

## Meeting Agenda

<b>Meeting Title:</b>	Evolution of the Pilbara Networks Rules Working Group (EPNRWG)
<b>Workstream</b>	Workstream 1 (PNR Workstream)
<b>Date:</b>	Thursday 16 April 2026
<b>Time:</b>	9:30 AM – 11:30 AM
<b>Location:</b>	Online, via TEAMS

Item	Item	Responsibility	Type	Duration
1	Welcome and Agenda <ul style="list-style-type: none"> <li>Conflicts of interest</li> <li>Competition Law</li> </ul>	Chair	Noting	2 min
2	Meeting Apologies/Attendance	Chair	Noting	2 min
3	Minutes of Meeting 2025_09_31 Published 21 August 2025	Chair	Noting	1 min
4	Priority Actions	RBP	Noting	15 min
5	Working Group Schedule	RBP	Noting	10 min
6	NSP to NSP connections	RBP	Discussion	60 min
7	General Business	Chair	Discussion	5 min
	Next meeting: 7 May 2026 at 9:30am			

Please note, this meeting will be recorded.

## Competition and Consumer Law Obligations

Members of the PAC's Evolution of the Pilbara Networks Rules Working Group (**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 EPNRWG 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.



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# EPNR Working Group

16 April 2026

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NSP to NSP  
connections

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1	Priority actions	15 min
2	Working group schedule	10 min
3	NSP to NSP connections	60 min
4	Wrap up	5 min

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# Update on EPNR Implementation Plan

A draft Implementation Plan was consulted on in late 2025, with stakeholder feedback discussed at the December 2025 PAC Meeting.

A finalised Implementation Plan is expected to be published soon.

Implementation activities in the first part of 2026 will focus on 'no regret' activities required to support, enable and manage the entry of renewable generation and energy storage facilities in the NWIS. These changes can be captured in five categories. Those in **bold** will be covered at this EPNR working group, others will be covered in the HTR working group:


- Amendments to the HTR (including technical standards for storage facilities)
- Development of a system strength framework
- **Increasing the independence of the ISO Control Desk**
- **Improvements to the outage planning framework**
- **NSP to NSP connections**
- **Miscellaneous changes**

**Note.** The implementation actions identified in this slide deck are the focus, 'no regret' priorities. They are not an exhaustive list of implementation activities, which will be finalised in the Implementation Plan.

# Improvements to the outage planning framework

**The Draft Decision of the ISO Review of Subchapter 7.3 and 7.4 outlines the case for change, including managing structural issues of vertical integration (competition law obligations) and transparency (PSSR impacts of outages on third parties).**

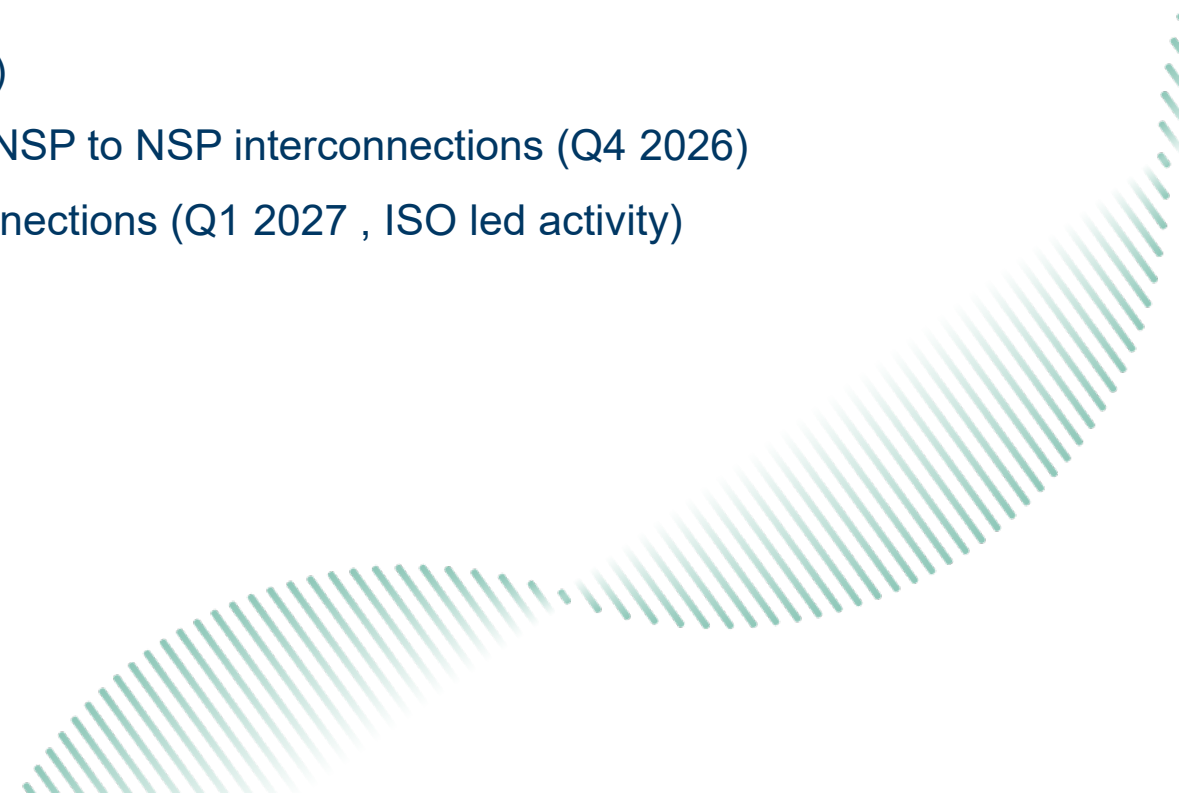
Priority actions:

- Rule Change to provide head of power for ISO to carry out preparatory work for outage regime (Q2 2026)
  - Develop and consult on outage coordination process, including risk assessment framework (Q3 2026, ISO led activity)
  - Develop criteria for including equipment on the outage planning list (Q3 2026, ISO led activity)
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# NSP to NSP Connections

**Some stakeholders want NSP to NSP interconnection arrangements to be prioritised, as it is important for both existing and new transmission developments.**

Priority actions:

- Detailed design for NSP-to-NSP interconnections (Q2 2026)
  - Rule changes to provide head of power for ISO to manage NSP to NSP interconnections (Q4 2026)
  - Develop and consult on procedure for NSP-to-NSP interconnections (Q1 2027 , ISO led activity)
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# Miscellaneous changes

**Other miscellaneous changes are required to support, enable and manage increasing renewable energy penetration in the NWIS**

Priority actions:

- Implement runway method for Contingency Reserve Raise – *This will ensure generation facilities are only allocated costs when they are contributing to contingency reserve raise costs (i.e. when they are generating).*
- Rule changes to introduce 'Energy Producing System' to PNR – *This will ensure that storage is adequately covered in the Rules.*
- Detailed design of information management framework – *This will support the ISO undertake inaugural planning functions scheduled under the Rules.*
- Rule change to require ISO to develop manual load shedding priority list – *Distinct from UFLS which is an automated process for underfrequency events, a manual load shedding list will support the ISO respond to a forecast energy shortfall.*
- Rule changes to require ISO to publish the annual Pilbara System Plan (PSP) and the Coordinator to publish a Pilbara Integrated Plan (PIP) – *This is required to provide information to support and guide investment decisions.*
- Detailed design of Regulation services cost recovery – *This will implement causer pay principles to cost allocation.*

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# Package zero: initial rule change

The first rule change (to be released in the coming weeks) will include:

- Changes to the HTR to implement working group recommendations
  - Renaming existing ESS to align with the WEM
  - Introducing the concept of Energy Producing System
  - A head of power for the ISO to develop outage regime
  - Requiring the ISO to develop a manual load shedding list
  - Removing the requirement to have non-compliant equipment to be eligible for Connection Point Compliance
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# Package 1

The next set of priority actions will be discussed at this working group between April and June, then proposals released for consultation in Q3.

- NSP to NSP connections (April and May working group meetings)
  - Information management framework (June meeting)
  - Head of power for Pilbara System Plan and Pilbara Integrated Plan (June meeting)
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# Package 2

The remaining priority actions will be discussed with this working group in the June and July working group meetings, and included in a consultation paper to be issued in Q4.

- New outage regime (June, July meetings)
  - Runway method for Contingency Reserve Raise (July)
  - Regulation service cost recovery (July)
  - Horizon Power cost recovery for control room transition (July)
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# ISO-led activities

The ISO will discuss some of its activities at this working group during Q3:

- Outage coordination process, including risk assessment framework
- Criteria for including equipment on the outage planning list
- Project plan to bring control desk in house

The ISO will chair and provide secretariat services for those topics.

More technical activities will be addressed in the HTR working group:

- System strength: Fault level framework, regional fault level requirements

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# PNR network classifications

- Covered Network – regulated under the PNAC. Must allow third party access, and subject to regulatory oversight. Currently only Horizon and APA.
- Integrated Mining Network – primarily serving mining operations. Not required to provide third party access, but still subject to PNR. E.g. Rio Tinto
- Excluded Network – self-contained network with less than 10 MW of generation, and explicitly designated by ISO. Not required to provide third party access, and exempt from most network rules. E.g. BHP Port Hedland.
- Non-Covered Network – all networks other than the Covered Networks.
- CPC Facility – a connected user facility (which can contain network components, but not with third parties connected) which demonstrates technical compliance at the connection point, rather than for each piece of connected equipment.

Key determinants of which class(es) a network is in are:

- Whether the network serves third parties
  - Whether compliance is assessed for each piece of equipment, or at the connection point.
  - Whether the network is connected to other networks.
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# PNR current connection process

- Connection seeker applies to connect to a Registered NSP (the Host NSP)
- ISO provides input, and Host NSP can heed it or not.
- Seeker and the NSP negotiate a Network Access Contract.
- Host NSP determines whether the seeker is compliant with the HTR.
- Host NSP responsible for providing info and model to ISO.
- ISO assesses the new connection's impact on System Security and Reliability, and can veto connection liveness.

Depending on its configuration, a facility may opt to show compliance with the HTR as at the connection point, or for each piece of connected equipment.



# What is different about connecting a network?

- Adding a new connection between networks in the NWIS has more potential to affect existing equipment and connections than a new generator or load.
  - A connecting network will have a range of other facilities connected to it. Before the network can be connected to the NWIS, each facility must be assessed for potential to impact the power system. As a result, the range and number of activities required to ensure security and reliability is wider and larger than connecting a generator or load.
  - Some networks control all connected equipment, while others serve third parties. A network which serves third parties must have clear responsibility for overall performance of its network, including monitoring and responding to third party operation. It must be a registered NSP.
  - The vertically integrated nature of operations in the Pilbara means that connecting NSPs may be competitors. To avoid perceptions of unfair treatment, the process should be managed by an independent third party, like the ISO.
  - The CPC pathway in the current rules is intended for user facilities, not for networks serving multiple connected parties. CPC applicants must demonstrate that they have measures in place to manage non-compliant equipment.
  - Therefore, new rules would need to be developed for compliance at the connection point of NSP to NSP connections, where the connecting NSP is responsible for the operation of all equipment on its network.
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# EPNR Review outcomes: NSP to NSP connections

ID	Outcome
17.1	The PNR will include a process for the interconnection of networks to the NWIS.
17.2	The ISO will manage the connection process for new networks, and for interconnections between existing networks.
17.3	Connecting networks must demonstrate compliance with Chapter 2 of the HTR, unless they are self-contained (established for the purpose of the participant serving only its own load).
17.4	Generation, storage and load facilities on the connecting network must demonstrate compliance with Chapter 3 of the HTR.
17.5	Subject to enhanced information provision requirements, connecting participants may choose to demonstrate compliance at their connection point to the NWIS (Connection Point Compliance) instead of showing compliance of all equipment on the network, if they are in control of all equipment behind the connection point.

Note: Alternatively, compliance with the HTR at the interconnection point could be the responsibility of the new interconnecting NSP

# NEM connection process


- NER includes the concept of a Primary TNSP for each region.
- Primary TNSPs are all regulated monopolies providing shared transmission services. They are not competitors.
- Prospective connections enquire with the relevant NSP.
- The NER connection process focuses on this type of connection, including who determines requirements for new shared transmission assets, and who builds and pays for them.
- AEMO advises on negotiated access terms – departures from the automatic standards.
- NSPs must liaise with other NSPs if compliance with connection agreements could be affected.
- NER uses concept of “designated network asset”.
- These are for the exclusive use of an identified user group, and do not provide shared transmission services. They can be operated by the owner as a separate NSP.
- A DNA owner must publish an access policy in which it sets its own connection terms, service terms, and pricing.
- NER uses concept of “market network service”.
- NSPs providing “market network services” (i.e. non-regulated, non-monopoly DC connections) are not required to ensure continuous supply to connected parties.
- One of the two NSPs connected by the DC connection is required to apply to the other one for connection, and agree network access.

# Scope of NSP-to-NSP interconnection process design


## **Applicability**

- Govern connections to covered networks only.
- Connecting network may or may not be a covered network.
- If compliance with the HTR is demonstrated at the connection point, the new interconnecting NSP must be responsible for all activity behind the interconnection point.


## **Design elements**

- Initial connection enquiry and application
  - Determination as NSP vs network user
  - Technical standards applying to the network
  - Technical standards applying to connected facilities
  - Testing for network and connected facilities
  - Timelines
  - Information requirements
  - Ongoing compliance monitoring
  - Requirements to notify and assess impact of material changes behind the connection point.
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# Other matters for connecting NSPs

- Requirement to self-balance
  - Metering measurement and data provision
  - Real-time data provision
  - Contribution to ESS costs
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# Key questions for working group

- What issues exist in the current PNR connection framework in relation to NSP to NSP connections?
  - What issues are not currently dealt with in the PNR what will need to be addressed NSP to NSP connections?
  - What options exist to address the issues?
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# Thank-you

# Amendments to HTR

**The HTR were written for synchronous generation and require updates to contemplate and deal appropriately with Inverter Based Resources.**

## Background

- The HTR working group met nine times in 2024 and 2025. 20 issues have been progressed to rule drafting.
- EPWA consulted the working group on Amending Rules between 23 January and 23 February.
- Six submissions were received (APA, BHP, Horizon Power, Pilbara ISOC Co, Woodside and one confidential submission).
- Submissions were generally supportive of the intent, with submissions focused on clarifications and recommended changes for improvement.


## Next steps

- EPWA has compiled and shared feedback with Issue Leads for consideration before a working group meeting is convened to discuss responses to the feedback.
- Following revision to draft Amending Rules, public consultation on the Amending Rules will occur in Q2 2026.
- Work will also continue on progressing other HTR issues towards rule drafting, including development of technical standards for storage (commencing Q4 2026).

# Development of a System Strength Framework

**The entry of Inverter Based Resources is expected to create system strength issues in some regions of the NWIS in the very near term.**

Priority actions:

- Develop framework for determination of minimum and maximum fault levels and consideration of transition measures (commencing Q2 2026; ISO led activity) – system strength
  - Develop fault level requirements for regions of the NWIS (Q4 2026, ISO/NSP led activity) – system strength
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# Increasing the independence of the ISO Control Desk

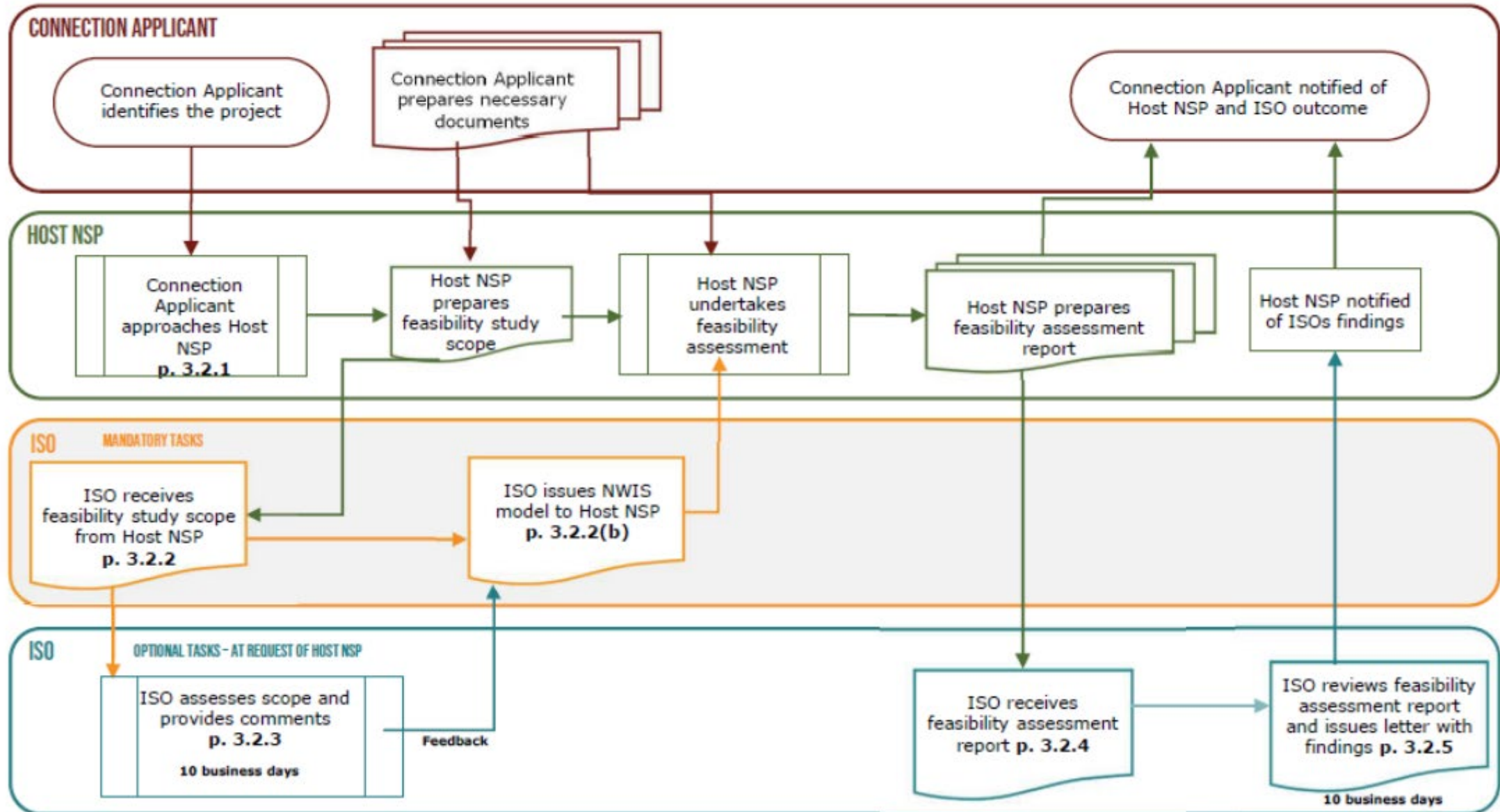
**As renewable generation and storage penetration increases, improved visibility of the system will be required. Independence of the Control Room operations would become important.**

Priority actions:

- Develop project plan to bring control desk in house (Q2 2026)
- Determine Horizon Power cost recovery mechanism for control desk transition to ISO (Q2 2026)

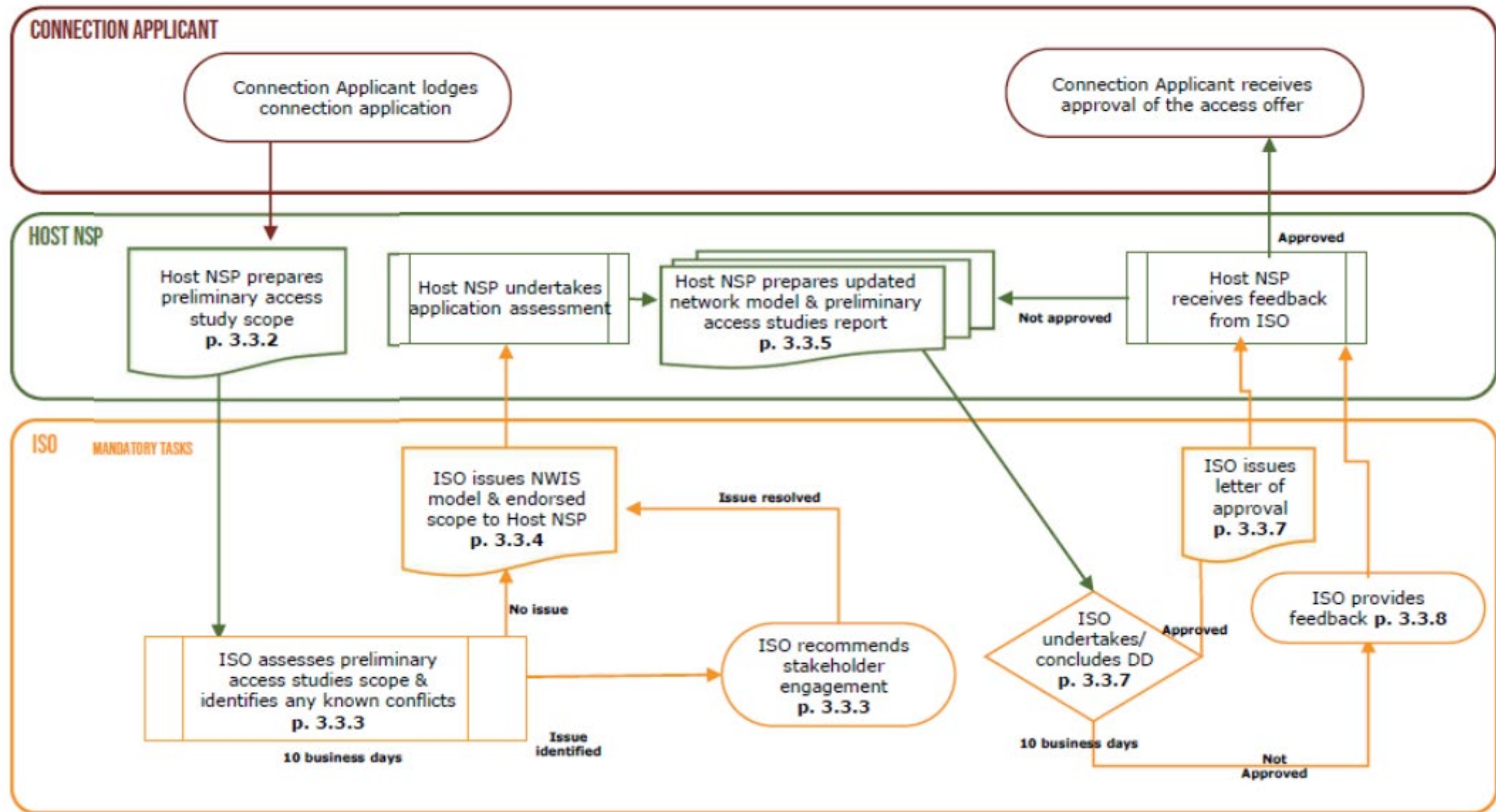
## STAGE 1 - FEASIBILITY ASSESSMENT - FLOWCHART

(TOTAL ISO TARGET REVIEW TIME - 20 BUSINESS DAYS)



## STAGE 2 – APPLICATION ASSESSMENT - FLOWCHART

[TOTAL ISO TARGET REVIEW TIME – 20 BUSINESS DAYS]



### STAGE 3 - CONNECTION ASSESSMENT - FLOWCHART (TOTAL ISO TARGET REVIEW TIME - 20 BUSINESS DAYS)

