

## Market Advisory Committee (MAC) - Minutes

<b>Date:</b>	16 October 2025
<b>Time:</b>	1:30pm – 3:00pm
<b>Location:</b>	Microsoft Teams online/ In person

Attendees	Representing in MAC	Comment
Sally McMahon	Chair	In person
Amy Tait	AEMO	In person
Katie McKenzie	AEMO	In person
Rhiannon Bedola	Synergy	In person
Matthew Veryard	Network Operator	In person
Luke Skinner	Small-Use Consumer Representative	In person
Noel Schubert	Small-Use Consumer Representative	In person
Adam Stephen	Energy Producer	In person
Jacinda Papps	Energy Producer	Online, left at 1.52 PM
Tim Edwards	Energy Retailer	Online
Patrick Peake	Energy Retailer	In person
Geoff Gaston	Energy Retailer	In person
Rajat Sarawat	Economic Regulation Authority (observer)	Online, arrived at 1:53PM
Graeme Ross	Contestable Customer	In person
Peter Huxtable	Contestable Customer	In person
Other attendees	From	Comment
Charles Loh	Energy Producer	Proxy for Paul Arias
Dora Guzeleva	EPWA	Proxy for Noel Ryan
Lipakshi Dhar	Economic Regulation Authority	Presenter for Item 6. Left at 2.28 PM
Laura Koziol	EPWA	MAC Secretariat
Ryan Jones	EPWA	MAC Secretariat
Apologies	From	Comment
Paul Arias	Energy Retailer	
Noel Ryan	Minister (observer)	

## **1. TEA AND CATCH UP**

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Not minuted.

## **2. WELCOME**

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The Chair opened the meeting with an Acknowledgement of Country.

The Chair noted that she had no conflicts to declare, and 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.

## **3. MEETING APOLOGIES AND ATTENDANCE**

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The Chair noted the attendance as listed above.

## **4. MINUTES OF MEETING 2025\_09\_04**

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The 4 September 2025 meeting minutes were provided to MAC members for feedback on 23 September 2025 and were approved out of session and published on 1 October 2025.

## **5. ACTION ITEMS**

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The Chair noted the open action 4/2025 item and Synergy's response to it.

- Mrs Bedola confirmed that Synergy had concluded its internal review.

Ms Guzeleva noted that the next step is to consult on the proposals and findings of the Essential System Services (ESS) Framework Review.

- Mr Stephen considered that higher Rate of Change of Frequency (RoCoF) Safe Limits likely to increase wear and tear across the generation fleet and not only for Synergy's Facilities. He suggested revisiting the implicit assumption that RoCoF capability is cost-free.

Ms Guzeleva noted that, under the Electricity System and Market (ESM Rules), AEMO can procure additional RoCoF Control Services through the Supplementary ESS Mechanism (SESSM). However, she agreed that this will need to be monitored.

- Mr Gaston expressed concerns about the recent frequent Market Advisories, indicating RoCoF Safe Limit breaches, and asked if this was affecting wear and tear of the generation fleet.

Ms Guzeleva clarified that these Market Advisories inform stakeholders that AEMO had to constrain Facilities to keep the system within the RoCoF Safe Limit. The increase in the RoCoF Safe Limit should reduce these interventions.

In response to a question from Mr Ross, Ms Guzeleva clarified that costs arising from AEMO constraining Facilities for RoCoF Control Service are recovered through Energy Uplift Payments, not Frequency Co-optimised ESS (FCESS) Uplift Payments.

She noted that the Energy Uplift Payments for RoCoF are much lower than the cost for RoCoF that occurred before the commencement of the FCESS Cost Review Amending Rules.

## **6. UPDATE ON BENCHMARK RESERVE CAPACITY PRICE**

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Ms Dhar noted that the ESM Rules require the ERA to consult with the MAC on the Procedure Change for the WEM Procedure: Benchmark Reserve Capacity Prices (BRCP). The MAC had agreed out of session that the ERA should consult the MAC directly and not establish an extra MAC Working Group.

Ms Dahr presented slides 1 to 6.

In response to a question from Ms Tait, Ms Dhar advised that the ERA intends to publish the draft procedure at least one week before the 20 November MAC meeting.

- Mrs Papps asked whether the ERA would reconsider bringing the annuity tilt into the procedure if the draft BRCP appeared so low that it might not incentivise investment.
- Mr Schubert considered that battery energy storage systems (BESS) are currently earning material energy-market revenues in the WEM and are likely to continue doing so in the near term, reducing the need for an annuity tilt.
- Mrs Papps proposed that clear conditions or triggers for applying annuity tilt, to clarify when its use is required, should be included in the WEM Procedure.

Ms Dhar responded that the ERA will consider the suggestions made about the annuity tilt.

## **7. METER DATA ANOMALIES**

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Mr Gaston provided a summary of the issue.

Mr Gaston noted that the actual error rate across affected National Metering Identifiers (NMI)s in Change Energy's portfolio is closer to 2% (rather than the ~1% reported by Western Power). He also noted that settlement data was used to report to the Clean Energy Regulator and the inflated meter readings had implications for Change Energy's compliance.

- Mrs Papps noted that Western Power had advised that it could not yet specify which of Alinta's NMIs are affected by the issue and that the timeline to provide clarification is constantly pushed out by Western Power. In addition to this recent issue, there is a backlog of other issues relating to Alinta's meter data from the last 2–3 years that remain unresolved.
- Mr Peake and Mr Huxtable noted that Perth Energy and Water Corporation are facing similar issues to Alinta.

The Chair asked the MAC for feedback on EPWA's proposed solution to address the gap in the ESM Rules.

Mr Gaston considered that the proposed solution would close the gap in the ESM Rules but would not fix the underlying issue with meter data.

- Mrs Papps supported pursuing a rule change to implement the proposed solution. However, she agreed with Mr Gaston that a rule change would not resolve the

fundamental issue and noted that there would be no penalties for Western Power if it did not meet the required timeframes.

- Mrs Bedola asked how the proposed change would affect meter data notification files which are used for billing customers. She observed that Western Power can replace meter data months or years later to improve accuracy, which can result in over- or under-charging of customers.
- Mr Veryard advised that Western Power was progressing a system fix for the issue identified by Mr Gaston and was applying manual IT interventions in the meantime.
- In response to a question from Mr Gaston, Mr Veryard confirmed that the matter had been escalated to Western Power's executive. He cautioned that a resolution will take time.

The Chair emphasised that accurate meter data is critical to market confidence and participant engagement, and stressed the need to understand the underlying core issue.

- Mr Veryard agreed to report at the next MAC meeting on Western Power's work and progress in:
  - identifying the root cause, and
  - planning to address the issue.

***Action: Western Power to report to the MAC at the 20 November meeting on the Western Power's progress to identify the root cause of the meter data anomalies and the process to address the issue.***

- Mr Veryard confirmed that EPWA has consulted with Western Power on its proposal. He noted that Western Power supports the intent but would work with EPWA through the interactions with Western Power's communication processes with AEMO.

Ms Guzeleva noted that extending settlement adjustments beyond Adjustment 3 (which is approximately eleven months after the initial meter data provision) is not a reasonable solution given the potential market-wide impact.

Ms Guzeleva noted that a rule change proposal to implement EPWA's proposal will be included in the Tranche 9 Exposure Draft. However, any changes would require time to be implemented as it would likely affect AEMO's and Western Power's underlying processes and systems. She emphasised that EPWA, AEMO and Western Power will need to work together through the details.

Mr Gaston flagged uncertainty about the magnitude of the impacts on Settlement Adjustment-3 for the period from July to December 2024. He noted that, based on assessment provided by Western Power, the impact on Change Energy's portfolio appears immaterial. However, he cautioned that for other large customers the impacts could be significant, with limited visibility at this stage.

- Ms McKenzie noted that each system change incurs cost and that AEMO would prefer a single, consolidated change rather than multiple incremental changes.

Mr Gaston observed that, if meter-data updates were occurring correctly, the impact at the time of Settlement Adjustment 3 would be minimal. He suggested that AEMO might be able to avoid system changes by instructing Western Power to cease sending adjustments after a defined cut-off date, with a simple system flag to prevent post-cut-off changes from entering the settlement system.

- Ms Tait noted that AEMO had asked Western Power to prioritise corrections for trading intervals in the June dataset that have not yet reached Adjustment 3, so they can be rectified before final settlement.

## **8. UPDATE ON WORKING GROUPS**

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### **(a) AEMO Procedure Change Working Group**

The paper was taken as read. The Chair noted that the additional information in these updates is useful.

### **(b) Update on AEMO's Major Working Project Group**

Ms McKenzie noted the following:

- Ms Kirsten Rose (General Manager, WA and Strategy) attended as the new Chair of the Working Group.
- The next Working Group meeting AEMO will provide an update on changes to its five-year roadmap.

The Chair noted that many MAC members have not met Ms Rose yet and suggested to invite her to a future MAC meeting. The MAC agreed.

***Action: MAC Secretariat to invite Ms Kirsten Rose to attend the next MAC meeting, for her to provide a short introduction and outline her key priorities.***

### **(c) Update on Power System Security and Reliability Standards Review**

The paper was taken as read.

- Mr Peake noted that recent incidents in Spain and Portugal were related to very fast inverter control responses conflicting with slower system dynamics. He asked whether analogous risks are being assessed for the South West Interconnected System (SWIS).

Ms Guzeleva noted that:

- relevant analysis and studies from other jurisdictions on the integration of Grid Following and Grid Forming Inverters are considered and that studies specific to the SWIS might be needed;
- the conversion from Grid Following to Grid Forming is not problematic; and
- system security must be ensured, but procurement of the relevant services must be facilitated if they are able to provide value to the system.

The Chair asked whether AEMO had analysed the events in Spain and Portugal, and whether there are any implications for the SWIS.

- Ms McKenzie noted that further work is required to quantify the risk to the SWIS. AEMO has dedicated a workstream to reviewing what amendments are required to its power-system models and study tools, and is coordinating with other system operators to align with best practice.
- Mrs Bedola asked how potential near-term issues would be managed before standards are finalised.

### **(d) Essential System Services (ESS) Framework Review Working Group**

Ms Guzeleva advised that EPWA is refining the consultation paper and plans to publish it shortly. Following consultation, EPWA will develop Amending Rules.

Ms Guzeleva noted that, of the review outcomes, only the proposal to increase the RoCoF Safe Limit involves a rule change. Other proposals included further work to be undertaken by AEMO, including further investigation to better quantify Mandatory Primary Frequency Response (MPFR) availability to assess the level of Contingency Reserve Raise that could be provided from the inclusion of MPFR in setting the requirements.

#### **(e) Capability Class 2 Technologies Review**

Ms Guzeleva noted that:

- the Capability Class 2 Technologies Review (CC2T) Working Group will hold its first meeting in the week following the MAC meeting. The Working Group will discuss an AEMO paper on observations of current operation of Electric Storage Resource (ESR) in the WEM.
- approximately 3 GW of additional ESR will enter the WEM in 2030 increasing the need to manage its integration and clarify how ESR should operate (e.g., reserve capacity obligations, availability and settings).
- Mr Schubert noted that owners of ESR have more operational flexibility so resources can meet system needs rather than being tightly confined to ESR Obligation Intervals.

Ms Guzeleva acknowledged the tension between ESR seeking revenue across the market segments and being reliably available to meet peak demand, and that the current processes and systems may need adjustment.

- Ms McKenzie noted AEMO's interest in how the findings of the review relate to operational and long-term planning. The current modelling in the Electricity Statement of Opportunities assumes perfect day-ahead foresight and that ESRs charge whenever possible (including during periods during which coal and gas fired generation is dispatched and generation from variable renewable energy (VRE) is low). She noted that it is challenging to map operational realities into modelling.

In response to a question from Mr Gaston, Ms Guzeleva noted that the ERA was represented on the Working Group.

### **9. WEM OPERATION EFFECTIVENESS REPORT – STATUS**

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Ms Guzeleva summarised the paper. The MAC agreed that a standing MAC paper was more appropriate than a MAC Working Group to inform the MAC on the progress of implementing the recommendations from the WEM Effectiveness Report.

- Mr Peake stated that much of the related discussion would only involve EPWA, AEMO and the ERA.
- Mr Schubert agreed that a new Working Group is not necessary but asked how members will track progress.

Ms Guzeleva advised that EPWA meets regularly with AEMO and Western Power to move the proposals forward.

- Mr Schubert suggested to include a traffic light report in the MAC paper.

The Chair noted support for regular MAC updates instead of a new Working Group, and that the MAC suggested that EPWA provides a traffic-light report to flag items not on track.

### **10. MARKET DEVELOPMENT FORWARD WORK PROGRAM**

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The paper was taken as read.

## **11. OVERVIEW OF RULE CHANGE PROPOSALS**

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The paper was taken as read.

Ms Guzeleva advised that the Coordinator of Energy has received a formal Rule Change Proposal to amend the Supplementary Capacity Mechanism.

Ms Guzeleva noted that the Rule Change Proposal was submitted without warning. She noted that the Coordinator of Energy has five business days after a formal submission to decide whether to progress the Rule Change Proposal. Given this short timeframe, Ms Guzeleva asked that MAC members engage with EPWA prior to lodging Rule Change Proposals.

## **12. GENERAL BUSINESS**

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The Chair noted that the next meeting is scheduled for 20 November 2025 and that the MAC meeting on 18 December 2025 is scheduled as tentative and will likely be cancelled.

Ms Guzeleva noted that the MAC meeting schedule for 2026 would be part of the agenda for the 20 November MAC meeting.