must determine the technical parameters to be used for each Provider, including size and capabilities and contribution to system emissions, in order to meet the third limb of the State Electricity objective. In addition, this needs to account for the use of a network location with relatively low congestion.

The following aspects related to the BRCP are out of scope for this review:

- the methods for setting the BRCPs; and
- the Reserve Capacity Price setting methodology.

The Benchmark Capacity Providers Review will consist of these two key items:

- (1) Peak BRCP:

- (a) review of the Benchmark Peak Capacity Provider and assess whether the current Reference Technology is still appropriate or if a different Reference Technology should be selected to represent the most efficient new entry; and
 - (b) whether gross costs of new entry (CONE) or net CONE should apply to the Peak BRCP
- (2) Flexible BRCP:
- (a) review of the Benchmark Flexible Capacity Provider; and
 - (b) whether gross CONE or net CONE should apply to the Flexible BRCP

Approach to analysis

The following analysis will be undertaken for the BRCP Technology Review:

- (1) **Review of the Benchmark Peak Capacity Provider:** assess, based on available information, including relevant literature, whether the current Benchmark Capacity Provider is still appropriate or if a different technology would better reflect the most efficient new entry for providing Peak Capacity in the SWIS under the ESM Rules as they are expected to be in place at the start of 2026. The assessment must include the type and optimum size in MW of the technology and any specifications that are needed so the technology can provide Peak Capacity in compliance with the ESM Rules, and the State Electricity Objective.
- (2) **Review whether gross CONE or net CONE should apply to the Peak BRCP:** assess, whether the Benchmark Capacity Provider identified under (1) would be the marginal energy supplier under the ESM Rules expected to be in place in the 2028 Capacity Year (in which case gross CONE should be applied) or, if not, further assess whether applying net CONE would be more appropriate.
- (3) **Review of the Benchmark Flexible Capacity Provider:** assess, based on available information, including relevant literature, whether the current Benchmark Capacity Provider is still appropriate or if a different technology would better reflect the most efficient new entry for providing Flexible Capacity in the SWIS under the ESM Rules as they are expected to be in place at the start of 2026. The assessment must include the type and optimum size in MW of the technology and any specifications that are needed so the technology can provide Flexible Capacity in compliance with the ESM Rules, and the State Electricity Objective.
- (4) **Review whether gross CONE or net CONE should apply to the Flexible BRCP:** Assess, whether the Benchmark Capacity Provider identified under (3) would be the marginal energy supplier, in the intervals Flexible Capacity would be required or, if not, whether the application of net CONE will be more appropriate given the value of capacity payments for Flexible Capacity.

Project Schedule

Tasks/Milestones	Timing
(1) Preliminary Steps	
(a) Appointment of consultants	July 2025
(b) Kick off meeting with consultant	July 2025
(2) Initial Assessment	
(a) Initial assessment based on ESM Rules	Late July 2025
(b) Hold WICRWG meeting on proposals	August 2025
(3) Consultation Paper	
(a) Publish Consultation Paper on proposals	Late August 2025

Tasks/Milestones	Timing
(b) Submissions on the Consultation Paper close	September 2025
(4) Further Assessment	
(a) Further assessment based on submissions received	September 2025
(5) Coordinator Determination	
(a) Publish the Coordinator's Determination based on the review outcomes	Late September 2025

Agenda Item 7: WEM Operation Effectiveness Report – Published Proposals

Market Advisory Committee (MAC) Meeting 2025_07_24

1. Purpose

Energy Policy WA (EPWA) to update the MAC on the Coordinator of Energy's (Coordinator's) inaugural WEM Operation Effectiveness Report and next steps.

2. Recommendation

That the MAC notes the final proposals in the published WEM Operation Effectiveness Report.

3. WEM Operation Effectiveness Report

3.1. Background

- Under clause 2.16.13D of the Electricity System and Market (ESM) Rules, the Coordinator must provide the Minister with a report dealing with the matters identified through its market monitoring activities at least once every three years, with the first such report due by 1 July 2025 (the WEM Operation Effectiveness Report).
- The Coordinator of Energy provided the WEM Operation Effectiveness Report, that covered matters outlined in clauses 2.16.13A, 2.16.13B and 2.16.13E of the ESM Rules, to the Minister on 25 June 2025.
- On 8 July 2025, the Coordinator, after consultation with the Minister, published a version of the report which has confidential or sensitive data aggregated or removed, on the [Coordinator's website](#).
- EPWA notes that the Scope of Work for the WEM Operation Effectiveness Report was last presented to the MAC at the 17 October 2024 meeting. After this meeting, the scope was further refined. The finalised Scope of Work is now publicly available on the [Coordinator's website](#).
- The Coordinator provided each Market Body with the relevant sections of the complete WEM Operation Effectiveness Report before the report was provided to the Minister.
- The aim of the WEM Operation Effectiveness Report is to provide an evidence base and reference for potential future Rule Changes to improve market effectiveness.

3.2. Emerging themes

- Given the immaturity of the new Real-Time Market, and the further changes that have been, and continue to be, made following its commencement, it is EPWA's view that there has not been sufficient time since the new market start to perform a detailed

assessment of the effectiveness and efficiency of the new and evolving market mechanisms.

- A key theme that has emerged during the preparation of this report is the need for greater transparency, including from the market bodies in performing their functions under the ESM Rules, to provide current and prospective participants with the complete information they require to make operational and investment decisions.
- The report outlines several recommendations relating to two key proposals for improving effectiveness in the WEM:
 - Integrating the State Electricity Objective more effectively within the ESM Rules; and
 - Improving transparency within the WEM to facilitate efficient market outcomes.

3.3. Proposals

Proposal	To be addressed through
<p>Transparency</p> <p>The Coordinator and the relevant market bodies, where applicable, should develop appropriate measures to make improvements to transparency in the WEM and its associated processes, including the following:</p> <p>2.1 Provision of further detail on the cause of any direction/intervention by AEMO.</p> <p>2.2 Improvements in relation to operational forecasting.</p> <p>2.3 Completion and publication of WEM Procedures in a timely manner, including prompt updates when required.</p> <p>2.4 Making complete and verified market data available through the publicly accessible web portal in easily accessed data formats.</p> <p>2.5 Proactive reporting of Market bodies on WEM design flaws and areas for improvement to the Coordinator and, where appropriate, the ERA.</p> <p>2.6 Provision of clearer information to Market Participants regarding the current priorities and focus of the ERA's surveillance and compliance activities, noting that confidential information must be protected.</p>	<p>The Coordinator expects that the Market Bodies will take proactive actions to implement the proposals and report on any barriers that may restrict their ability to implement them. The Coordinator may undertake specific actions to address the proposals, as follows:</p> <p>2.1 This proposal is addressed in the FCESS Cost Review (Stage 2), as outlined in the Report.</p> <p>2.2 This issue is currently addressed through the Coordinator's Operational Forecasting Review, as outlined in the Report.</p> <p>2.3 AEMO is currently working on rectifying this issue. In addition, EPWA will commence a Procedure Content Review and will work with the other Market Bodies to address any deficiencies in published WEM Procedures or in the heads of power for the WEM Procedures.</p> <p>2.4 EPWA understands that AEMO is already working on rectifying this issue.</p> <p>2.5 EPWA will consult with AEMO and the ERA on how to best address this proposal and progress any necessary changes to the ESM Rules.</p> <p>2.6 EPWA will consult with the ERA and stakeholders on how to best increase transparency of the ERA's surveillance and compliance activities, prior to progressing any necessary changes to the ESM Rules.</p>

Proposal	To be addressed through
<p>2.7 Transformation of the Transmission System Plan, in the medium term, into a broader Networks Plan that includes a complete transmission and distribution development roadmap, to provide an informed view of investment opportunities. Supporting information should include constraint data, cost-benefit analyses and improved distribution level heat maps.</p> <p>2.8 Improvement of accessibility across all market bodies' websites and published materials.</p>	<p>2.7 EPWA will consult with Western Power and stakeholders on the requirements for a broader Networks Plan, prior to progressing any necessary changes to the ESM Rules.</p> <p>2.8 EPWA will work with the other Market Bodies to assess and enhance the accessibility of websites and published materials to meet the standards outlined in the Report.</p>
<p>State Electricity Objective</p> <p>The Coordinator will work with the market bodies and other stakeholders on how to integrate the SEO more broadly within the ESM Rules, and will monitor this in the next WEM Operation Effectiveness Report.</p>	<p>The Coordinator will review the ESM Rules and consult with stakeholders, including the Market Bodies, to identify ways to integrate the SEO into the ESM Rules.</p> <p>The Coordinator will incorporate the SEO into any future Coordinator review or proposed amending rules.</p>

4. Next steps

- EPWA will present draft terms of reference for a MAC Working Group at a future MAC Meeting. This group will support the Coordinator in implementing the recommendations from the WEM Operation Effectiveness Report that are not already addressed through existing mechanisms or other ongoing reviews.

MARKET ADVISORY COMMITTEE MEETING, 24 July 2025

FOR DISCUSSION

SUBJECT: UPDATE ON AEMO'S WEM PROCEDURES

AGENDA ITEM: 8(A)

1. PURPOSE

Provide a status update on the activities of the AEMO Procedure Change Working Group and AEMO Procedure Change Proposals.

2. AEMO PROCEDURE CHANGE WORKING GROUP (APCWG)

	Most recent meetings	Next meeting
Date	26 May 2025	17 July 2025
WEM Procedures for discussion at APCWG	<ul style="list-style-type: none"> Commissioning Tests RCM Limits Advice Mid Peak and Flexible Electric Storage Resource Obligation Intervals Undertaking the LT PASA Identification of Affected Dispatch Intervals IMS Interface for Network Operators Network Modelling Data Communications and Control Systems 	<ul style="list-style-type: none"> LRC ST PASA Declaration of Bilateral Trades

3. AEMO PROCEDURE CHANGE PROPOSALS

The status of AEMO Procedure Change Proposals is described below, current as at **9 July 2025**. Changes since the previous MAC meeting are in **red text**. A procedure change is removed from this report after its commencement has been reported or a decision has been taken not to proceed with a potential Procedure Change Proposal.

ID	Summary of changes	Status	Next steps	Indicative Date
Procedure Change Proposal AEPC_2025_03 RCM Limit Advice Requirements	<p>AEMO has commenced the Procedure Change Process to propose amendments to the RCM Limit Advice Requirements WEM Procedure to:</p> <ul style="list-style-type: none"> Clarify the content, form and format of RCM Limit Advice. Improve alignment with the Wholesale Electricity Market Amendment (Reserve Capacity Reform) Rules 2023, which were updated to include: <ul style="list-style-type: none"> Clause 4.4B.2(e) which requires AEMO to provide forecasts of peak demand for the third Capacity Year of the Long Term PASA Study Horizon. Clause 4.4B.7 which requires AEMO to provide updated information under 4.4B.2, following the outcome of the application process for Certified Reserve Capacity. Clause 4.4B.9 which requires each Network Operator to provide updated information under 4.4B.5. Improve alignment with the Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025, which were updated to include clause 4.4B.9(f), requiring Network Operators to provide a list of substation names and associated Transmission Node Identifiers 	Commenced	N/A	20 June 2025

ID	Summary of changes	Status	Next steps	Indicative Date
	<p>that are expected to be in service on 1 October of Year 3 of the Reserve Capacity Cycle.</p> <ul style="list-style-type: none"> Undertake minor editorial improvements, including conversion to AEMO's most recent Procedure template, amendments to improve readability, correcting minor typographical errors, and updating clause referencing 			
Procedure Change Proposal AEPC_2025_04 Commissioning Tests	<p>AEMO has commenced the Procedure Change Process to propose amendments to the WEM Procedure: Commissioning Tests to:</p> <ul style="list-style-type: none"> align with system and process changes following upgrades to the Commissioning Test Portal delivered under the Outages and Commissioning Test Plans project. improve clarity around processes and timing for revisions and adjustments. provide for AEMO to request and receive advice, analysis and supporting information for the assessment of Commissioning Test Plans for new Facilities. 	Commenced	N/A	30 June 2025
Procedure Change Proposal AEPC_2025_05 Mid Peak and Electric Storage Resource Obligation Intervals	<p>AEMO has commenced the Procedure Change Process to propose amendments to the Mid Peak and Flexible Electric Storage Resource Obligation Intervals. On 15 January 2025 Amending Rules made via the Wholesale Electricity Market Amendment (Reserve Capacity Reviews Sequencing) Rules 2025, Schedule 1, amended clause 4.11.3A(c)(i) and (ii), inserted new clauses 4.11.3A(aA) and (aB), and amended existing clause 4.11.3A(b). Together these changes extended the scope of the Procedure to include Flexible ESROI.</p>	Commenced	N/A	20 June 2025

ID	Summary of changes	Status	Next steps	Indicative Date
	<p>AEMO proposes the following amendments to the Procedure to ensure consistency with the Amending Rules:</p> <ul style="list-style-type: none"> • extending the scope of the Procedure to include Flexible Electric Storage Resource Obligation Intervals (Flexible ESROI); • requiring AEMO to determine and record Mid Peak Electric Resource Obligation Interval (Mid Peak ESROI) data; • aligning the existing wording of the Procedure with amendments made to the ESM Rules; and • correcting minor grammatical and typological errors to improve descriptive accuracy. 			
<p>Procedure Change Proposal AEPC_2025_06 Undertaking the LT PASA</p>	<p>AEMO has commenced the Procedure Change Process to propose amendments to the Undertaking the Long Term PASA Procedure, as a result of the Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025 (Amending Rules).</p> <p>Schedule 1 of the Amending Rules introduced a new Flexible Capacity product in time for the 2025 Reserve Capacity Cycle, to incentivise capacity that can start, stop and ramp quickly. Among the changes, clause 4.5.10(aA) was amended to include Flexible Capacity and clause 4.5.10(bA) was inserted to facilitate the determination of the Flexible Reserve Capacity Target for each Capacity Year during the Long Term PASA Study Horizon.</p> <p>AEMO has therefore proposed the following amendments to the Procedure to ensure consistency with the Amending Rules and that it outlines the processes AEMO follows in relation to Flexible</p>	Commenced	N/A	24 June 2025

ID	Summary of changes	Status	Next steps	Indicative Date
	<p>Capacity when conducting the Long Term PASA.</p> <p>AEMO has also proposed minor changes throughout the Procedure, including:</p> <ul style="list-style-type: none"> • Minor amendments to improve clarity, correct typographical errors and include missing information. • Updates to the Table 1 definitions. • Updates throughout the Procedure to change WEM Rules to ESM Rules, and Wholesale Market Objectives to State Electricity Objective (SEO). 			
<p>Procedure Change Proposal AEPC_2025_07 Identification of Affected Dispatch Intervals</p>	<p>The purpose of this Procedure Change Proposal is to align the WEM Procedure: Identification of Affected Dispatch Intervals to changes made to the ESM Rules, as a result of the Wholesale Electricity Market Amendment (Miscellaneous Amendments No 3).</p> <p>The WEM Procedure has been amended to include:</p> <ul style="list-style-type: none"> • the conditions or circumstances that would require AEMO to determine a replacement Market Schedule under clause 7.11B.1B(bA) [clause 7.11C.1(b)]; and • the process AEMO must follow to determine a replacement Market Schedule under clause 7.11B.1B(bA) [clause 7.11C.1(c)]. <p>In addition to the above changes, AEMO has also taken the opportunity to:</p> <ul style="list-style-type: none"> • make amendments to the WEM Procedure to more accurately reflect the conditions or 	<p>Consultation closure</p>	<p>Commencement</p>	<p>25 July 2025</p>

ID	Summary of changes	Status	Next steps	Indicative Date
	<p>circumstances which may identify and result in an Affected Dispatch Interval; and</p> <ul style="list-style-type: none"> replace all references to the WEM Rules and WEM Regulations to ESM Rules and ESM Regulations (as applicable) to be consistent with naming conventions as of February 2025. 			
<p>Procedure Change Proposal AEPC_2025_08 WEM Procedure: IMS Interface for Network Operators</p> <p>Procedure Change Proposal AEPC_2025_09 WEM Procedure: Network Modelling Data</p> <p>Procedure Change Proposal AEPC_2025_10 WEM Procedure: Communications and Control Systems</p>	<p>The IMS Interface for Network Operators WEM Procedure will be replaced with the amended Network Modelling Data WEM Procedure and Communications and Control Systems WEM Procedure.</p> <p>The amendments to the Network Modelling Data will:</p> <ul style="list-style-type: none"> incorporate relevant content from the WEM Procedure: IMS Interface for Network Operators; update what technical information and data the Network Operator is to provide to AEMO to support power system modelling, power system studies and related matters; update processes associated with information or data provision (and updates to this information or data) by the Network Operator; inserts a process by which AEMO may request update or further information or data, and related processes to enable AEMO and the Network Operator to agree on an alternative timeframe or manner of information or data provision; clarifies the process for (the Network Operator's) access to a shared location, as one means of providing the required information or data; and 	Consultation closure	Commencement	28 July 2025

ID	Summary of changes	Status	Next steps	Indicative Date
	<ul style="list-style-type: none"> • inserts a summary table on the information and data requirements to assist the Network Operator's understanding of its obligations. <p>The amendments to the WEM Procedure: Communications and Control Systems will:</p> <ul style="list-style-type: none"> • incorporate relevant requirements from the WEM Procedure: IMS Interface for Network Operators in relation to: <ul style="list-style-type: none"> ○ Real-time SCADA data; ○ Historical SCADA data; ○ SCADA control; and ○ Operational telephones, • remove redundant requirements in regard to 'Balancing Facilities' and insert requirements for Facilities providing Rate of Change of Frequency (RoCoF) Control Service; • clearly articulate obligations of AEMO and Network Operators under revised communications arrangements, including timings for information exchange to support dispatch and monitoring; • update the technical requirements for the on-going viable operation of data communication arrangements (i.e. configuration, maintenance, testing, data management and coordination). 			

ID	Summary of changes	Status	Next steps	Indicative Date
<p>Procedure Change Proposal</p> <p>AEPC_2025_11</p> <p>Declaration of Bilateral Trades</p>	<p>AEMO has commenced this Procedure Change Proposal to propose the following amendments:</p> <ul style="list-style-type: none"> • Several changes to align the Procedure with recent amendments to section 4.14 of the ESM Rules (introduced under Schedule 1 of the Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025 on 15 January 2025). • Minor updates throughout the Procedure to provide clarification around existing processes for Market Participants. • Clarifications to the Committed Status application process under Appendix B. • Updates throughout the Procedure to replace references to the WEM Rules and WEM Regulations with the ESM Rules and ESM Regulations. 	<p>Out for consultation</p>	<p>Consultation closure</p>	<p>4 Aug 2025</p>

4. INDICATIVE SCHEDULE OF AEMO PROCEDURE CHANGE PROPOSALS

AEMO has prepared an indicative schedule of its Procedure Change Proposals expected to commence shortly. Changes since the previous MAC meeting are in **red text**. Procedure Change Proposals that have commenced since the previous MAC meeting have been moved from Table 4 into Table 3 above. While every effort has been made to ensure the quality of the information contained in the indicative schedule, the content (including timeframes) may be subject to change (e.g. due to availability of staffing resources, unforeseen competing priorities etc).

WEM Procedure	Summary of changes	Status	Next steps	Indicative date of next step
WEM Procedure: Facility Registration Processes and NDL Association Processes	AEMO will be initiating this Procedure Change Proposal to accommodate changes resulting from WEM Reform and the Wholesale Electricity Market Amendment (Miscellaneous Amendments No. 3) Rules 2024.	Drafting in progress	Consultation	July/August 2025
WEM Procedure: MT PASA	AEMO will be initiating this Procedure Change Proposal to update the WEM Procedure arising from WEM Reform. This WEM Procedure outlines the information AEMO requires and the process it will follow in conducting the Medium-Term Projected Assessment of System Adequacy.	Drafting in progress	Consultation	TBD
WEM Procedure: Low Reserve Conditions	AEMO will be initiating this Procedure Change Proposal to accommodate the amendments to the ESM Rules resulting from WEM Reform. This WEM Procedure sets out how AEMO will assess a Low Reserve Condition and make a Low Reserve Condition Declaration.	Drafting in progress	Consultation	July 2025
WEM Procedure: Demand Side Programmes	AEMO will be initiating this Procedure Change Proposal to accommodate the amendments to the ESM Rules resulting from WEM Reform. This WEM Procedure describes how AEMO determines the dispatch of Demand Side Programmes may be required.	Drafting in progress	Consultation	July 2025
WEM Procedure: ST PASA	AEMO will be initiating this Procedure Change Proposal to accommodate the amendments to the ESM Rules resulting from WEM Reform. This WEM Procedure documents how	Drafting in progress	Consultation	July 2025

	AEMO will prepare and conduct each Short-Term Projected Assessment of System Adequacy.			
WEM Procedure: Reserve Capacity Security	AEMO will be initiating this Procedure Change Proposal to make changes to align with the Certification of Reserve Capacity Procedure and reflect Rule changes related to Market Participants submitting a new RCS.	Drafting in progress	Consultation	August 2025

Agenda Item 8(b): Update on AEMO Major Projects Working Group

Market Advisory Committee (MAC) Meeting 2025_07_24

Responsibility	Type	Duration
AEMO	Noting	5 min

1. Purpose

This report to the Market Advisory Committee (MAC) sets out the latest activities of the AEMO Major Projects Working Group (MPWG) as required by 6.2 of the Terms of Reference for the MPWG.

2. Recommendation

That the MAC notes the latest activities of the MPWG:

- Call and acceptance of nominations

Since the last MAC meeting, the MPWG Chair approved an additional three members to the MPWG taking the member number to 15. Member representation includes Rule Participants, EPWA, Consumer Representatives and a member from another organisation who was endorsed by MAC at the meeting held on 19 June 2025.

Member details are published on the [MPWG webpage](#).

- First MPWG meeting held on 25 June 2025

AEMO hosted the first MPWG on 25 June. MPWG meeting papers included the Governance Document, the Implementation Assessment for Contingency Reserve Lower Procurement and Recovery Project and the WEM Implementation Roadmap.

Highlights from the first MPWG meeting included:

- During meeting introductions members stated they appreciated being part of the MPWG, looked forward to contributing to AEMO's Major Projects planning process, and appreciated the opportunity to learn more about AEMO's Major Projects.
- Members sought clarification and discussed aspects of key focus areas during the meeting including:
 - Challenges in the modern world – adaptability of the Governance Framework and iterative planning for projects due to changes in external environments and other uncertainties.

- WEM Implementation Roadmap – purpose and transparency in project delivery, structure and navigation, and the relationship to the governance document.
- Implementation Assessments – understanding the cost implications and materiality tests of Major Projects.
- Members were asked to provide feedback on:
 - The structure and format of the Implementation Assessment document, and
 - The Governance Document, particularly the materiality test.

AEMO published the MPWG meeting papers and final minutes on AEMO's website on 16 July 2025.

3. Background

- The MPWG was established by MAC under clause 2.3.17 of the Electricity System and Market (ESM) Rules and section 9 of the MAC Constitution.
- The objectives of the MPWG as set out in the MPWG final Terms of Reference, which were accepted by MAC on 1 May 2025, are to:
 - provide increased visibility, transparency and accountability for AEMO's Major Projects
 - encourage greater engagement between AEMO, government and industry, and
 - seek advice on the WEM implementation roadmap.
- Major Projects refer to projects of relative significance that deliver changes to AEMO's processes and systems.

4. Next Steps

- The MPWG will report on the activities of the MPWG at the next and subsequent MAC meetings.
- The next MPWG meeting is currently scheduled to take place in November 2025.

Agenda Item 9: Market Development Forward Work Program

Market Advisory Committee (MAC) Meeting 2025_07_24

1. Purpose

- To provide an update on the Market Development Forward Work Program and an overview of the status of MAC working groups.
- Changes to the Market Development Forward Work Program since the previous MAC meeting are shown in **red** in the Tables below.

2. Recommendation

- The MAC Secretariat recommends that the MAC notes the updates in the paper.

3. Process

Stakeholders may raise issues for consideration by the MAC at any time by sending an email to the MAC Secretariat at energymarkets@deed.wa.gov.au.

Stakeholders should submit issues for consideration by the MAC two weeks before a MAC meeting so that the MAC Secretariat can include the issue in the papers for the MAC meeting, which are circulated one week before the meeting.

Table 1 – Current MAC Working Groups

Working Group	Established	Status	Next steps
WEM Procedures Content Assessment	2 May 2024 MAC Meeting	Delayed	The project has been rescheduled for 2025 because of resource constraints and to better align with other projects
Essential Systems Services Framework Review	2 May 2024 MAC Meeting	Open	Publish a consultation paper
AEMO Procedure Change	1 May 2017 MAC Meeting	Open	Ongoing process
AEMO Major Projects	1 May 2025 MAC Meeting	Open	The next meeting is scheduled for November 2025
Power System Security and Reliability Standards	23 November 2023 MAC Meeting	Open	Consultation Paper is currently open to stakeholder submissions
Wholesale Electricity Market Investment Certainty Review	20 July 2023 MAC Meeting	Open	The ESM Rules implementing the Review Outcomes for Initiatives 1 and 2 of the WIC Review were in Electricity System and Market Amendment (RCM Reviews Sequencing) Rules 2025. The Rules were approved by the Minister for Energy and published in the Government Gazette on 14 January 2025
Cost Allocation Review	14 December 2021 MAC Meeting	Finishing	Outstanding Amending Rules will come into operation at a time determined by the Minister and published in a Gazette

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
Cost Allocation Review (CAR)	<p>A review of:</p> <ul style="list-style-type: none"> the allocation of Market Fees, including behind the meter (BTM) and Distributed Energy Resources (DER) issues; cost allocation for Essential System Services; and <p>Issues 2, 16, 23 and 35 from the MAC Issues List.</p>	<ul style="list-style-type: none"> The MAC established the Cost Allocation Review Working Group (CARWG). Information on the CARWG is available at Cost Allocation Review Working Group, including: <ul style="list-style-type: none"> the Scope of Work for the review, as approved by the Coordinator; the Terms of Reference for the CARWG, as approved by the MAC; the list of CARWG members; meeting papers and minutes from the CARWG meetings on 9 May 2022, 7 June 2022, 30 August 2022, 27 September 2022, 25 October 2022, 29 November 2022, 21 March 2023, 2 May 2023 and 29 August 2023. The following papers have been released and are available on the CAR webpage at Cost Allocation Review: <ul style="list-style-type: none"> the Consultation Paper; the International Review; submissions on the Consultation Paper; the CAR Information Paper; the Exposure Draft of the ESM Amending Rules implementing the outcomes of the CAR; submissions on the CAR ESM Amending Rules Exposure Draft; and response to submissions on the CAR ESM Amending Rules Exposure Draft.

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
		<ul style="list-style-type: none"> the Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024 available at Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024. Further changes to refine the cost allocation method for the Contingency Reserve Raise Service were presented at the 18 June 2024 TDOWG and consulted on within the Miscellaneous Amendments No. 3 Exposure Draft. The last set of changes (to Contingency Reserve Raise cost allocation) implementing the outcomes of this Review were included in the Amending Rules made by the Minister on 2 October 2024. AEMO to confirm implementation dates.

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
Review of the Power System Security and Reliability (PSSR) Standards	<p>The scope of this review is to:</p> <ul style="list-style-type: none"> review the various PSSR related provisions in the instruments governing power system security and reliability in the SWIS; assess whether the combination of existing standards is effective to ensure power system security and reliability can be maintained; develop proposals for a single end-to-end PSSR standard and a centralised governance framework; and <p>draft amending Rules and other regulatory changes, as necessary.</p>	<ul style="list-style-type: none"> The MAC established the PSSR Standards Working Group (PSSRSWG). Information on the PSSRWG is available at Power System Security and Reliability (PSSR) Standards Working Group including: <ul style="list-style-type: none"> the Terms of Reference for the PSSRSWG, as approved by the MAC; the Scope of Work the list of PSSRSWG members; and meeting papers and minutes for the 14 December 2023, 1 February 2024, 29 February 2024, 18 April 2024, 25 July 2024, 10 October 2024 and 31 October 2024 PSSRSWG meetings. The PSSR Consultation Paper was published on 19 June 2025 on the Power System Security and Reliability Standards Review webpage.

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
WEM Procedure Content Assessment project	The scope of this project is to: Review current WEM Procedures against a criterion developed by the Procedure Change Process Review and determine if a matter should be addressed in the ESM Rules or WEM Procedures.	<ul style="list-style-type: none"> At the 2 May 2024 MAC meeting, the MAC established the WEM Procedure Content Assessment Working Group and: <ul style="list-style-type: none"> supported the Scope of Work; and requested that the project schedule be revised. Following feedback at the 2 May 2024 MAC meeting and other discussions, the Terms of Reference is being revised.
Review of the Market Advisory Committee (MAC)	The scope of this review is to ensure that the purpose, representation, process and operations of the MAC are fit for purpose, and in particular, that it operates efficiently and provides balanced, timely and useful advice to the Coordinator.	<ul style="list-style-type: none"> The MAC supported a Scope of Works for this review at its meeting on 8 June 2023. ACIL Allen was engaged by the Coordinator to undertake Stage 1 of the MAC Review, and recommend any changes necessary. The following papers have been released and are available on the MAC Review webpage at Market Advisory Committee Review: <ul style="list-style-type: none"> the Scope of Work for the review, as approved by the Coordinator; Market Advisory Committee Review: Stage 1 - ACIL Allen's Consultation Paper; Submissions received on the Market Advisory Committee Review: Stage 1 - ACIL Allen's Consultation Paper; Market Advisory Committee Review - Coordinator of Energy's Consultation Paper; Submissions received on the Market Advisory Committee Review - Coordinator of Energy's Consultation Paper.

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
Procedure Change Process (PCP) Review	A review of the PCP to address issues identified through Energy Policy WA's consultation on governance changes.	<ul style="list-style-type: none"> The MAC discussed a draft Scope of Work for this review at its meeting on 11 October 2022. EPWA has updated the Scope of Works to reflect the MAC discussions. The Scope of Work for the review, as approved by the Coordinator is available here Wholesale Electricity Market Procedure Change Process Review (www.wa.gov.au) ACIL Allen has been appointed to assist with the PCP review. ACIL Allen engaged with MAC members through a survey and one-on-one consultations between 12 March and 18 April 2024. There were 11 respondents to the PCP survey, out of 19 requests. On 6 May 2024, the Consultation Paper was released for public consultation. Submissions closed 31 May 2024 with stakeholder submissions published on the Coordinator's website. On 9 August 2024, the Coordinator finished stage 1 by publishing the ACIL Allen report and his response on the Coordinator's website. EPWA is progressing stages 2 and 3 of the review and is revising a draft consultation paper to reflect the MAC's feedback from the 5 September 2024 MAC meeting.

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
Review of the Essential Systems Services (ESS) Framework	<p>The Coordinator of Energy (Coordinator) is conducting a review of the ESS Framework (the Review), incorporating:</p> <ul style="list-style-type: none"> • a review of the ESS Process and Standards under Section 3.15 of the ESM Rules; and • a review of the Supplementary Essential Systems Services Procurement Mechanism (SESSM) under clause 2.2D.1(h). <p>The purpose of this Review is to assess whether the FCESS framework in the ESM Rules is operating efficiently to ensure power system security and reliability can be maintained at the lowest cost to consumer.</p>	<ul style="list-style-type: none"> • The MAC approved the establishment of the ESS Framework Working Group (ESSFRWG) to support the ESS Framework Review. Information on the ESSFRWG is available at Essential System Services Framework Review Working Group including: <ul style="list-style-type: none"> • The Terms of Reference for the ESSFRWG, as approved by the MAC; • The list of ESSFRWG members; • Meeting papers and minutes for 6 November 2024 and 26 February and 26 March 2025 meetings. <p>The following papers have been released and are available on the ESS Framework Review webpage:</p> <ul style="list-style-type: none"> • The Scope of Work for the Review. <p>Next steps:</p> <ul style="list-style-type: none"> • Next ESSFRWG meeting is scheduled for 24 July 2025. • Finalising a draft public Consultation Paper for publication.

<p>WEM Investment Certainty (WIC) Review</p>	<p>The WIC Review will consider, design and implement the following five reforms that have been announced by the Minister for Energy, which are aimed at providing further investment certainty to assist the decarbonisation of the WEM:</p> <ol style="list-style-type: none"> (1) changing the Reserve Capacity Price (RCP) curve so it sends sharper signals for investment when demand for new capacity is stronger; (2) a 10-year RCP guarantee for new technologies, such as long-duration storage; (3) a wholesale energy price guarantee for renewable generators, to top up their energy revenues as WEM prices start to decline, in return for them firming up their capacity; (4) emission thresholds for existing and new high emission technologies in the WEM; and (5) a 10-year exemption from the emissions thresholds for existing flexible gas plants that qualify to provide the new flexibility service. 	<ul style="list-style-type: none"> • The MAC established the WIC Review Working Group (WICRWG). Information on the WICRWG is available at Wholesale Electricity Market Investment Certainty (WIC) Review Working Group including: <ul style="list-style-type: none"> • the Terms of Reference for the WICRWG, as approved by the MAC; • the list of WICRWG members; • meeting papers and minutes from the 31 August 2023, 11 October, 8 November, the 6 December 2023, 24 January, the 24 April and 29 May 2024 WICRWG meeting. • The following papers have been released and are available on the WIC Review webpage, including: <ul style="list-style-type: none"> • the Scope of Work for the review, as approved by the Coordinator; • the WIC Review (Initiatives 1 and 2) Consultation Paper; • the submissions received on the WIC Review (Initiatives 1 and 2) Consultation Paper; • the WIC Review (Initiatives 1 and 2) Information Paper; • The Exposure Draft of ESM Amending Rules to implement Initiatives 1 and 2; • Submissions for the Exposure Draft of WEM Investment Certainty and RCM Review Amending Rules; and • Response to Submissions for the Exposure Draft of WEM Investment Certainty and RCM Review Amending Rules. • The ESM Rules implementing the Review Outcomes for Initiatives 1 and 2 of the WIC Review are in Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025. The Rules were approved by the Minister for Energy and published in the Government Gazette on 14 January 2025.
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Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
		<ul style="list-style-type: none"> The WICRWG will be convened to assist with the Coordinator review of the Reference Technology Providers.
Forecast quality	Review of Issue 9 from the MAC Issues List.	<ul style="list-style-type: none"> This review has been incorporated in the Operational Forecasting Review
Network Access Quantity (NAQ) Review	Assess the performance of the NAQ regime, including policy related to replacement capacity, and address issues identified during implementation of the Energy Transformation Strategy (ETS).	<ul style="list-style-type: none"> The timing for this review is to be determined.
Short Term Energy Market (STEM) Review	Review the performance of the STEM to address issues identified during implementation of the ETS.	<ul style="list-style-type: none"> This review has been deferred.

Table 3 – Other Issues			
Id	Submitter/Date	Issue	Status
9	Community Electricity November 2017	Improvement of AEMO forecasts of System Load; real-time and day-ahead.	EPWA has commenced work to improve AEMO's operational forecasting that will consider this issue.

Agenda Item 10: Overview of Rule Change Proposals (as of 17 July 2025)

Market Advisory Committee (**MAC**) Meeting 2025_07_24

- Changes to the report since the previous MAC meeting are shown in **red font**.
- The next steps and the timing for the next steps are provided for Rule Change Proposals that are currently being actively progressed by the Coordinator of Energy (**Coordinator**) or the Minister.

Rule Change Proposals Commenced since the Report presented at the last MAC Meeting

None

Rule Change Proposals Awaiting Commencement

None

Rule Change Proposals Rejected since Report presented at the last MAC Meeting

None

Rule Change Proposals Awaiting Approval by the Minister

None

Formally Submitted Rule Change Proposal

None

Pre-Rule Change Proposals

None

Rule Changes Made by the Minister since Report presented at the 19 June 2025 MAC Meeting

Gazette	Date	Title	Commencement
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Rule Change Made by the Minister and Awaiting Commencement

Gazette	Date	Title	Commencement
2023/165	12/12/2023	Wholesale Electricity Market Amendment (Reserve Capacity Reform) Rules 2023	<ul style="list-style-type: none"> Schedules 2, 3 and 4 will commence at a time specified by the Minister in a notice published in the Gazette.
2024/66	7/06/2024	Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024	<ul style="list-style-type: none"> Schedules 2, 3 and 4 will commence at a time specified by the Minister in a notice published in the Gazette.
2024/89	26/07/2024	Wholesale Electricity Market Amendment (Supplementary Capacity No. 3) Rules 2024	<ul style="list-style-type: none"> Schedule 2 will commence at a time specified by the Minister in a notice published in the Gazette.
2024/120	4/10/2024	Wholesale Electricity Market Amendment (Miscellaneous Amendments No 3) Rules 2024	<ul style="list-style-type: none"> Schedule 4 will commence at a time specified by the Minister in a notice published in the Gazette.
2025/3	14/01/2025	Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025	<ul style="list-style-type: none"> Schedule 2 will commence 1 January 2026. Schedule 3 will commence 1 October 2026. Schedule 4 will commence 1 October 2027. Schedules 5, 6 and 7 will commence at a time specified by the Minister in a notice published in the Gazette.

2025/64	3/06/2025	Electricity System and Market Amendment (Tranche 8) Rules 2025	<ul style="list-style-type: none"> • Schedule 3 will commence 1 January 2026. • Schedule 4 will commence 1 October 2026. • Schedule 5 will commence 1 October 2027. • Schedule 6 will commence immediately after the commencement of the amending rules in Schedule 5 of the Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025. • Schedules 7 and 9 will commence at a time specified by the Minister in a notice published in the Gazette. • Schedule 8 will commence immediately after the commencement of the amending rules in Schedule 2 of the Wholesale Electricity Market Amendment (Supplementary Capacity No. 3) Rules 2024.
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