

Market Advisory Committee (MAC) - Minutes

Date:	24 July 2025
Time:	2:00pm – 3:30pm
Location:	Microsoft Teams online

Attendees	Representing in MAC	Comment
Sally McMahon	Chair	
Zahra Jabiri	Network Operator	
Luke Skinner	Small-Use Consumer Representative	
Noel Schubert	Small-Use Consumer Representative	
Adam Stephen	Energy Producer	
Paul Arias	Energy Producer	
Jacinda Papps	Energy Producer	
Patrick Peake	Energy Retailer	
Geoff Gaston	Energy Retailer	
Rajat Sarawat	Economic Regulation Authority (observer)	
Noel Ryan	Minister (observer)	Left 3:00pm
Peter Huxtable	Contestable Customer	
Graeme Ross	Contestable Customer	
Other attendees	From	Comment
Ben Davis	AEMO	Proxy for Amy Tait
Toby Price	AEMO	Proxy for Katie McKenzie Joined 2:30pm
Rhiannon Bedola	Synergy	Proxy for Genevieve Teo
Dora Guzeleva	EPWA	MAC Secretariat
Laura Koziol	EPWA	MAC Secretariat
Luke Commins	EPWA	MAC Secretariat
Apologies	From	Comment
Amy Tait	AEMO	
Katie McKenzie	AEMO	
Genevieve Teo	Synergy	
Tim Edwards	Energy Retailer	

1. WELCOME

The Chair opened the meeting with an Acknowledgement of Country.

The Chair noted that she had no conflicts to declare.

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

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

The Chair noted that the MAC operates to achieve the State Electricity Objective and that members are to participate in the interests of the stakeholder group they represent. Any specific views pertaining to an organisation can be provided through the applicable consultation processes.

2. MEETING APOLOGIES AND ATTENDANCE

The Chair noted the attendance as listed above.

3. MINUTES OF MEETING 2025_06_19

The draft 19 June 2025 meeting minutes were provided to MAC members for feedback on 3 July 2025.

The minutes were approved out of session and published on 11 July 2025.

4. ACTION ITEMS

The Chair noted the open action items and Western Power's response to actions 01/2025 and 2/2025, as set out in the papers.

- Mrs Papps asked Ms Jabiri for an update on the timing of the forthcoming Grid Plan (also referred to as the SWIS Transmission Plan), noting that both the Minister for Energy (at the Australian Institute of Energy lunch) and the Premier (at a recent CEDA lunch) had spoken about the upcoming release. She added that existing public materials appear inconsistent and that stakeholders would welcome clarity through the Grid Plan.

Ms Jabiri replied that publication is expected later this year with the exact date yet to be confirmed.

- Mr Huxtable noted that the information on the links provided by Western Power appears out of date and should be updated.

Ms Jabiri noted that Western Power will verify the links to ensure the published information is current.

In response to a question from Mrs Papps, Ms Jabiri explained that the Grid Plan is intended to also clarify the relationship with several existing planning documents in circulation (e.g. TXIP, Whole of System Plan, Transmission System Plan).

- Mr Schubert:
 - considered that industry needs clarity on two different kinds of spare capacity:
 - spare network capacity available for additional loads; and
 - spare network capacity available for new generator connections.

- cautioned that Western Power's focus on available Network capacity during peak-demand overlooks the availability of capacity for most of the year.
- requested Western Power to publish the annual average capacity factor (average load divided by rated capacity) for each circuit, substation, and feeder. Sharing this data will expose under-used assets and allow batteries and flexible loads to make use of this spare capacity instead of upgrading the network solely for peak demand.

Ms Jabiri agreed to share this feedback with the relevant team in Western Power.

5. CERTIFICATION OF CAPABILITY CLASS 2 TECHNOLOGIES REVIEW (CCT)- SCOPE OF WORK AND TERMS OF REFERENCE

Ms Guzeleva explained that the CCT Review is a statutory requirement under the Electricity System and Market Rules (ESM Rules). However, operation of some items to be reviewed only commenced recently or have yet to commence. Consequently, the review will only consider items that have been operational in the WEM since 2021.

The MAC supported the proposed approach to the CCT Review.

- Mrs Papps asked if the recent Availability Duration Gap (ADG) Review had already implicitly examined the method for certifying Electrical Storage Resource (ESR).

Ms Guzeleva answered that the ADG Review had not examined the appropriateness of the linear derating method for certification of ESR. The CCT Review will assess whether the method remains appropriate for the WEM by comparing it to other methods, like the Effective Load-Carrying Capability (ELCC), used elsewhere.

- Mrs Bedola noted that, given current changes and the future commencement of ELCC for certification of Intermittent Generation Systems, changing the current methodology for certifying ESR could overcomplicate the WEM unnecessarily.

Ms Guzeleva explained that it is not certain whether the review will change the linear derating method, as it may still be fit-for-purpose. However, as ESR facilities have commenced operating in the WEM, it is prudent to review its appropriateness based on actual data.

- Mr Peake considered that there might be the following conflicts around certification of ESR based on the reality of their operation:
 - A conflict between certification of Peak Reserve Capacity and the provision of Essential System Services (ESS) for Capability Class 2 Facilities. To receive Peak Capacity Credits, the ESR must be fully charged at the beginning of the ESR Duration Obligation Intervals (ESROI). To achieve this, the ESR would not be able to provide ESS in the 5 or 6 hours before.
 - A future conflict between certification for Peak Reserve Capacity and Flexible Reserve Capacity. While this is not likely in summer, in autumn and winter there is the potential that, when supplying flexible capacity for the afternoon ramp, the ESR would not be able to provide peak capacity at the end of the ramp. This might become problematic if the SWIS moves to higher peak demand in autumn and winter.

Ms Guzeleva noted that Mr Peake's concerns relate to the challenges with the operation of significant ESR capacity highlighted in AEMO's recently published 'Engineering

Roadmap FY2026 Priority Actions'. As this is a market design issue, it could be included in the CCT Review.

- Mr Davis agreed with Ms Guzeleva and recommended expanding the scope of the CCT Review to include design options for ESR that support Power System Security and Reliability (PSSR). He noted that AEMO would share relevant analysis during the CCT Review.

Ms Guzeleva noted that, when the mechanism was designed in 2021, there was a desire for AEMO to only consider the ESR's state of charge for the next five minutes. The Working Group could examine if this creates perverse outcomes when ESR is required for the duration of the peak.

Ms Guzeleva asked if the MAC supported expanding the Scope of Work for the CCT Review to include the assessment of PSSR challenges with the operation of significant ESR capacity.

The MAC supported the proposed expansion of the scope.

- Mr Huxtable welcomed that the daily Demand Side Programme (DSP) availability obligations were included in the Review. He considered that the splitting of the availability period may cause challenges for some loads that cannot turn back on after being dispatched.

Ms Guzeleva noted that the 2025 WEM Electricity Statement of Opportunities (ESOO) identified unserved energy because DSPs cannot be dispatched after 8:30 pm and that this issue must be addressed as soon as practical. She also noted that aggregators can address the challenges by using different loads within a DSP for the morning and the evening hours.

The Chair asked whether the MAC supported the creation of a Working Group, and the MAC endorsed its establishment.

The Chair asked if any MAC members had comments on the Terms of Reference (ToR).

- Mrs Papps requested that Working Group ToRs should include some consideration of the costs and benefits of any changes. This may help AEMO's Major Projects Working Group.

Ms Guzeleva clarified that AEMO's Major Projects Working Group will not consider the costs and benefits of a policy proposal but how to minimise the cost of implementing the proposal. However, all Working Groups going forward will need to consider proposed changes against all limbs of the State Electricity Objective, including impact on costs.

- Mrs Papps considered that implementation costs would not naturally be included in the analysis of the review Working Groups.
- Mr Davis requested that AEMO be allowed two members on the Working Group due to AEMO providing modelling support and the review's relation to AEMO's functions.

Ms Guzeleva noted that EPWA would allow two Working Group members from AEMO, provided they represented different sides of the business or different expertise.

- Mrs Bedola asked what benefits are expected from this review, noting that it will consume significant resources and should only be undertaken if benefits were expected.

Ms Guzeleva explained that the review is a statutory requirement. However, the review also provides an opportunity to assess:

- the impact of the growing ESR capacity on PSSR; and
- issues raised in the ESOO regarding DSPs being needed after 8:30 pm, while the 12 hour availability requirement for DSP has been flagged as a potential barrier to entry.

The Chair asked whether the MAC supported the ToR, subject to the following changes:

- allowing more than one member per organisation provided they represent distinct areas of operation;
- considering implementation costs and ensuring consistency with the SEO; and
- including the assessment of PSSR challenges with the operation of significant ESR capacity.

The MAC agreed.

6. BENCHMARK RESERVE CAPACITY PROVIDERS - SCOPE OF WORK

Ms Guzeleva noted that EWPWA was committed to complete the Benchmark Capacity Provider (BCP) Review by the end of September instead of taking the whole 6 months allowed under the ESM Rules. This is to allow the Economic Regulation Authority to amend its method for setting the Benchmark Reserve Capacity Prices (BRCPs) and make its determination for the BRCPs by 15 March 2026.

Ms Guzeleva noted that EPWA has engaged a consultant to support the BCP Review.

Ms Guzeleva noted that the condensed timeframe for the review did not allow for the establishment of a new MAC Working Group. Instead EPWA proposes to consult with the WEM Investment Certainty Review Working Group (WICRWG) on the BCP Review.

The MAC supported EPWA's proposal to consult the WICRWG for the BCP Review.

Ms Guzeleva noted that the short timeframe would also result in a truncated consultation process with only one Working Group meeting followed by a consultation paper.

The Chair asked if the MAC had any comments on the Scope of Work for the BCP review.

The MAC had no comments on the Scope of Work.

The Chair asked MAC members if they had any issues with the proposed consultation process.

In response to a request from Mrs Bedola, Ms Guzeleva agreed that EPWA would schedule a meeting of the Transformation Design and Operation Working Group (TDOWG) to discuss the Consultation Paper once it was published.

The MAC supported the truncated consultation process.

- Mr. Stephen noted that inconsistent terminology was used throughout the Scope of Work and Cover Paper, when referring to the "Benchmark Reserve Capacity Provider" and that this should be addressed going forward.

Ms Guzeleva agreed with Mr Stephen's request to use consistent terminology. She noted that a rule change might be needed to change the defined term Benchmark Capacity Provider to a term that better reflects that this is a reference technology.

7. WEM OPERATION EFFECTIVENESS REPORT – NEXT STEPS

The paper was taken as read.

Ms Guzeleva clarified that comments received at the 19 June 2025 MAC meeting were already reflected in the report.

Ms Guzeleva noted that proposed Terms of Reference for a MAC Working Group to address the outcomes of the report will be presented at a future MAC Meeting.

Ms Guzeleva asked if there were any comments on the plan to address the proposals.

In response to a question from Mrs Papps, Ms Guzeleva clarified that this Procedure Content Review links to the outstanding Action Item (11/2024) and will involve a MAC Working Group.

- Mr Ross welcomed the increased transparency and accessibility outlined in Proposal 2.4, hoping that this would help savings in the wholesale market to flow through to the retail market.
- Mr Peake noted that the WEM Operation Effectiveness Report proposed to integrate the SEO more broadly within the ESM Rules and that the recently published PSSR Consultation Paper recommends AEMO, EPWA and Western Power align their forecasting approaches better to ensure system stability. He suggested to implement an Integrated System Plan (ISP), setting out the required generation mix in line with the State Electricity Objective (SEO).

Ms Guzeleva responded that the following three Proposals from the PSSR Consultation Paper relate to Mr Peake's suggestion:

1. A new system strength framework that reflects locational issues created, for example, by the replacement of generation from coal fired power plants by inverter based resources and enables Western Power to address these issues.
2. Formalising a three-way planning group with EPWA, AEMO and Western Power, to forecast the generation mix for the next 10 years with a particular focus on location;
3. Technical standards for grid-forming inverters as these can address system strength issues.

Ms Guzeleva noted that the proposals outlined above might need to be implemented before the other proposals from the PSSR Review.

- Mr Peake suggested that further formalising system planning that is more prescriptive about the generation and ESR capacity to be built would be more efficient.
- Mr Schubert agreed with Mr Peake that Western Australia lacks an ISP. He asked if EPWA's Whole of System Plan (WOSP) would fill that role and what was happening with it.

Ms Guzeleva explained that the WOSP is still required under the ESM Rules and that it fills the role of an ISP. The purpose of the Grid Plan is to facilitate the build of the network capacity needed to allow the connection of the required renewable generation capacity.

- Mr Schubert was concerned that focusing solely on grid expansion and transmission connected generation could lead to overlooking available capacity in the distribution system. He recommended that planning also consider incentives for behind-the-meter solutions.
- Ms Jabiri acknowledged that it is important to balance transmission and distribution options. She noted that Western Power is developing planning documents through a consultative process, acknowledging that more work was needed to make these plans comparable to those used in the National Electricity Market.

Ms Guzeleva agreed that distribution options offer benefits and explained that Proposal 2.7 aims to establish a broader Network Plan that would address these concerns. EPWA is discussing this with Western Power to develop it as soon as practical.

- Mr Schubert recommended prioritising least-cost solutions, suggesting that it may be more effective for Western Power to incentivise behind-the-meter solutions than to only invest in new transmission infrastructure to connect large scale renewable generation.
- Ms Jabiri replied that Western Power is involved in the Distributed Energy Resources (DER) Roadmap work and is examining DER solutions through initiatives like Project Symphony and Project Jupiter.

The Chair concluded that the system planning issues raised by Mr Peake and Mr Schubert will be considered under Proposal 2.7 for the establishment of a broader Network Plan.

8. UPDATE ON WORKING GROUPS

(a) AEMO Procedure Change Working Group

Mr Davis summarised the paper and provided the following additional information:

The planned release of the MT PASA procedure has been postponed owing to delays in the supporting application. Although the document itself is largely complete, AEMO must validate the procedure against the new system application before publication.

AEMO will present the current MT PASA outage assessment process at the Real Time Market Insights Forum (RIF) on 29 July 2025 and will seek stakeholder feedback on publishing the interim MT PASA methodology on the Market Data Site.

Mr Davis encouraged anyone not already on the RIF distribution list to contact him for an invitation.

(b) Major Projects Working Group (MPWG).

Mr Davis advised that:

- The roadmap and all materials from the first working-group meeting have been uploaded to the AEMO website. He thanked members who have provided feedback on those materials.
- While the next full working-group meeting is scheduled for November 2025 and will cover the entire roadmap and associated procedures, AEMO may convene an interim MPWG meeting before November to consult on any relevant reform implementations.

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

Ms Guzeleva advised that the ESS Framework Review Working Group met just before today's MAC meeting. Therefore, she was only providing a verbal update.

Ms Guzeleva noted that EPWA had commenced drafting the consultation paper and would schedule the consultation period to avoid any overlap with other EPWA consultation processes. She noted that the following key recommendations will be consulted on:

1. increasing the Rate of Change of Frequency Safe Limit from 0.5 Hz per second to 0.75 Hz per second;
2. modelling to account for mandatory primary-frequency response in setting the requirements for Regulation services; and
3. commencement of further analysis with a view to enabling synthetic inertia from ESR in the WEM.

9. MARKET DEVELOPMENT FORWARD WORK PROGRAM

The paper taken as read.

10. OVERVIEW OF RULE CHANGE PROPOSALS

The paper was taken as read.

Ms Guzeleva advised that commencement notices have now been prepared for several recently approved rule changes:

- Contingency Reserve Lower cost allocation mechanism: to commence 30 October 2025 (Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024, Schedule 4)
- Contingency Reserve Raise cost allocation mechanism: to commence 26 February 2026 (Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024, Schedule 4); and
- RoCoF Control Service Directions and introduction of RCS Uplift Payments: to commence 26 February 2026 (Electricity System and Market Amendment (Tranche 8) Rules 2025, Schedule 7)

Stakeholders will be formally notified once the Minister publishes the commencement notices. Timing is at the Minister's discretion, but all dates above will be captured in the next Market Advisory Committee (MAC) update.

11. GENERAL BUSINESS

The Chair reminded members that EPWA released the consultation paper on the AEMO Allowable Revenue Framework on 17 July 2025 and asked all MAC members to review the paper because it links to prior MAC discussions.

The Chair reminded the MAC that on 16 October 2025 MAC would be held in person with the option to attend via Microsoft Teams. The Chair asked members to arrive a few minutes early for a cup of tea, if possible.

The meeting closed at 3:30pm.