

Pilbara Advisory Committee (PAC) - Minutes

Date:	26 June 2025
Time:	1:00 pm – 3:00 pm
Location:	Microsoft Teams online

Attendees	Representing in MAC	Comment
Sally McMahon	Chair	Left at 2:50pm
James Campbell-Everden	Independent System Operator (ISO)	
Clayton James	Excluded Network Service Provider (NSP)	Proxy for Rebecca White
Gabby Pracilio	Contestable Customer	
Rosh Ireland	Small-Use Consumer	
Lekshmi Jaya Mohan	Discretionary Rule Participant	
Eddie Kong	Discretionary Rule Participant	Proxy for Kristian Myhre
Bethwyn Cowcher	Discretionary Rule Participant	
Lizzie O'Brien	Registered NSP	Proxy for Anthony Ravi
Momcilo Andric	Registered NSP	
Sandy Morgan	Registered NSP	
Noel Ryan	Minister Appointed Observer	
Other attendees	From	Comment
Dora Guzeleva	EPWA	PAC Secretariat
Tom Coates	EPWA	PAC Secretariat
Thomas Tedeschi	EPWA	PAC Secretariat
Tim Robinson	RBP	Presenter for Item 5
Apologies	From	Comment
Sandra McInnes	Contestable Customer	
Melinda Anderson	ERA Appointed Observer	

1. WELCOME

The Chair opened the meeting with an Acknowledgement of Country.

The Chair noted that she had no conflicts to declare and reiterated that any views expressed were the views of the PAC, not the independent Chair.

The Chair noted the Competition Law Statement, reminded members of their obligations, and encouraged them to bring any issues to her attention should they arise.

The Chair reminded members that the meeting would be recorded to develop the Minutes.

2. MEETING APOLOGIES AND ATTENDANCE

The Chair noted the attendance as listed above.

The Chair welcomed Eddie Kong, Lizzie O'Brien and Clayton James as Member proxies.

Ms O'Brien declared that she is one of the ISO Board Directors but was attending the PAC as an APA Registered NSP representative.

3. MINUTES OF MEETINGS 2025_05_29

The 29 May 2025 meeting minutes were approved out-of-session and published on the Coordinator's website on 17 June 2025.

4. ACTION ITEMS

The Chair noted that the two action items in the register were closed.

The Chair asked EPWA to update the 28 August PAC meeting invite, to advise participants the meeting was in-person and encourage early attendance at the EPWA office.

Action: EPWA to update the invitation for the 28 August PAC meeting to "in-person", noting that hybrid facilities would still be available, but encouraging members to attend in person and arrive 10 minutes early to enable members to meet each other.

5. EVOLUTION OF THE PILBARA NETWORK RULES: DISCUSSION ON SELECT PROPOSALS

Ms Guzeleva presented slides 1 to 3. She emphasised that the Evolution of the Pilbara Network Rules (EPNR) Project Implementation Plan will be shaped by the decarbonisation of the Pilbara. She added that different proposals will require triggers and timeframes, depending on the number and timing of new loads and intermittent generators connecting to the NWIS.

Ms Guzeleva invited stakeholders to share their views on whether the proposals presented achieved the right balance in relation to the State Electricity Objective.

Mr Robinson presented slides 4 to 20, outlining selected proposals for discussion.

a) Proposal 16 - ISO Board

- Mr James asked whether a process was proposed for nominating the industry representative directors.

Mr Robinson responded that this had not yet been determined.

- Mr Andric asked which of the two existing NSP-appointed directors would be retained. He asked for confirmation that the intent was to remove one NSP director immediately, then the second in two years and the third in three years.

Mr Robinson responded that no decision had been made about which NSP directors should be retained. He clarified that the remaining two industry representative directors would serve staggered terms to provide continuity on the board, but may be reappointed.

- Ms O'Brien queried whether there would be adequate independence from government given the proposed board composition and government appointments. She also queried the level of industry representation in the proposed arrangement.

Mr Robinson explained that the proposal's primary feature is to introduce a majority independent board to give investors and prospective participants confidence in the board decisions and reduce concerns about potential conflicts of interest.

- Ms Morgan suggested that EPWA ensure stagger appointments for the Independent Chair and government-appointed ISO directors, not just the NSP-appointed directors. She highlighted the difference between perceived and actual conflicts, and noted that managing potential conflicts is already a legal duty of all company directors.
- Mr Campbell-Everden reiterated the ISO's position that the board and executive have made every effort to manage conflicts, with perceived conflict being the primary issue. He noted that the ACCC's recent determination deemed the ISO's current processes adequate for managing conflicts of interest.
- Mr Ireland recommended adopting a small, expert board, with a body such as the PAC representing a wider range of stakeholders and providing more in-depth feedback to the board. He suggested that the consultative body includes network operators, generators, large customers, and small customers.
- Ms Pracilio endorsed the introduction of a mechanism allowing feedback of a wider cross-section of stakeholders. She suggested that, regardless of what is decided for this outcome, the Implementation Plan should include an evaluation and review process.
- Ms Jaya Mohan indicated support for an independent board and for the PAC providing advice to the board.
- Ms Cowcher stated that the issue with the current board relates to perceived rather than actual conflicts of interest. She argued that an independent board was required to support third-party entry and large capital investments in the NWIS. She added that prospective ISO directors need not be WA-based if they have the necessary skills and expertise.
- Ms Morgan suggested a voting system could be another option for selecting independent board members instead of Ministerial appointment.
- Ms O'Brien characterised the role of the ISO as a part public-interest body and part industry facilitator, in addition to managing markets and systems. She emphasised the importance of a board composition that could receive stakeholder input efficiently and avoid a high regulatory burden.

The Chair summarised discussion on this proposed outcome, as follows:

- Members broadly agreed that a level of board independence is necessary.
- There were questions around the level of independence.

- There were concerns that with the proposed process, the board may become too political if the government makes the appointments.
- Members agreed that it will be important that directors have the right skills and experience.
- There was a concern that, if there is too much independence from NSPs, board members would not have sufficient industry knowledge and perspective. To address this, the ISO could be advised by the PAC as an avenue for industry input.

b) Proposal 18 – ISO fees

- Ms Morgan asked whether the measuring equipment, needed to cover exit and entry quantities for the calculation, was covered by the Metering Code. She noted that introducing new regulations for equipment would take time and increase participants' costs.

Ms Guzeleva responded that the ISO fee design had not yet been developed to that level of detail. She indicated that new metering procedures might be needed, along with methods for measuring injection and withdrawal, during detailed design.

- Mr Andric expressed concern that the proposed outcome would penalise participants generating for their own loads if they were expected to pay the same ISO fee as generators using the network to sell electricity to others.

Ms Guzeleva clarified that the proposal did not relate to a participant serving their own load, but to those transporting electricity over the NWIS. She stated that the intent is for anyone who engages with and benefits from the NWIS to contribute to paying for ISO services that primarily support power system security and reliability.

- Mr James asked if the proposed 33.3% cap would be reduced if more registered NSPs joined the network, and whether the cap applied to all participants or just the three current registered NSPs. He also asked how costs above the cap for a participant would be recovered from others.

Ms Guzeleva replied that with more loads and generators connected and greater fee distribution, the cap could be reduced. She confirmed that the cap would apply to all participants. She explained that any amount above 33.3% would be proportionally reallocated to other participants based on their gross injection and withdrawal.

The Chair summarised discussion on this proposed outcome, as follows:

- Members had expressed different views as to the best approach for the allocation of ISO fees.
- There may be implementation issues to address regarding the measuring of gross injections and withdrawals.
- Members would benefit from case studies demonstrating how the 33.3% cap would be applied in practice.

c) Proposal 10 – Outage planning

- Mr James asked if there would be non-compliance implications for participants undertaking an outage at a time different from the planned outage time.

Ms Guzeleva agreed that a compliance framework and penalties will need to be discussed as the detail is developed.

- Mr James asked whether the equipment list would cover specific equipment or entire facilities, noting that listing equipment itself would provide more certainty to stakeholders.

Ms Guzeleva clarified that the list would cover specific equipment, not the entire facilities.

- Mr James asked if notification would be required for self-scheduled outages, and noted that this could generate many notifications to process. He also suggested that a market procedure could help participants identify how their outages impact on others, with the ISO helping participants to understand these impacts.

Ms Guzeleva noted that other jurisdictions, allowing self-scheduling in certain circumstances, require notification to the system operator. She agreed that a procedure will be needed to guide participants.

- Ms Morgan indicated that NSPs do not necessarily have knowledge of balancing and dispatch arrangements. She suggested that NSPs could publish outages while the ISO considers constraint regimes that affect balancing arrangements.

Ms Guzeleva noted that NSPs are aware of connections to their network and that consulting affected parties often creates opportunities to coordinate outages.

- Ms Morgan highlighted that outages can reduce the amount of ESS available on the system and, from an economic perspective, it is worth also considering the requirement of additional ESS at times when an outage is planned. She offered to speak offline with EPWA about the detail of her suggestions.
- Mr Andric stated that there was no reason for the ISO to plan outages on Rio Tinto's network as it is a vertically integrated network managing its own outage planning without affecting power system security and reliability for others.

Ms Guzeleva explained that under the proposal, only equipment with the potential to impact the power system security and reliability of third parties would be included on the outage planning list.

The Chair suggested to Ms Guzeleva that Mr Andric's question could be assisted by more detail on what equipment might be on the list.

- Ms O'Brien recommended developing a clear risk framework for outage planning, including criteria the ISO would use to determine which equipment is on the outage planning list.
- Mr Andric noted that existing risk registers might already cover the issues Ms O'Brien raised.

Ms Guzeleva agreed that current risk registers could serve as a starting point for developing the risk framework and criteria for the outage planning list.

d) Proposal 24 – Self-contained networks

- Mr James asked whether a network would be considered 'self-contained', with its compliance measured at the connection point, if a third party was connected to the network.

Ms Guzeleva indicated that it would be difficult to maintain compliance at the connection point if there were multiple parties behind it, but noted that this level of detail had not yet been considered or determined.

- Mr James asked if the self-contained networks proposal was intended as one of the proposed outcomes to be implemented quickly.

Ms Guzeleva responded that she considered that this is an urgent change that would allow many Pilbara participants to nominate for compliance at the connection point. She noted that timing and trigger discussions would take place with the PAC working groups in July.

- Mr James suggested that the detailed design stage might consider the ISO obtaining SCADA from a central source (like the NSP) instead of individual facilities, where possible.
- Ms Pracilio requested more time and detail to properly consider the proposal.

Ms Guzeleva offered to provide Ms Pracilio with more detail outside the meeting.

- Mr Andric questioned the rationale for limiting Excluded Networks to generation facilities of no more than 10MW. He suggested raising this limit to allow more participants to qualify.

Ms Guzeleva noted that she was not involved in the initial drafting but observed that the 10MW limit aligns with the threshold in other jurisdictions as above this, facilities may have a material impact on power system security and reliability.

- Mr Campbell-Everden reflected that, at the time of drafting, the 10MW limit was adopted from other jurisdictions for the reason Ms Guzeleva outlined.

The Chair advised members she needed to leave early (at 2:50pm) and asked Ms Guzeleva to chair the remainder of the meeting. Ms Guzeleva noted that there are four remaining proposals for discussion and suggested that the primary concerns with proposals 3, 6 and 12 related to timing of implementation, which would be discussed with the working groups in July. She proposed using the remaining time to focus on proposal 2 relating to network reliability planning standard.

e) Proposal 2 – Network reliability planning standard

Ms Guzeleva reiterated that this proposal concerned a planning standard, not an operational standard, and that it did not necessarily require redundant network equipment, as N-1 could be achieved with non-network solutions.

- Mr James emphasised the need to capture this nuance in the drafting, citing that the SWIS N-1 criteria require maintaining continuous supply, and that a temporary outage may breach the Energy System and Market Rules.
- Ms O'Brien stressed the importance of considering who would bear the costs of implementing the standard. She emphasised that the network reliability standard needs to align with projects financial viability.
- Mr Andric advocated for a balanced approach to power system security and reliability considering both network solutions such as new transmission or generation and operational solutions such as UFLS programs. He noted that not all participants would be willing to pay for redundancy.

Ms Guzeleva noted that reliable supply is essential in the Pilbara, not only for industry but for townships, as its extreme temperatures could pose serious health risks if power is lost.



6. OVERVIEW OF RULE CHANGE PROPOSALS

Ms Guzeleva noted the material provided in the meeting papers.

7. GENERAL BUSINESS

The next PAC meeting is scheduled for 1:30pm on 28 August 2025 at Level 1, 66 St Georges Terrace in person and/or online. Those attending in person are encouraged to arrive 10 minutes before the start of the meeting.

The meeting closed at 3:00pm.