

Market Advisory Committee (MAC) - Minutes

Date:	4 September 2025
Time:	1:30pm – 3:00pm
Location:	Microsoft Teams online

Attendees	Representing in MAC	Comment
Sally McMahon	Chair	
Amy Tait	AEMO	
Katie McKenzie	AEMO	
Rhiannon Bedola	Synergy	
Zahra Jabiri	Network Operator	
Luke Skinner	Small-Use Consumer Representative	
Noel Schubert	Small-Use Consumer Representative	
Adam Stephen	Energy Producer	
Paul Arias	Energy Producer	
Tim Edwards	Energy Retailer	
Geoff Gaston	Energy Retailer	
Rajat Sarawat	Economic Regulation Authority (observer)	
Peter Huxtable	Contestable Customer	
Other attendees	From	Comment
Jean Mileto	Energy Producer	Proxy for Jacinda Papps
Dora Guzeleva	EPWA	Proxy for Noel Ryan
Shelley Worthington	EPWA	Presenter for Item 6(c)
Laura Koziol	EPWA	MAC Secretariat
Ryan Jones	EPWA	MAC Secretariat
Apologies	From	Comment
Patrick Peake	Energy Retailer	
Jacinda Papps	Energy Producer	
Noel Ryan	Minister (observer)	
Graeme Ross	Contestable Customer	

1. WELCOME

The Chair opened the meeting with an Acknowledgement of Country.

The Chair noted that she had no conflicts to declare, but that her appointment to the National Competition Council had been extended.

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

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

The Chair noted that the MAC operates for the good of the 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_07_24

The 24 July 2025 meeting minutes were provided to MAC members for feedback on 11 August 2025 and were approved out of session and published on 21 August 2025.

4. ACTION ITEMS

The paper was taken as read.

5. WHOLESALE ELECTRICITY MARKET (WEM) PROCEDURE CONTENT REVIEW SCOPE OF WORK AND TERMS OF REFERENCE

The paper was taken as read. The MAC discussed the Scope of Work (SoW).

Ms Guzeleva clarified that the review will not cover all published WEM Procedures. Instead, it will focus on three to six procedures identified through ongoing work, such as the Essential System Services (ESS) Framework Review, which suggests that some WEM Procedures are outdated.

- Ms Mileto suggested that the criteria for identifying which WEM Procedures to review, be included in the SoW.

Ms Guzeleva responded that the procedures to review would be chosen from those identified in EPWA's other reviews. However, EPWA was happy to take suggestions from MAC members regarding what additional procedures should be included.

- Mr Stephen agreed with Ms Mileto and suggested that the WEM Procedures already identified for review could be included into the SoW.

Ms Guzeleva agreed that the identified procedures can be included in the SoW and clarified that the WEM Procedures identified are:

- ESS Quantities;
- Direction of Registered Facilities in Scarcity Conditions; and
- Dispatch Algorithm Formulation.

In response to a query from the Chair, Ms. Guzeleva explained that the working group would only meet after EPWA's initial analysis of the WEM Procedures, in collaboration with AEMO, was completed.

The Chair asked MAC members to submit any WEM Procedures they believe should be included in the review to EPWA by 11 September 2025.

- Ms Tait noted that Market Participants may contact AEMO if they believe there are broader issues with the WEM Procedures.

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

- Ms Mileto suggested including the guiding principles from the SoW in the ToR.

Ms Guzeleva responded that the ToR can be updated to include the guiding principles.

The MAC approved the revised ToR, subject to the agreed change.

Action: MAC members to advise EPWA of any WEM Procedures they believe should be included in the Procedure Content Review by 11 September 2025.

6. UPDATE ON WORKING GROUPS

(a) AEMO Procedure Change Working Group

Paper was taken as read. The Chair expressed her appreciation for the level of information that is provided in this Working Group updates.

(b) Major Projects Working Group (MPWG)

Ms Tait noted that the MPWG has not met since the last MAC meeting. The next meeting is scheduled for 16 September 2025 and is expected to focus on implementation matters, including three implementation assessments for upcoming initiatives.

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

Ms Guzeleva noted that slides 4-6 would not be presented. The slides summarise the six issues arising from the analysis that had been already presented at the 19 June 2025 MAC meeting and will be included in the Consultation Paper for the review.

Ms Worthington presented slide 2-3, noting that:

- the review is to ensure that the ESS framework is operating efficiently, to ensure that power system security and reliability can be maintained at the lowest cost;
- this will be increasingly important as the transition, characterised by increasing levels of intermittent and distributed generation continues; and
- the review has focused on the methods for assessing the ESS quantities, to ensure that they are fit for purpose and not being over procured leading to inefficient costs.

Ms Worthington presented slide 7, noting that Section 3.15 of the ESM Rules requires an assessment of the relationship between the technical parameters for ESS and the overall

costs. She noted that establishing the relationship between the technical parameters and costs had been challenging, due to:

- the market evolution over the 12-month period of the review; and
- the interdependencies between the Contingency Reserve Raise (CRR) and the Rate of Change of Frequency (RoCoF) requirements.

Ms Worthington presented slides 8 to 12 on the case study investigating a possible increase of the RoCoF Safe Limit. She noted that the RoCoF Safe Limit:

- is a major input into the Dynamic Frequency Control Model to provide the CRR Offsets that are used in WEMDE to determine the total quantities of CRR required;
- provides the quantification of the performance factors to be applied to a particular facility to determine its ability to arrest frequency decline; and
- the current RoCoF Safe Limit had been set conservatively ahead of market start (1 October 2023) with the intent to reassess it once some real market operation experience had been gained.

Ms Worthington noted that:

- normal operating frequency performance has been well above the minimum requirements for the past year;
- however, compliance with the Frequency Operating Standard was not possible through AEMO's procurement of FCESS alone, that is, it was achieved through manual intervention by AEMO to manage the RoCoF Safe Limit;
- the case study indicated that a substantial reduction in RoCoF Safe Limit breaches can be achieved by increasing the RoCoF Safe Limit, which would translate into a reduction in Energy Uplift Payments - these savings would amount to about \$103,000 for directions during the one-week study period only.

Ms Worthington presented slides 10 and 11, noting that no feedback was received from the Working Group on an appropriate length of consultation, and that AEMO and EPWA are working thorough the additional queries.

In response to questions from Mr Stephen and Mr Airas, Ms Guzeleva clarified that the proposal was to increase the system wide RoCoF Safe Limit and that the impact of that increase on the accreditation of individual Facilities is a separate matter.

- Mr Schubert noted that other jurisdictions had a limit of 1 hertz per second, and that he supported progressing the change to the RoCoF Safe Limit early rather than later. He asked if Synergy could advise how long they would require for their internal investigation of their fleet's capabilities.
- Mrs Bedola advised that she was not the subject matter expert and noted that:
 - Synergy expected that its Facilities would be able to ride through if the RoCoF Safe Limit is changed to 0.75 hertz per second but is uncertain about the interaction with other technical requirements;
 - as retirements decrease the pool of machines providing RoCoF, aging facilities would be called upon more often; and
 - Original Equipment Manufacturer (OEM) reports may not be reliable due to the modifications made to Facilities over time since original OEM reports were provided.

The Chair asked Mrs Bedola to come back to the MAC on the expected commencement and completion of Synergy's internal review on impacts to its fleet if the RoCoF Safe Limit is increased.

Action: Synergy to advise the MAC on the expected commencement and completion of its internal review on impacts to its fleet if the RoCoF Safe Limit is increased.

- Mr Edwards acknowledged that an increased RoCoF Safe Limit would reduce the amount of time that RoCoF was manually dispatched and therefore the overall costs to the market. He asked whether the financial impact on facilities that are accredited at the current limit but would not be accredited at the new limit had been considered.

Ms Guzeleva noted that after the market start, when there were substantial RoCoF costs including uplift payments, participants that could not accredit their facilities to be exempt from paying for RoCoF have raised concerns about the accreditation. She noted that those costs had decreased significantly after the 20 November 2024 changes, and the main concern since then was the manual interventions by AEMO and the impact of those on the effectiveness of the market.

In response to a question from Mr Arias, Ms Guzeleva noted that there was no intention to change the Generator Performance Standards.

Ms Worthington presented slides 13 to 15 on case study 2 about the option for AEMO to account for mandatory primary frequency response when calculating the FCESS requirements. She noted that:

- this case study was only quantifying the potential impacts if accounting for mandatory primary frequency response were to be considered, and further monitoring would be required to track how much droop response was realistically available.
- Mr Schubert supported the proposed approach and noted that if obvious benefits of accounting for MPFR were identified early during AEMO's monitoring, then his preference would be to not wait the full 12 months before implementing changes.

Ms Worthington presented slides 16 – 21 on case study 3 investigating the benefits of synthetic inertia in the WEM, noting that the least cost provision of Contingency Reserve services needs to be considered, as the State Electricity Objective requires security to be balanced with cost and emissions.

- Mrs Bedola requested amendments to slide 18 to make clear that it was 'assumed' the two BESS were capable of providing synthetic inertia, noting that she believed they were currently grid following and not grid forming, and could not actually provide synthetic inertia.
- Mr Schubert supported the proposal for further investigation.

Ms Guzeleva encouraged MAC members to raise any further issues or concerns on the proposals summarised on slides 4-7. There were no further comments.

(d) WEM Investment Certainty (WIC) Review Working Group

Ms Guzeleva advised that EPWA has published the consultation paper, submissions close on 19 September 2025, and late submissions will not be accepted.

Ms Guzeleva emphasised that the review will set the benchmark (reference) technology, it will not amend the Benchmark Reserve Capacity Price (BRCP) methodology. Once the technology is set, the ERA will update the BRCP methodology to reflect the determined

reference technology and then determine the BRCP (which underpins the Reserve Capacity Price).

She noted that a transitional provision has been included in the ESM Rules to change the deadline for the ERA to determine the BRCP from 15 January to 15 March for the 2026 Reserve Capacity Cycle. However, the timeline is still challenging because of the Christmas Holidays. Mr Sarawat will outline next steps for the ERA under agenda item 9.

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

Ms Guzeleva noted the following:

- EPWA is assessing the issues raised in submissions on the consultation paper.
- Several submissions commented on the requirements for grid-forming (GFM) and grid-following (GFL) inverters.
- EPWA will meet with Western Power and AEMO to address issues raised in submissions. The consultation paper was a joint effort with these parties and several of the proposals were informed by a study from Etik Energy commissioned by Western Power.
- EPWA will take a staged approach in progressing proposals based on priority. The first stage with the highest priority is addressing GFM and GFL inverter standards and system-strength matters, including clarifying roles and responsibilities.

In response to a question from Mrs Bedola, Ms Guzeleva clarified that the plan was to publish the first information paper including draft ESM Amending Rules covering system strength and GFM and GFL inverter standards by the end of this year. However, the timeline was uncertain due to the volume and technical depth of submissions. Dates will be advised once confirmed.

- Mrs Bedola asked if Proposal 20 ("Adopt the Western Power proposed solutions from the September 2023 Submission to the ERA for PSSR related matters not already considered under other proposals in this Review."), was planned to be progressed as a separate workstream or within the current PSSR Standards Review. Western Power's proposals are very technical and the ERA had not provided guidance when these were first published.

Ms Guzeleva clarified that the Western Power proposal had been moved from the ERA consultation into the PSSR Review because the governance of the Technical Rules is proposed to be moved to the ESM Rules. She noted that EPWA will consult on draft rules implementing Proposal 20 as part of the PSSR Standards Review consultation, giving stakeholders another chance to comment and invited Mrs Bedola to raise any immediate concerns with EPWA.

- Mrs Bedola advised that she will consult internal technical experts and raise any concerns.

(f) Capability Class 2 Technologies Review

Ms Guzeleva advised that:

- EPWA is in the process of engaging a consultant to support the review.
- A MAC Working Group has been established, and its membership published on EPWA's website.

- AEMO has prepared papers for the first working group meeting and EPWA will convene the first meeting as soon as practicable.
- One of the focus areas for the review is how to maintain PSSR considering the increasing share of Electric Storage Resources (ESR) in the SWIS.
- AEMO will provide substantial support for the review including modelling.

7. MARKET DEVELOPMENT FORWARD WORK PROGRAM

The paper was taken as read.

8. OVERVIEW OF RULE CHANGE PROPOSALS

The paper was taken as read.

9. GENERAL BUSINESS

Review of the WEM Procedure: Benchmark Reserve Capacity Price

Mr Sarawat noted that:

- following the Coordinator's Benchmark Capacity Provider determination, the ERA must complete BRCP Procedure Changes and BRCP determination by 15 March 2026.
- The ERA intends to issue a draft BRCP determination around February 2026, followed by a four-week consultation to meet the 15 March 2026 deadline.
- The ERA proposes to limit the procedure review to matters necessary to implement the Coordinator's determination.
- Under the ESM Rules, the ERA must consider the views of the MAC or a MAC working group when developing a Procedure Change Proposal.

Mr Sarawat asked the MAC whether the ERA should consult with a MAC Working Group. He noted that the timeframe of the review would likely only allow for one, and maximum two, working group meetings. As an alternative, the ERA could consult directly with the MAC.

- Mr Schubert, Ms Tait and Mr Huxtable supported consultation through a MAC Working Group.
- Mrs Bedola noted that the Benchmark Capacity Provider was likely to change from a 4-hour to 6-hour ESR and sought clarification on the expected extent of the procedure review.

Mr Sarawat clarified that the review was expected to only include updates related to the changed duration.

- Mrs Bedola, Mr Airas and Ms Jabiri supported direct consultation with the MAC.

Ms Guzeleva cautioned that the process of establishing a new working group would delay the procedure review and, if the MAC preferred consultation through a working group, suggested re-activating the 2023 BRCP WEM Procedure Review Working Group.

The Chair asked Mr Sarawat to circulate the options for the consultation on the procedure review to MAC members within the next week for out of session response.

<i>Action: Mr Sarawat to circulate the options for MAC consultation for the procedure review to MAC members within the next week for out of session response.</i>
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Next MAC Meeting

The Chair reminded the MAC that the next MAC meeting on 16 October 2025 would be held in person with the option to attend via Microsoft Teams. The Chair invited members to arrive 10 to 15 minutes early for a cup of tea, if possible.

The meeting closed at 3:30pm.