

Meeting Agenda

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

Item	Item	Responsibility	Type	Duration
1	Welcome and Agenda - Conflicts of interest - Competition Law	Chair	Noting	3 min
2	Meeting Apologies/Attendance	Chair	Noting	1 min
3	Minutes of Meeting 2026_06_18	Chair	Noting	1 min
4	Introduction	Chair	Discussion	5 min
5	Information management framework	RBP	Discussion	40 min
6	Long term planning	RBP	Discussion	20 min
7	ESS cost recovery	RBP	Discussion	40 min
8	General Business	Chair	Discussion	5 min
	Next meeting: TBC			

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.



Department of
**Energy and Economic
Diversification**

EPNR Working Group

9 July 2026

Contents

No.	Item	Duration
0	Introduction	5 min
1	Information management framework	40 min
2	Long term planning	20 min
3	ESS cost recovery	40 min
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Information management in the PNR

Transparent access to information is key to efficient operations. If participants have access to data on the power system, they can better plan their operational strategies. Transparency measures should apply to all parties equally to provide a level playing field, and to improve the perception of ISO independence.

Confidential information should be protected in appropriate circumstances, but the existing framework ends up making most information confidential, with limited checks and balances to allow useful information to be reclassified and made more available.

As the power system evolves, the ISO will need access to confidential operational information from all rule participants to effectively operate the power system and maintain PSSR, and participants must be confident that information is managed appropriately.



EPNR Review outcomes: Treatment of information

ID	Outcome
7.1	Market information will be public unless there is a compelling reason for it to remain confidential.
7.2	The PNR will designate certain information as confidential (for example: terms, conditions and prices in bilateral contracts).
7.3	Information providers can request that information provided to the ISO be treated as confidential and provide supporting reasons. The ISO must determine whether the information meets the PNR specified criteria for being confidential, in accordance with an ISO procedure.
7.4	Disputes about classification of information will be resolved by the Coordinator of Energy.

Current state: Confidentiality objective

294 (1) The primary objective of this Subchapter 11.2 is —

*(a) to preserve the confidentiality of **Confidential Information** to the greatest extent practicable consistent with —*

(i) persons' performance of their functions under the Pilbara Regime; and

(ii) the Pilbara Electricity Objective and any applicable objective stated in these Rules;

and

(b) if a Recipient receives Confidential Information in Connection with the Pilbara Regime, to ensure that a Recipient uses it only for —

(i) the Recipient's performance of their functions under the Pilbara Regime; and

(ii) in accordance with the Pilbara Electricity Objective and any applicable stated objective.

294 (2) A secondary objective of this Subchapter 11.2 is to achieve the primary objective as quickly, simply, and with as little compliance burden and cost, as practicable.



Current state: What is confidential information?

295 (1) “Confidential Information” means, subject to rule 296, information that —

- (i) by its nature is confidential; or*
- (ii) is specified to be confidential by the Discloser;*

Do parties share information without marking it confidential?

How do parties decide whether information is confidential “by its nature”?



Current state: What is not confidential information?

296 The following is not Confidential Information for the purposes of these Rules —

- (a) information which is in the Public domain or ascertainable from Public domain sources; and*
- (b) information which came into the Recipient's hands by means which did not create a duty of confidentiality under the Pilbara Regime; and*
- (c) information which the Recipient already possessed at the time it was disclosed to the Recipient by the discloser; and*
- (d) information which the Recipient develops independently*

i.e. information that the recipient already had, or could have got, without the disclosure.



Current state: When can confidential information be disclosed?

Recipients can disclose other parties' confidential information:

- 301 To the ISO, the ERA, the Coordinator or the Minister
- 299 (1) When reasonably necessary to perform a function under the rules
- 300 (1)(a) with consent of the owner
- 300 (1)(b) to its advisors
- 300 (1)(c) & (d) as required by law, a court, an arbitrator, or a financial market
- 300 (1)(e) if it is anonymised so that the provider cannot be identified

305 When disclosure of confidential information is required under the rules, discloser is protected from civil or criminal liability.

All but the first require a pre-disclosure process.



Current state: The pre-disclosure process

303(2) Intending Discloser must consider the balance between —

- (a) the benefits associated with the Proposed Disclosure; and
- (b) any likely detriment to the relevant Information Owner or Information Owners from the Proposed Disclosure.

303(4) Intending Discloser must:

- (a) tell the Information Owner what they are planning to disclose and why
- (b) & (c) consider the Information Owner's views/redactions/changes
- (d) for a compelled disclosure, minimise what is disclosed and not hinder intervention by the Information Owner.

What pre-authorisations do parties have in place to reduce the overhead of information disclosure?



Current state: ISO's powers to request information

306(1) ISO may, for the purposes of performing its functions, request a Rules Participant to give specified information to the ISO.

- ISO gets to specify a deadline.
- Participants must comply.

283(2) gave the ISO temporary power to request information about generation facilities on Pilbara networks not connected to the NWIS, but this power has now lapsed.

As a result, ISO has no powers to seek information from non-participants (class 3 networks).



Implications of the current arrangements

- All information is confidential unless the recipient already knew it or could have known it. This is a broader confidentiality requirement than exists in most places.
 - All information that the recipient did not already have is to be protected to the greatest extent practicable.
 - Parties interpret the rules as only being able to share information if there is a positive head of power for doing so. This makes it difficult for prospective connections to access information, including the NWIS model.
 - Most disclosures need pre-review.
 - ISO does not have powers to request information from parties who are not Rule Participants. Having powers to request information from potential connectors would improve accuracy of long term planning.
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Proposal: information managers

PNR Information = information or a document that is produced, provided or exchanged under the PNR.

Every piece of PNR Information will have an Information Manager.

The Information Manager is different from the Owner.

The Information Manager is, in order of priority:

- The party who is required to publish the information
- The party who produces the information
- The party who receives the information
- The party determined by the Coordinator

In most cases the Information Manager will be the ISO, but may be the Coordinator, the ERA, or an NSP (in relation to information provided by connecting parties).



Proposal: confidential and public information

PNR Information must be confidential if it:

- is in a contract that specifies it to be confidential;
- could pose a material risk to Power System Security or Power System Reliability if disclosed;
- reveals personal details about an individual (other than name and business contact details);
- could cause commercial detriment to a Rule Participant or another person if disclosed; or
- is explicitly specified as Confidential Information in the PNR.

Information must public if it is:

- specified as Public Information in the PNR;
 - required to be published or otherwise made publicly available under the PNR; or
 - available in the public domain, unless unlawfully or through PNR non-compliance.
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Proposal: challenging classification

A Rule Participant can submit to the Information Manager that certain information should be confidential.

The participant can only do this if:

- the information explicitly relates to it, its Facilities, activities or contracts; or
- the information was provided to the participant by a third party, and it is under a duty or obligation to that third party to keep the information confidential.

The Information Manager must consider the submission, but is not bound to agree to every submission.

Participants can dispute the classification, and the outcome will be determined by the Coordinator.

Non-participants who request confidential information can dispute a decision to not release the information, and the outcome will be determined by the Coordinator.



Proposal: other matters

When a prospective connecting party has formally enquired about interconnection:

- They will be entitled to access the NWIS model (rule changes for this will be drafted and consulted on ahead of the rest of the information management framework)
- The ISO will be entitled to request information for use in long term planning (rule 283(2))

No pre-disclosure approval process, except in case of disclosure to the courts etc. In this case, information managers will still have an obligation to notify affected parties and provide an opportunity to dispute.

Confidential Information can be aggregated, arranged or combined with other information to turn it into public information, as long as what is published does not reveal confidential information.

Current PNR confidentiality obligations are mirrored in the PNAC, which would also need to be adjusted to implement new arrangements.



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EPNR Review outcomes: Long term planning

ID	Outcome
8.1	Every year, the ISO will prepare a Pilbara System Plan (PSP) for the NWIS, limited to demand forecasts, committed projects, and planned connections.
8.2	At least once every five years, the Coordinator will prepare an integrated plan for the Pilbara – the Pilbara Integrated Plan (PIP), akin to the Whole of System Plan in the WEM, which considers the potential development of the NWIS and priority projects.
8.3	The ISO will have effective information-gathering powers for all projects in the Pilbara. Powers for projects not connected to the NWIS will be restricted to their plans to connect to the NWIS during the planning horizon.
8.4	The ISO and the Coordinator will consult on the methodologies to be used in preparing the plans.
8.5	Input assumptions and output data for the system plans will be published for transparency with commercial sensitivity respected.

Scope: PIP

The PIP will cover high level scenarios for the evolution of the Pilbara Networks, not just the NWIS Covered Networks. It will explore a wide range of potential futures, for example based on demand changes, technology costs, or investment patterns.

Current rule	Information
281(b)	Scenarios for the locations and quantities of electricity supply and demand in Covered Networks [and other Pilbara networks]
281(d)(ii)	Possible efficient development strategies for extension or expansion of the NWIS Covered Networks [and other Pilbara networks]
281(d)(iii)	Possible opportunities for new, extended or expanded Pilbara networks which may Interconnect with the NWIS
282(a)	Possible investment opportunities for supply to the Covered Networks [and other Pilbara networks] based on demand scenarios
282(b)	Projections of fuel availability, new fuel sources, and renewable and intermittent energy developments

Scope: PSP

The PSP will provide a ‘best estimate’ of the future state of the NWIS, focusing on known and probable developments in supply, demand, and transportation of electricity for the Covered Networks.

Current rule	Information
281(a)	Current NWIS Covered Transmission Elements
281(c)	Summary of Covered NSP’s proposed and contemplated Augmentations
	Summary of proposed and contemplated interconnections to the NWIS
281(d)(i)	Current and projected Network Constraints in the Covered Networks
	Proposed and contemplated supply developments in the Covered Networks
	Projected fuel availability and potential changes
	Projected load and demand growth in the Covered Networks
282(c)	a report on Essential System Services acquired by the ISO for the NWIS
282(d)	assessment of the adequacy of system capacity in the NWIS Covered Networks

Current rule	Information	PSP	PIP
281(a)	Current NWIS Covered Transmission Elements	✓	
281(b)	Scenarios for the locations and quantities of electricity supply and demand in Covered Networks [and other Pilbara networks]		✓
281(c)	Summary of Covered NSP's proposed and contemplated Augmentations	✓	
281(d)(i)	Current and projected Network Constraints in the Covered Networks	✓	
281(d)(ii)	Possible efficient development strategies for extension or expansion of the NWIS Covered Networks [and other Pilbara networks]		✓
281(d)(iii)	Possible opportunities for new, extended or expanded Pilbara networks which may Interconnect with the NWIS		✓
282(a)	Possible investment opportunities for supply to the Covered Networks [and other Pilbara networks] based on demand scenarios		✓
282(b)	Projections of fuel availability, new fuel sources, and renewable and intermittent energy developments		✓
282(c)	a report on Essential System Services acquired by the ISO for the NWIS	✓	
282(d)	assessment of the adequacy of system capacity in the NWIS Covered Networks	✓	

Proposed implementation timeline

The PSP will consider generation and transmission together, for a range of demand scenarios, including a central case that represents the ISO's best estimate of the most likely future.

The PIP will explore the future of the Pilbara electricity systems in a range of potential futures. It may designate specific scenarios to be addressed in future PSPs.

Preparations for the inaugural GenSOO and Transmission Development Plans are underway, and they are scheduled to be published in mid-2027.

DEED will consult with the ISO on the timing and approach to long term planning deliverables, including the transition to an ISO PSP.



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ESS cost recovery in the PNR

FCESS (regulation) costs currently fall upon the party responsible for nominating energy volumes. By default, this is the network user. The allocation is calculated based on the size of the difference between maximum load and minimum load for the entire three-year reference period, even if their load is extremely predictable.

SRESS (contingency reserve raise) costs are recovered from connected parties based on the size of their largest generation unit, regardless of how many units the participant has or whether the largest unit actually operated in any particular time period.

These arrangements are reasonable when participants have similarly sized generation portfolios, large units are run at high-capacity factors, and there are few intermittent facilities. As renewables and storage enter the system these arrangements are not appropriate and will increasingly allocate costs to parties who do not drive the need for these services and cannot control their exposure to the costs.



EPNR Review outcomes: ESS cost recovery

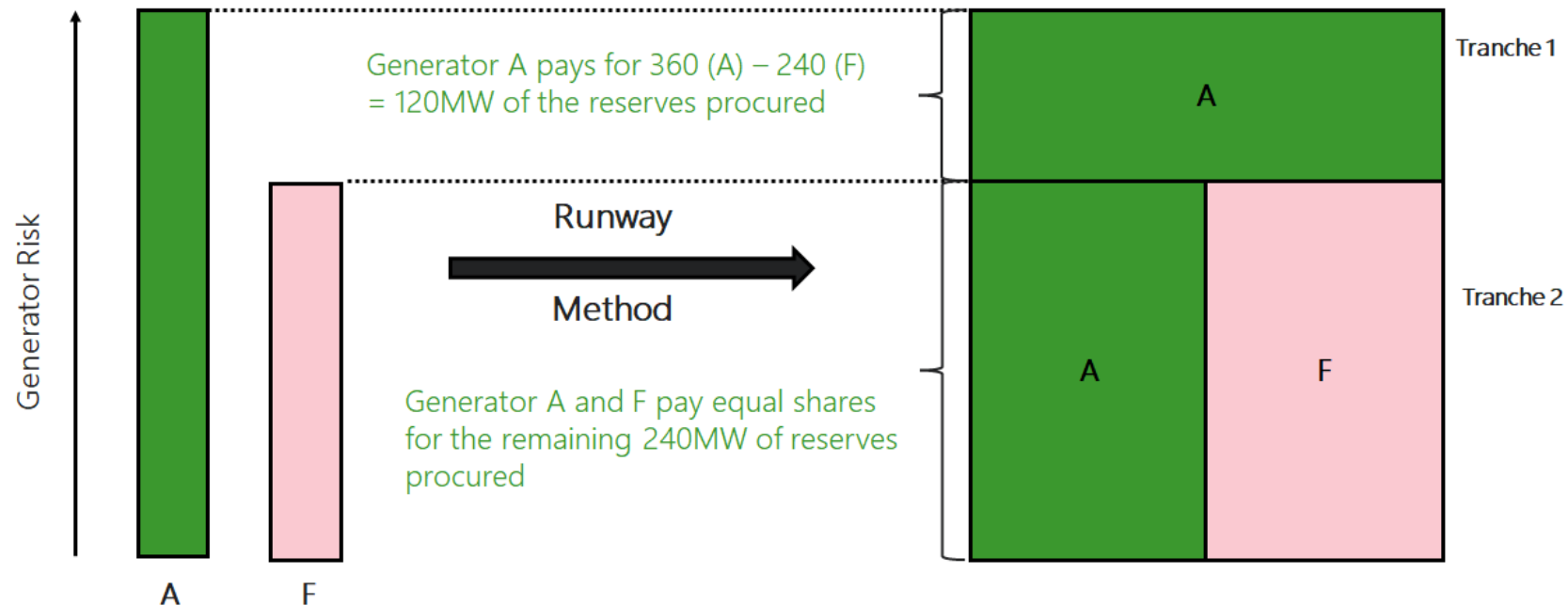
ID	Outcome
5.1	ESS costs will be recovered from causers, where practical, on a trading interval basis.
5.2	Regulation costs will be allocated to participants who vary, beyond an applicable tolerance, their generation or load from their balancing positions.
5.3	Contingency Reserve Raise costs will be allocated to supply facilities based on their output in each interval, according to the runway method.
5.4	Facilities will be exempt from Contingency Reserve Raise costs if they provide evidence that an Energy Producing Facility trip would be automatically offset by load curtailment on the same site.
5.5	Contingency Reserve Lower costs will be allocated to large loads based on their demand in each interval, according to a runway method.

CRR: The runway method

The runway method allocates contingency reserve costs to generators based on the MW needed to cover the risk of them tripping.

The current PNR approach uses the nameplate capacity of one facility for each participant. This approach is not suitable for a supply fleet where participants have different sized portfolios with increasing volumes of renewable generation.

The proposed approach uses actual generation in each half-hour interval.



Implementation: Contingency raise

In the NWIS, the ISO procures CRR in two ways: a contract for a base quantity that is always available, and supplementary service that can be enabled and disabled by system controllers as needed. We propose to determine a cost per interval as follows:

- Allocate costs of the base quantity evenly across all trading intervals.
- Allocate costs of supplementary services to the trading intervals in which they are used.

To determine the runway shares, we will need to collate half-hour interval generation data for each energy producing facility.

If a part of the NWIS is islanded, then supplementary services may be required solely for that island. It would be possible to calculate a separate runway allocation for each island, but the effort required likely outweighs the avoided distortion to causer allocation.

What implementation issues do members see for this approach?



Implementation: Regulation (1)

The ISO currently contracts for regulation on an annual basis. There is a primary provider, who provides the same quantity all year round, and secondary providers, who only provide service when the primary provider cannot (e.g. if it has an outage, or there is an islanding event).

When responding to frequency changes within a trading interval, a regulation provider may generate more or less energy than it had planned to. This additional energy is accounted for in energy settlement calculations, where participants pay penalty rates for their out of balance energy.

The remaining contract payments must still be recovered. Currently, these costs are allocated to participants based on the difference between their maximum load and their minimum load for the entire three-year reference period. This does not reflect the predictability of the load, and does not reflect what drives the regulation requirement.

Causers of the need for regulation are those whose net generation or consumption varies from their scheduled quantity within a dispatch interval – i.e. those with energy imbalances.

Implementation: Regulation (2)

There are two options to allocate costs based on energy imbalances. Both need interval level scheduling and meter data.

- Per trading interval:
 - divide regulation costs across half-hour intervals so that costs are higher in intervals where the requirement is higher
 - allocate those costs to participants based on the absolute value of the difference between the scheduled quantity and the metered quantity in that interval.
- Per settlement period:
 - Calculate regulation costs for the settlement period as a whole
 - Calculate the difference between the scheduled quantity and metered quantity in each interval
 - Allocate costs based on the sum of the absolute values of per-interval energy imbalances.

What implementation issues do members see for this approach?

Exemptions from funding ESS costs

- Contingency reserve:
 - where a participant provides its own reserve for a supply facility behind the connection point which does not export, then it need not contribute to system-wide ESS costs.
 - To exclude a supply facility behind a connection point from the runway allocation, the ISO must be satisfied that it need not provision reserve for that facility. That means that the participant must demonstrate that it has automated mechanisms in place to automatically shed load if the supply facility trips.
- Regulation:
 - Participants cannot be exempted from contributing to regulation costs.
 - Participants can theoretically reduce their exposure to zero by accurate operation.

