Department of Energy and Economic Diversification
GOVERNMENT OF WESTERN AUSTRALIA

Energy Policy WA

Meeting Agenda

Meeting Title:	Pilbara Advisory Committee (PAC)
Date:	Thursday 12 November 2026
Time:	1:30 PM – 3:30 PM
Location:	Online

#	Item	Responsibility	Type	Duration
1	Welcome and Agenda • Conflicts of interest • Competition Law	Chair	Noting	3 min
2	Meeting Apologies/Attendance	Chair	Noting	2 min
3	Minutes of Meeting 2025_09_17 Published 26 October 2026	Chair	Noting	2 min
4	PAC Action Register	Chair	Noting	5 min
5	Pilbara Advisory Committee Review – Summary of Feedback and Proposed Responses	Chair	Discussion	15 min
6	Mitigating Competition Risk in the Pilbara Networks Rules – Pre-Development Rule Change Consultation	ISO	Discussion	30 min
7	EPNR Working Group Update • Outage coordination framework • Essential System Services cost allocation	ISO / DEED (RBP)	Discussion	45 min
8	PAC Meeting Schedule for 2027	Chair	Noting	10 min
9	General Business	Chair	Discussion	8 min
	Next meeting: 11 March 2027 at 1:30pm			

Please note, this meeting will be recorded.

Competition and Consumer Law Obligations

Members of the PAC (**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 PAC 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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Agenda Item 4: PAC Action Register

Pilbara Advisory Committee (PAC) Meeting 2026_11_12

Shaded	Shaded action items are actions that have been completed since the last PAC meeting. Updates from last PAC meeting provided for information in RED.
Unshaded	Unshaded action items are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

Item	Action	Responsibility	Meeting Arising	Status
5/2026	Powering WA to provide a further update to the PAC on CEFC funding allocation when additional information becomes available. This action relates to item 6. PAC ACTION REGISTER presentation by Ms Barrie in the 21 May 2026 PAC meeting.	DEED	2026_05_21	Open – No further update – EPWA to update the PAC if information becomes available.
7/2026	DEED to review the need for a head of power for manual load shedding and for the ISO to develop and publish a Manual Load Shedding Priority List. This action relates to item 5. UPDATE ON THE EPNR in the 17 September 2026 PAC meeting.	DEED	2026_09_17	Closed – DEED considers a Manual Load Shedding Priority List will assist the ISOCo in managing system risk, however the List will not be made available publicly to address confidentially concerns.

Item	Action	Responsibility	Meeting Arising	Status
8/2026	PAC members to provide written feedback on the Tranche Zero Amending Rules to DEED by COB Monday, 21 September 2026. This action relates to item 5. UPDATE ON THE EPNR in the 17 September 2026 PAC meeting.	PAC Members	2026_09_17	Closed – several members provided written feedback to DEED via email, changes have been considered and implemented where appropriate.
9/2026	DEED to provide PAC members with an update on the PNR reform program at the next PAC meeting. This action relates to item 6. REVIEW OF THE PILBARA ADVISORY COMMITTTEE in the 17 September 2026 PAC meeting.	DEED	2026_09_17	Closed – An update is provided in the forward work program (Attachment 2 - Agenda Item 5) in the Meeting Papers.

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Agenda Item 5: Pilbara Advisory Committee Review - Outcomes

Pilbara Advisory Committee (**PAC**) Meeting 2026_11_12

1. Purpose

To seek PAC feedback on the summary of members' views on the PAC's effectiveness, proposed improvement actions and supporting rationale, and the indicative forward work program.

2. Recommendation

That the PAC:

1. discuss the summary of member's feedback, proposed actions and supporting rationale in Attachment 1; and
2. provide feedback on the indicative forward work program in Attachment 2.

3. Background

- At the 17 September 2026 PAC meeting, members were asked to discuss the effectiveness of the PAC in performing its intended role and to identify whether any changes are required to ensure that the PAC provides effective advice to the Coordinator regarding the evolution or the development of the Pilbara regime.
- Member feedback is recorded in the Meeting Minutes published on the Coordinator's website on 26 October 2026.

Summary of views and proposed actions

- **Attachment 1** summarises members' feedback, proposed actions to improve the PAC's effectiveness and DEED's supporting rationale for PAC consideration.

Forward work program

- Members requested greater visibility of upcoming matters to support preparation and participation.
- DEED's ability to provide a comprehensive forward work program is currently limited by:
  - the absence of an approved reform implementation plan, which is pending Ministerial approval; and
  - limited visibility of the timing and content of Rule Change Proposals that may be submitted for PAC consideration.
- In the interim, reform work is being informed by the 'no regrets' initiatives discussed at the 26 March 2026 PAC meeting. **Attachment 2** provides an indicative forward work program reflecting these priorities and known or anticipated Rule Change Proposals.

4. Next Steps

- Subject to PAC feedback, DEED will implement the proposed actions.

5. Attachments

1. Summary of members' views, proposed improvement actions and supporting rationale
2. Indicative forward work program (November 2026)

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Attachment 1 – PAC Effectiveness review summary

Pilbara Advisory Committee (**PAC**) Meeting 2026_11_12

Table 1: PAC Effectiveness review – summary of member views, proposed actions and DEED rationale

Feedback / Issue	Proposed Action	Rationale
Member input and emerging issues: Members value the opportunity to raise issues and shape proposals, but some items can appear to present settled DEED positions.	Provide a standing opportunity for members to raise emerging issues and suggest future agenda items in 'Other Business'. Clearly identify the advice sought on each substantive item, matters open for discussion and any decisions already taken.	This further recognises the strategic advisory role of the PAC, allowing members to raise emerging issues, and gives other PAC members opportunity to discuss potential solutions as and when issues arise.
Use of working groups: Members consider working groups the appropriate forum for progressing detailed or technical matters.	Refer detailed or technical matters to working groups where appropriate, with findings and recommendations brought back to the PAC for strategic consideration.	Working groups allow detailed issues to be examined while preserving PAC meeting time for strategic advice, material policy choices and implications across the reform program.
Earlier meeting papers: Members considered that providing meeting papers earlier, particularly if matters require input from other areas within their organisations, would allow their organisations to better contribute to the aims of the PAC.	Retain the usual circulation of meeting papers one week before meetings.	Meeting papers are provided to the Chair two weeks before scheduled meeting for consideration and then circulated to members one week beforehand, this process and secretariat workload limits the scope for earlier distribution.

Opportunity for substantive discussion: The breadth of the work program can prevent members from working through substantive positions during meetings.	Review agenda priorities and time allocations before each meeting, taking account of matters identified by members. Where necessary, provide additional discussion time or seek further input through working groups or written feedback.	Matching the agenda and consultation approach to the complexity of each issue will help members develop considered advice.
Written feedback between meetings: Members support providing written feedback, provided substantive feedback and requests for changes are transparent to all members.	Members will continue to be invited to share comments and feedback with DEED and other PAC members in advance of meetings to help facilitate discussion and advance issues. The Secretariat will continue to facilitate out-of-session communication for the PAC.	Written feedback allows members to develop their views beyond the time available in meetings. Sharing substantive input maintains transparency and gives other members an opportunity to respond.
Clarity of advice, outcomes and actions: Members are uncertain about the final outcomes of meetings and whether recorded actions accurately reflect discussions.	The Chair will endeavour to summarise and clarify advice within the meeting wherever possible. Members should ensure the Minutes accurate capture substantive views and advice discussed in the meeting. EPWA will ensure policy artefacts (consultation papers and information papers) summarise feedback received from the PAC and its working group(s) and how those views have been addressed.	Accurate minutes provide a clear record of members' substantive views and advice. Explaining how PAC feedback has been addressed in subsequent policy papers improves transparency and helps members understand how their contributions have informed policy development.
Meeting frequency: Members generally supported a flexible meeting schedule aligned with the forward work program and matters requiring PAC consideration.	Schedule PAC meetings in advance and in coordination with DEED's other stakeholder committees. Where practicable, align the timing of work program milestones and matters requiring PAC advice with the meeting calendar.	Advance scheduling is necessary to accommodate the availability of the Chair, members and secretariat and avoid clashes with DEED's other stakeholder committees. Aligning the work program with the meeting calendar

		supports timely PAC consideration of relevant matters.
Forward work program: Members requested DEED develop a longer-term forward work program to provide greater visibility of upcoming issues and enable organisations to plan their participation.	An indicative forward work program for 2026/27 is provided as Attachment 2 this paper.	A forward work program supports preparation and participation. Timing remains indicative pending a refresh and approval of the implementation roadmap, and the program will need to accommodate emerging issues as well as Rule and Procedure Change Proposals. DEED will consult the PAC on a refreshed implementation roadmap in Q2 2027.
Member guidance and induction: Members noted that providing clearer guidance to new members on the PAC's role, processes and how advice and actions arising from meetings are recorded would improve effectiveness.	Develop an introductory pack covering the constitution, membership, meeting schedules, previous meeting minutes and previous consultation and information papers.	Background information helps new and existing members to participate effectively.
Pilbara Networks Access Code: One member noted the PAC's scope should be expanded to provide a forum for matters relating to the Pilbara Networks Access Code.	Retain the PAC's existing scope. DEED has established an Access Evolution Working Group, which held its inaugural meeting on 3 November 2026, to provide a dedicated forum for access-related matters.	The Access Evolution Working Group provides a dedicated avenue for considering access-related matters without expanding the PAC's scope. DEED will coordinate internally to support consideration of overlapping issues and avoid duplication. A member of the relevant DEED team will be invited to all PAC meetings

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Attachment 2 –Forward work program

Pilbara Advisory Committee (**PAC**) Meeting 2026_11_12

The indicative forward work program will be updated following approval of the reform implementation roadmap, which will provide greater visibility of planned activities beyond 2026/27.

Indicative Forward Work Program (12 November 2026)		
Activity	**Description**	**Progress and next steps**
Tranche Zero	Tranche Zero progresses amendment rules to address priority issues agreed at the 26 March 2026 PAC meeting, as well as other issues subsequently identified by the PAC. These include: • changes to the Harmonised Technical Rules (HTR) to implement working group recommendations; • suspending the ISO's long-term planning functions schedule to commence in 2027; • creating a requirement for, and providing broader access to, a reduced power system model; • requiring the ISO to develop a manual load shedding list; and • removing the requirement for equipment to be non-compliant to be eligible for Connection Point Compliance.	• The PAC provided feedback on the draft Exposure Draft at its meeting on 17 September 2026. • The Exposure Draft of PNR Amending Rules will be submitted to the Minister's Office for approval in November 2026. • Next steps: ▪ Four-week public consultation on Exposure Draft ▪ Consideration of stakeholder feedback and any appropriate amendments, and submission of the Amending Rules to the Minister for making and gazettal.

Indicative Forward Work Program (12 November 2026)		
EPNR Consultation Paper (No regrets)	DEED's Consultation Papers include draft policy positions for public consideration. The No regrets Consultation Paper will outline options and recommended policy positions to: ▪ ensure the cost allocation framework for ESS does not deter renewable energy and storage participation; ▪ clarify long term planning roles and functions in the NWIS; ▪ establish a network service provider (NSP)-to-NSP connection framework to support the potential interconnection of new networks to the NWIS; and ▪ reform the outage planning framework to mitigate competition law risks and ensure appropriate risk assessment processes inform outage coordination and mitigation measures.	• These initiatives have been a focus of the working group throughout 2026. • Drafting of the Consultation Paper has commenced. Further working group meetings may be held, if required, to inform development of policy options and recommendations. ▪ This may include further consideration of the technical standards required for a CPC Network. ▪ The ISO is currently refining a Concept Draft of a proposed new Chapter 6, 'Requirements for Connection Point Compliance', for the HTR. • The Consultation Paper is expected to be published in Q1 2027.
Project Plan to Bring the ISO Control Desk In-House	The Draft EPNR Implementation Plan tasks the ISO with developing a project plan to bring the control desk in-house. This was confirmed as 'no-regrets' reform at the 26 March 2026 PAC meeting.	• The ISO has appointed a consultant to assist them in developing a Project Initiation Plan ▪ The Plan will identify issues that need to be resolved in transitioning to an in-house ISO control desk. It will not recommend how those issues should be resolved, but will outline the process, timing and interdependencies involved. • The ISO is currently targeting public consultation on the updated Project Plan by the end of 2026, subject to internal approvals.

Indicative Forward Work Program (12 November 2026)		
Rule Change Proposal - Proposed Amendments to Reduce Competition Law Risk	Subject to consideration of PAC feedback, the ISO has indicated it may develop and submit a Rule Change Proposal aimed at reducing competition law risks before the current ACCC authorisation expires. Potential amendments including: • reducing competition law risks by limiting the extent to which NSPs are required to reach consensus or make collective decisions; • enabling a broader range of affected stakeholders to contribute to decisions; and • increasing transparency by replacing closed, small-group deliberations with clearly documented processes and public consultation.	• Rule A2.5.1A PAC consultation on 12 November 2026. • The Rule Change Proposal is anticipated for Q1 2027.
Refresh Implementation Roadmap	DEED will go through a process to 'refresh' the draft Implementation Plan published in October 2025. This will include consultation with the PAC on a 'refreshed' Implementation Roadmap.	• Consultation with PAC in Q2 2027

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Agenda Item 6: Mitigating Competition Risk in the Pilbara Networks Rules

Pilbara Advisory Committee (**PAC**) Meeting 2026_11_12

1. Purpose

The purpose of this agenda item is for the ISO to consult the Pilbara Advisory Committee (PAC), under Rule A2.5.1A of the Pilbara Networks Rules (Rules), prior to commencing the development of a Rule Change Proposal. The proposed changes would remove provisions in the Rules, that expressly call for anti-competitive conduct and reframe provisions that create circumstances that increase the risk of anti-competitive conduct. The ISO also proposes a targeted review of the Harmonised Technical Rules (HTR) in Appendix 5 limited to determining whether any provisions require or facilitate Network Service Providers (NSP) to NSP agreements or coordination that may give rise to competition law risk.

2. Recommendation

That the PAC:

(1) notes the information provided in the Concept Paper (**Attachment 1**); and

(2) provide advice, comments or objections on the proposed approach to developing the Rule Change Proposal; and

(3) provide its views on the appropriate Rule Change process, including whether the abridged Standard Rule Change process should be used

3. Background

Certain provisions of the Rules and HTR expressly require or encourage cooperation, collaboration or other forms of engagement between Rules Participants. Where Rules Participants are actual or potential competitors, these provisions may give rise to competition law risks under the *Competition and Consumer Act 2010* (Cth), including risks associated with anti-competitive agreements or cartel conduct. Any review of the HTR will be limited to determining whether provisions require or facilitate NSP to NSP agreements or coordination. The review of the HTR is not intended to reconsider NSP user interactions that are necessary to support access arrangements and access contracts.

The proposed amendments seek to minimise these risks by removing or reframing potentially problematic requirements, where appropriate. Thirteen words used throughout the Rules have been identified as potentially raising competition concerns and classified according to their level of competition risk:

- Class 1 (highest risk): Words which imply agreement is required: agree, collaborate, cooperate, coordinate, consensus.
- Class 2 (intermediate risk): Words that contemplate discussion or engagement through which agreement may occur, but do not require agreement in the same way as Class 1

words: consult, confer, liaise. Many instances involve only bilateral engagement between the ISO and one other person, in which case the competition law risk is lower.

- Class 3 (lowest risk): These words do not necessarily require a process in which agreement could occur. Many simply imply that someone providing information to someone else: discuss, communicate, collective, manage, assist.

The ISO is considering developing a Rule Change Proposal to amend the Rules to remove or reframe these terms, where appropriate, having regard to their relative competition law risk and the intended operation of each provision.

In accordance with Rule A2.5.1A, before commencing the development of a Rule Change Proposal, the ISO must consult with the PAC on:

- the matters to be addressed by the Rule Change Proposal and, if applicable, the nature and scope of the support or assistance requested by another party;
- what options exist to resolve the matters to be addressed by the Rule Change Proposal;
- the ISO's estimated costs to be recovered through fees of developing the Rule Change Proposal or providing the support or assistance requested by the other party;
- whether and when the ISO should develop the Rule Change Proposal or if the ISO should provide the support or assistance requested by another party; and
- whether and how the Pilbara Advisory Committee will be consulted during the development of the Rule Change Proposal.

The ISO must take account of any feedback the PAC may provide in deciding whether, when and how to develop the Rule Change Proposal.

4. Next Steps

Taking account of any matters raised by the PAC in the meeting, the ISO may develop a Rule Change Proposal to amend and remove troublesome words used throughout the Rules and, where necessary limited amendments to the HTR, submit a Rule Change Proposal for consideration by the PAC.

5. Attachment

(1) Concept paper – Mitigating Competition Risk in the Pilbara Network Rules.

12 November 2026

CONCEPT PAPER – MITIGATING COMPETITION RISK IN THE PILBARA NETWORK RULES

Introduction

Provisions in the Pilbara Networks Rules (Rules) that require or contemplate collaboration, cooperation, coordination, consultation and other forms of interaction between participants, where the participants are actual or potential competitors, may give rise to competition law risk under the *Competition and Consumer Act 2010*.

Pilbara ISOCo (ISO) is considering amendments to Rules provisions that expressly require or facilitate potentially anti-competitive interaction. This will include a limited review of the Harmonised Technical Rules (HTR) in Appendix 5 of the Rules focused on identifying provisions that require or facilitate NSP-NSP agreement and, considering whether amendments are appropriate to reduce competition law risk.

The proposed amendments would reduce competition law risk by:

- eliminating, where practicable, provisions which expressly require agreement, consensus, or similar conduct between competitors;
- reframing provisions which unnecessarily create circumstances in which agreement between competitors may occur;
- clarifying decision-making responsibility, including by giving the ISO clearer decision-making roles where appropriate; and
- retaining necessary information-sharing, consultation, and operational interaction where this can occur without requiring agreement between competitors.

This Concept Paper is provided for the consideration of the Pilbara Advisory Committee (PAC) under Rule A2.5.1A of the Rules, and invites PAC's advice, comments, or objections on the proposed approach.

Background

The Pilbara electricity regime requires coordination and information sharing between the ISO and network service providers (NSPs) to support the secure and reliable operation of the North West Interconnected System (NWIS). This creates competition law risks because several NSPs are vertically integrated and are actual or potential competitors in generation, retail, or consumption markets. The current Rules reflect the informal practices that existed when the regime commenced in 2021 and rely on collaboration and, in some areas, consensus between NSPs.

Competition risk within the Rules can arise from three related features:

(a) the vertical integration of many key participants;
(b) the need for interconnected networks to coordinate certain activities; and
(c) provisions in the Rules which expressly emphasise cooperation and collaboration.

The ISO and other participants rely on an authorisation from the Australian Competition and Consumer Commission (ACCC), which expires on 31 January 2028, to protect necessary coordination under the Rules. In granting it, the ACCC stated:

> *"The ACCC considers it appropriate that policy and regulatory mechanisms other than the authorisation framework provide the forum for longer term, comprehensive reviews of the Pilbara Regime including governance controls. The ACCC considers that this shorter period of authorisation [3 years instead of the requested 5 years] is likely to allow sufficient time for ongoing reviews of the Pilbara Regime to be conducted, reports to become publicly available, and for recommendations to be implemented."*[i1]

The ACCC consulted interested parties before making its decision, receiving submissions from:

- Rio Tinto;
- BHP;
- Woodside Energy;
- APA;
- Horizon Power; and
- the Shire of Ashburton.

The submissions and the ACCC's summary of the authorisation are available on the ACCC public register.

As the NWIS grows, with additional participants and increasing inverter-based technology adding to system complexity, coordination and operational decision-making are also becoming more complex. The ISO therefore proposes targeted Rule changes to reduce the circumstances in which competitors make decisions collectively, and to move towards a model in which the ISO makes relevant decisions following appropriate consultation. These changes are intended to complement the Government's broader reform of the Rules and to guide future Rule changes.

Condition 5 of the authorisation requires the ISO to report any change to the Pilbara Regime, including Rule amendments, to the ACCC within 5 business days of it taking effect. The report must summarise the change, state when and how it took effect, give the ISO's view on whether it affects the authorised conduct, and say whether the authorisation needs to be varied. The ISO will report any Rule change arising from this proposal in this way.

The proposed changes will reduce, but not eliminate, competition law risk. The ISO is therefore progressing the Rule changes while preparing to seek renewed ACCC authorisation for the conduct that will still require it. The renewal application is expected to be lodged by May 2027 (see the timetable below), and progress on the Rule changes will be an important part of the ISO's re-authorisation strategy.

Matters to be addressed by Rule Change Proposal

The amendments will remove or reframe provisions that unnecessarily require or facilitate agreement between competitors. They are not expected to eliminate all competition risk. Each provision will be assessed in context, including the activity involved and whether it requires agreement between competitors.

A preliminary review has identified a number of words used throughout the Rules that may indicate different levels of competition risk depending on the context in which they are

[1] ACCC, *Final Determination on Authorisation AA1000666-1*, 18 December 2024, page 2

used, the parties involved and the nature of the interaction required or contemplated. The words have been categorised into three classes according to their preliminary level of risk:

Class	Words	Preliminary risk
Class 1 – Highest risk	Agree, collaborate, cooperate, coordinate, consensus	Imply that agreement between participants is required.
Class 2 – Intermediate risk	Consult, confer, liaise	Creates an opportunity for agreement but does not necessarily require an agreed outcome in the same way as Class 1 words.
Class 3 – Lowest risk	Discuss, communicate, collective, manage, assist	Often relates principally to communication of information and does not necessarily provide for agreement.

For the HTR, the review will be limited to identifying whether any provisions require or facilitate NSP–NSP agreement and, if so, considering options to reduce competition law risk. The HTR predominantly involve NSP–user interactions. In an open-access regime involving vertically integrated NSPs, those interactions create a degree of competition law risk that cannot practically be removed because access contracts remain necessary. Accordingly, the ISO proposes a targeted review of NSP–NSP provisions in the HTR.

Options considered

The ISO's preferred approach is to prioritise provisions containing Class 1 words which present the highest competition risk, while also reviewing Class 2 and Class 3 provisions where their context identifies a material competition risk or a need to clarify decision-making responsibility. This approach recognises that the use of an identified word does not, of itself, mean that a provision requires amendment:

- Where a provision uses terms such as "cooperate" or "coordinate" but does not require agreement between competitors, it may remain unchanged or be amended to clarify the action required. For example, where "cooperate" means only "participate" or "provide information," the provision could be reframed as an explicit obligation to undertake that action. Examples that could be considered include:
    - Rule 63(6): cooperation with the ISO in determining compensation;
    - Rule 147(1)(b): cooperation by an NSP through the provision of data; and
    - Rule 312(5): cooperation by a person with an investigator.
- Class 2 and Class 3 terms would also be considered where their context indicates a material competition risk. Where appropriate, provisions could be amended to distinguish between consultation, information-sharing, and decision-making. Examples for consideration include:
    - Rule 72(4): consultation by the ISO with affected participants regarding how planning criteria interactions are to be managed;
    - Rule 80(4)(b): consultation in relation to pre-contingent processes; and
    - Rule 175: liaison by the ISO with NSPs and Essential System Services providers regarding system coordination matters.

One alternative considered is for the ISO to seek renewal of the ACCC authorisation without first progressing changes to the Rules. This is not the preferred approach. The ACCC granted the current authorisation for a limited period and indicated that longer-term competition issues would be more appropriately addressed through policy and regulatory mechanisms than through continued reliance on the authorisation framework. While the Government-led reform of the Rules is continuing, its scope and timing remain uncertain. The ISO is therefore proposing targeted changes to remove or reframe provisions that currently depend on the authorisation, so that any renewed authorisation can be confined to the conduct that genuinely requires ongoing protection. Seeking re-authorisation without demonstrating this progress would be inconsistent with the direction identified by the ACCC and could weaken the supporting case for renewed authorisation.

The ISO's preferred approach is subject to any stakeholder feedback received.

Costs, Benefits and Risks

External drafting of the proposed Rule amendments is estimated to cost $150,000, which the ISO can fund from its existing budget. The associated changes to subordinate procedures will be made using internal resources.

The anticipated benefits are:

- removing or reframing provisions that expressly require or facilitate potentially anti-competitive agreements or conduct;
- reducing circumstances in which competitors are unnecessarily brought together to determine operational outcomes;
- providing clearer allocation of decision-making responsibility;
- distinguishing more clearly between consultation, information exchange, and decision-making; and
- demonstrating progress in addressing residual competition risks in the Pilbara regime.

The principal implementation risk is that some existing collaborative arrangements may remain necessary for the effective operation of the NWIS and cannot be removed. The ISO will work with industry stakeholders to identify these arrangements and demonstrate where the public benefits outweigh any competitive detriment. This will inform the scope and supporting case for ACCC re-authorisation.

Proposed Process

The ISO will consider any advice, comments or objections from any member or observer of PAC in deciding whether, when and how to develop the Rule Change Proposal.

The timeline below assumes that the Rule Change Proposal will follow the Standard Rule Change process under Appendix 2 of the Rules, without extensions of time. The Standard Rule Change process must be used unless the Coordinator of Energy (Coordinator) determines that the Fast Track or abridged process applies. Where reasonably practicable, the Coordinator must give PAC an opportunity to comment before determining the process.

The timetable has limited contingency. The ISO aims to complete the Rule change before lodging its ACCC reauthorisation application, so that the application reflects the amended Rules and focuses on any residual competition risks. On the minimum Appendix 2 timeframes and with no extensions, the Standard Rule Change process would conclude on approximately 23 April 2027, only around three weeks before the proposed lodgement. Any extension or delay could compromise this sequencing, so the Rule change should be progressed as a matter of priority.

Item	Appendix 2 timeframe	Indicative Date
Concept paper considered by PAC	Consultation before development of proposal (Rule A2.5.1A)	12 Nov 2026
Rule Change Proposal submitted to Coordinator	Submission initiates Rule Change Process (Rule A2.5.1)	30 Nov 2026
Coordinator to publish Rule Change Proposal notice	Within 7 Business Days of receiving proposal (Rule A2.5.7)	9 Dec 2026
First Submission Period closes	30 Business Days after publication of notice (Rule A2.7.1A)	25 Jan 2027
Draft Rule Change Report	Within 20 Business Days after First Submission Period (Rule A2.7.6)	23 Feb 2027
Second Submission Period closes	At least 20 Business Days (Rule A2.7.6)	24 Mar 2027
Final Rule Change Report	Within 20 Business Days after Second Submission Period Closes (Rule A2.7.7A)	23 Apr 2027
Target ACCC Reauthorisation application	Project milestone	14 May 2027
Current ACCC Authorisation expires	Existing authorisation	31 Jan 2028

*Indicative dates assume the Rule Change Proposal notice is published on 9 December 2026, the minimum periods under Appendix 2 are used, there are no extensions, and relevant Western Australian public holidays are excluded when calculating Business Days.

Abridged Standard Rule Change Process

PAC may wish to ask the Coordinator to use the abridged Standard Rule Change process under Rule A2.5.9A(a). It follows the Standard Rule Change process but reduces the first submission period from 30 Business Days to a minimum of 10 days and the second from at least 20 Business Days to a minimum of five Business Days. This would provide additional contingency for completing the Rule change before the ACCC reauthorisation application is lodged.

Recommendation

That the Pilbara Advisory Committee:

- Note the issues and options outlined in this paper;
- provide advice, comments, or objections on the proposed approach to developing the Rule Change Proposal; and
- provide its views on the appropriate Rule Change process, including whether the abridged Standard Rule Change process should be used.

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Energy Policy WA

Agenda Item 7: EPNR Working Group Update

Pilbara Advisory Committee (**PAC**) Meeting 2026_11_12

1. Purpose

For Pilbara ISOCo and Energy Policy WA (EPWA) to update the PAC on the proposed outage coordination and Essential System Services (ESS) cost allocation frameworks following the September, October and November 2026 Evolution of the Pilbara Networks Rules (EPNR) Working Group meetings.

2. Recommendation

That the PAC notes:

- the proposed outage coordination framework outlined in Attachment 1, including the changes made in response to Working Group feedback, and raises any concerns for discussion; and
- the proposed ESS cost allocation framework outlined in Attachment 2, including the changes made in response to feedback from the Working Group, and raises any concerns for discussion.

3. Background

- The PAC's EPNR Working Group has been contributing to the evolution of the Pilbara Networks Rules.
- Three Working Group meetings have been held since the previous PAC meeting:
  - 23 September 2026 – foundations of the outage coordination framework;
  - 14 October 2026 – design of the outage coordination framework (led by ISO) and ESS cost allocation for contingency (led by DEED); and
  - 4 November 2026 – testing of the proposed outage coordination rule architecture (led by ISO) and ESS cost allocation for regulation (led by DEED).
- These discussions built on earlier consultation and progressively developed and tested the outage coordination and ESS cost allocation frameworks.
- The outage coordination and ESS cost allocation frameworks are both included in the "no-regret" PNR reform measures presented to the PAC at its 26 March 2026 meeting.

4. Update

Outage coordination

- The three Working Group meetings progressively developed and tested the proposed rule architecture, with organisations invited to involve subject matter experts in system operations and outage coordination.
- The Working Group considered:
  - the Outage Planning List and proportionate pathways for different types of outages;

  - Information, timing and consultation requirements;
  - a common risk assessment framework and NWIS risk appetite;
  - the scope and limits of ISO approval and coordination;
  - Materially Affected Requests and urgent and opportunistic outages; and
  - outage scheduling, confidentiality and supporting procedural arrangements.

- Feedback focused principally on ensuring that ISO's role is proportionate, Participant autonomy is preserved, consultation remains effective and sensitive information is appropriately protected. The proposed architecture has been refined in response, including through proportionate outage pathways, limits on ISO approval and coordination, and specific arrangements for materially affected, urgent and opportunistic outages.
- Some Participants supported retaining System Coordination Meetings. These meetings continue to present competition risks and retaining them would require the ACCC authorisation renewal to demonstrate public benefits that outweigh those risks.

Matters for PAC discussion

- Having regard to the detailed Working Group consultation undertaken, PAC members are invited to raise any material concerns with:
  - the proposed balance between ISO coordination and Participant autonomy; and
  - the proposed approach to System Coordination Meetings and associated competition risks.
- The detailed proposed framework and Working Group feedback are summarised in Attachment 1.

ESS cost allocation update

- The ESS cost allocation proposals include a runway method for contingency reserve raise (CRR) and allocation of Frequency Control ESS (FCESS) costs based on trading interval imbalances, with costs either weighted by trading interval or aggregated by settlement period.

Matters for PAC discussion

- Members' views are sought on the proposed approach to CRR and FCESS cost recovery, building on the working group comments summarised in Attachment 2.

5. Next Steps

- Following the PAC meeting, ISO will consolidate the outage coordination outcomes and EPWA will consolidate the ESS cost allocation outcomes for inclusion in EPWA's Consultation Paper and subsequent public consultation and Rule Change Process.

6. Attachment

(1) Agenda Item 7 – Attachment 1 – ISOCo update on the outage coordination framework

(2) Agenda Item 7 – Attachment 2 – DEED update on ESS cost allocation reforms



Outage Coordination Outcomes

Pilbara Advisory Committee

12 November 2026

Pilbara ISOCo
Independent System Operator

Overview

- The proposed outage coordination reforms seek to:
  - provide a consistent framework to manage security and reliability risks;
  - reduce competition risks and reliance on ACCC authorisation; and
  - preserve participant autonomy through a proportionate outage coordination framework.
- Following previous consultation and three EPNR Working Group meetings, this pack summarises the problem, what we heard and the updated proposed process.

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Why change the current process?

Current approach

Planned outages are coordinated through the System Coordination Meeting, including direct information sharing, risk discussions and coordination between participants.

Outside scheduling conflicts, the current framework does not provide ISO with a clear mechanism to respond where there are PSSR concerns.

Three issues

- **Framework:** No consistent requirements for the timing and content of outage information, or common framework for assessing risk against a risk appetite.
- **Coordination:** Participants may have different risk tolerances, with limited mechanisms to resolve material impacts.
- **Competition:** Competitor-to-competitor coordination and information sharing create competition-law risk.

Design principles

- Address these issues, while preserving Participant autonomy where practicable
- Preserve Rule 5 and Pluto carve-outs.

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What the new framework needs to enable

01 **Risk Appetite**
Establish a NWIS Risk Appetite for planned outages

02 **Common Framework**
Apply a standard process for assessing material PSSR risks

03 **Assessment**
Assess outage risk against the common framework

04 **Coordinate**
Coordinate material impacts and, where necessary, determine proportionate changes to timing, sequencing or mitigation.

Having regard to the Pilbara Objectives

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How we got here

- The Working Group process has built on earlier consultation processes including: EPNR Consultation Paper, Implementation Plan, Blackout Investigation and Subchapter 7.3 and 7.4 Review.
- Three EPNRWG meetings were held to test the proposed design and understand and respond to industry concerns.



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Outage Coordination Rule Architecture

FOUNDATIONS Scoping, defining and filtering the Outage Coordination requirements and process

PURPOSE + APPLICATION
Sets objectives + scope. Participants remain responsible for own assets. Avoids duplication of existing technical, safety or planning obligations. Sets responsibilities in outage coordination.

DEFINITIONS
Core concepts e.g. Outage Plan, Outage Window, Material Change, Notifiable Activity, PSSR Risk, Affected Registered Participant, Materially Affected Request.

OUTAGE PLANNING LIST
Identifies facilities, equipment or activities that may materially affect PSSR and may require Notification or an Outage Plan. Defines process of changing this list.

Planning List application

PATHWAYS Application of the Outage Planning List determines Outage Planning Pathway

EXCLUDED
No ISO involvement

NOTIFIABLE
ISO assesses schedule risk

OUTAGE PLAN
ISO assessment

Coordination required

OUTAGE PLAN Requirements of Outage Requestor and ISO for Coordinated Pathway

PLAN
Specifies timing and minimum information of Outage Plan.

CONSULT
Direct, good-faith consultation with existing contracted parties who may be affected.

ASSESSMENT
Defines how ISO assesses Outage Plans for completeness, PSSR risk, mitigations, schedule conflicts, NWIS risk appetite

DECIDE
Requires ISO to decide ≤2 weeks. ISO must approve unless material PSSR impact outside risk appetite. Approve with reasonable conditions or reject (limited).

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Outage Coordination Rule Architecture

SAFEGUARDS For Affected Participants, plan changes, information, compensation and procedures

ISO APPROVAL OF PLANNED OUTAGES
ISO ultimately approves Outage Plans based on assessment of material PSSR impact

→

PROPORTIONALITY IN ISO DECISIONS
"material PSSR impact" linked to NWIS risk appetite, limiting the scope/cost of ISO's risk mitigation

MATERIALLY AFFECTED REQUESTS
Allows Affected Participant to seek ISO Coordination if not resolved in the consultation process and impacts are material and demonstrable.

→

ISO OUTAGE COORDINATION
Use the least-burdensome practicable change to timing, sequencing or mitigation.

OPPORTUNISTIC MAINTENANCE
Expedited process for unexpected maintenance opportunities that could not reasonably have been scheduled.

→

ISO COORDINATION
ISO may determine whether the request qualifies as opportunistic and assesses it having regard to PSSR risk, impacts on other outages/Participants, subject to available resources.

MONITOR, CHANGES + URGENT
Non-material updates allowed within outage window; revised Outage Plan for material change/ extension.

WITHDRAWAL + RECALL
Limits withdrawal/ recall to PSSR risk and requires prompt notice, reasons, and safe and practicable alternatives.

SCHEDULE + CONFIDENTIALITY
Requires ISO to maintain outage schedule and protect confidential information.

DISPUTES + COMPENSATION
Provides review and dispute rights of specific ISO decisions and provides compensation for late withdrawal or recall of ISO approval.

OUTAGE COORDINATION PROCEDURE
Detailed operational and administrative matters including lists, criteria, methodologies, templates, timeframes and expedited processes to be specified in a procedure.

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Key adjustments from feedback

What we heard	Proposed response
Limit ISO's role	Three proportionate pathways; ISO involvement targeted to material PSSR risk
Need consistent risk assessment	Common assessment framework and NWIS risk appetite
Preserve consultation	Direct consultation where lawful; ISO-supported consultation where needed
Concern about ISO approval	Approval retained, but ISO must approve unless the outage presents a material PSSR risk outside the NWIS risk appetite
Need flexibility	Materially Affected Requests plus urgent and opportunistic pathways
Protect sensitive information	Controlled outage schedule and confidentiality requirements
Retain System Coordination Meetings	System Coordination Meetings present a significant competition risk for ISO and vertically integrated NSPs. Retaining System Coordination Meetings would require the ACCC authorisation renewal to demonstrate public benefits that outweigh the competition risks.

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Detailed operational matters to be developed through the Outage Coordination Procedure

Next Steps

Now | PAC feedback on the proposed design

Next | ISO consolidates consultation feedback into EPWA's Consultation Paper

Then | EPWA progresses public consultation and the Rule Change Process

Discussion: Does PAC have any further feedback on the proposed outage coordination process design?

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Department of
Energy and Economic Diversification

ESS Reforms

EPNR Review outcomes: ESS cost recovery

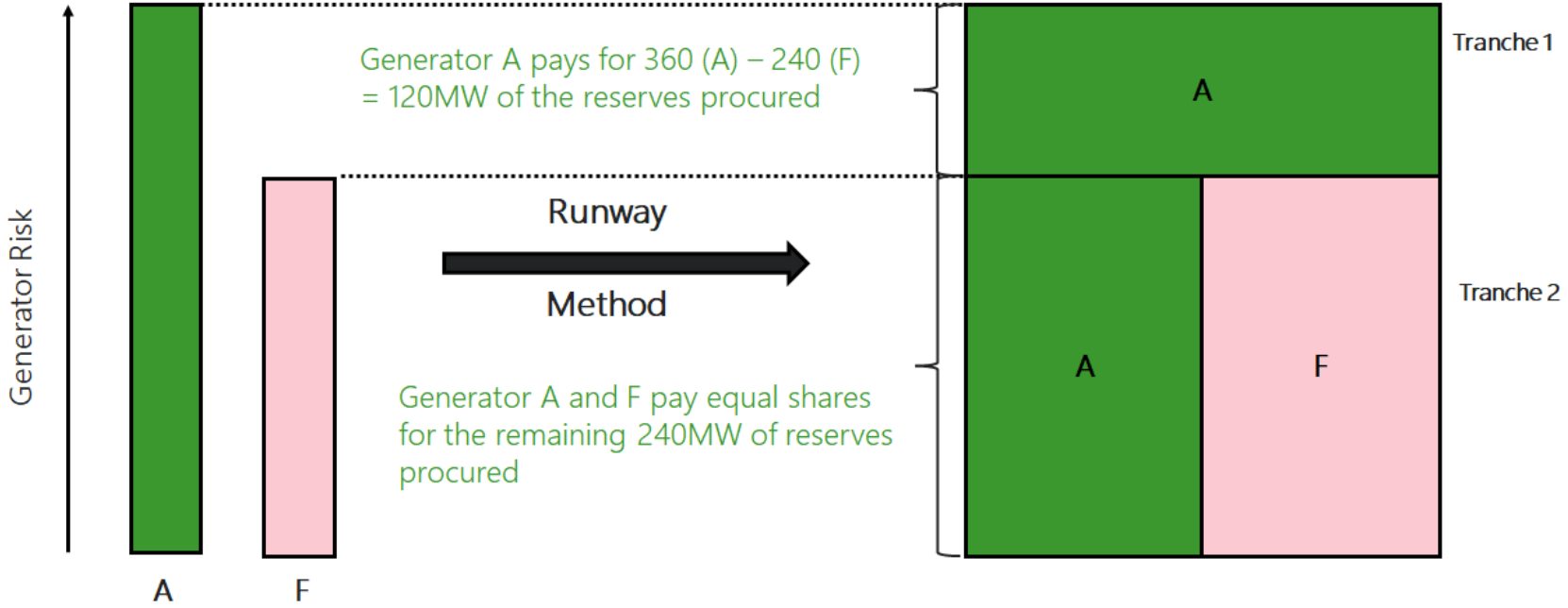
ID	Outcome
5.1	ESS costs will be recovered from causers, where practical, on a trading interval basis.
5.2	Regulation costs will be allocated to participants who vary, beyond an applicable tolerance, their generation or load from their balancing positions.
5.3	Contingency Reserve Raise costs will be 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.

Contingency Reserve: 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 NSP. This approach is not suitable for a future where participants have different sized portfolios, with increasing volumes of renewable generation, and a more dynamic reserve requirement.

EPWA proposed to change the calculation to use actual generation from each facility in each half-hour interval.



Working group discussion – contingency raise

- Members mostly agreed a causer-pays approach was appropriate, with some noting a preference for a simpler approach to the methodology.
- Some members noted a view that cost recovery should be conducted using the same granularity used for setting the reserve requirement. For example:
  - If Contingency Reserve is procured on an annual basis, then causer contribution should also be considered on an annual basis.
  - If CRR is procured for individual islands, then contribution should be considered for individual islands.
- One member considered that costs should be recovered from consumers, and EPWA responded that consumers (as beneficiaries not causers) cannot influence the reserve requirement while generators can.
- Asked that the contingency risk attributable to each facility (including load) be clearly defined.
- Noted that using actual output could influence participant scheduling of their generation assets. To the extent that this can reduce the reserve requirement, this is the causer pays approach working as designed.
- Noted that changes to the cost recovery would need to be reflected in billing and invoicing rules.
- Asked that EPWA clarify how the contingency reserve requirement interacts with PNR 215 – the requirement to maintain headroom.

Do PAC members have any additional comments on the approach to contingency reserve cost recovery?

Regulation: Current and proposed

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).

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.

EPWA proposed to recover costs based on energy imbalances using interval level scheduling and meter data.

- 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.

Working group discussion - regulation

- Imbalance calculation and participant treatment
  - Clarify treatment of FCESS providers and separation of their other activities.
  - Confirm that EBAS imbalance calculations would inform allocation.
  - Ensure treatment of non-normal intervals and system support does not create inappropriate penalties.
  - Clarify treatment of droop response.
- Alignment and transparency
  - Address the disconnect between procurement and cost-allocation timeframes.
  - Explain the cost split between FCESS and CRR, including interactions between the services.
- Suggested alternative allocation approaches
  - Consider whether regulation costs should be recovered from load only.
  - Assess allocation based on energy produced and consumed as a simpler alternative, balanced against incentives to reduce volatility.
- Interaction with NTN and system-wide requirements
  - Clarify the interaction with the NTN framework.

Do PAC members have any additional comments on the approach to regulation cost recovery?

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Department of
Energy and Economic Diversification

Thank-you

Agenda Item 8: Meeting Schedule for 2027

Pilbara Advisory Committee (PAC) Meeting 2026_10_15

1. Purpose

PAC members to approve the schedule for the PAC's 2027 meetings.

2. Recommendation

That the PAC considers and approves the proposed PAC meeting dates for 2027.

3. Process

The PAC Secretariat has developed, in consultation with the independent Chair, the proposed schedule for PAC meetings for 2027. Timing of these meetings avoids public holidays and school holidays.

Due to the limited availability of the independent Chair in the mornings, the 2027 PAC Meetings will be scheduled for 1:30pm on Thursdays.

The PAC is asked to consider and approve the proposed schedule for the 2027 PAC meetings.

Month	Proposed PAC Meetings
March 2027	PAC meeting 1 - Thursday 11 March 2027
April 2027	PAC meeting 2 – Thursday 29 April 2027
June 2027	PAC meeting 3 - Thursday 10 June 2027
July 2027	PAC meeting 4 - Thursday 22 July 2027
September 2027	PAC meeting 5 - Thursday 9 September 2027
November 2027	PAC meeting 6 - Thursday 11 November 2027