

## Minutes



Michael Zammit	Integrated Management Services	

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**1 Welcome**

The Chair opened the meeting at **9:32 AM** with an Acknowledgement of Country.

**2 Meeting Apologies/Attendance**

Noted as per the attendance record above.

**3 Competition Law Statement**

*Competition and Consumer Law Obligations* document circulated prior to the meeting. The Chair encouraged members to read the document carefully, and to raise any issues with the Chair immediately should they arise during the course of the working group deliberations.

**4 Minutes**

The Chair acknowledged the out of session approval and publication of the minutes from the previous meeting.

**5 Action Items**

Action Item 1:

Mr McKinnon stated that none of \_\_\_\_\_ action items were able to be closed and requested further clarification from the group.

Mr Schubert clarified that his request was for information on the average demand on typical circuits divided by the rating of the circuits to illustrate available capacity outside of peak times. Mr Schubert stated that average, rather than peak utilisation of typical transmission and distribution circuits would be useful.

The Chair asked Mr Schubert if his initial intention giving rise to Action Item 1 was whether loads could be shifted to times when the network is not at full capacity to save network reinforcement costs for consumers.

Mr Schubert confirmed that this was his question, and added that batteries would help with load levelling and addressing minimum demand upstream, but cannot provide load levelling benefits downstream. He noted that batteries can be utilised to level demand and highlighted that, if batteries were located at a local substation level or behind the meter, they could provide a greater benefit to the system by levelling demand all the way back through the network to transmission and generation.

Mr Schubert also said that this supports the merits of load shifting at the customer end rather than halfway through the network, adding that:

- A number of transmission circuits have average utilisation of around 20% (because of the n-1 requirement), which is staggering given the capital involved.
- Increasing average utilisation should be a key objective, but is not at the

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improving average utilisation. The Chair that stated this issue could also be dealt with in the upcoming Consultation Paper.

The group agreed to close Action Item 1.

Mr Trumble highlighted that Western Power introduced a permissive scheme in the Goldfields area, and suggested that Western Power could provide information on the scheme and its success so far.

Mr McKinnon agreed to provide this information.

**Action: Western Power to provide an overview of the extent to which the Eastern Goldfields Load Permissive Scheme (ELPS) has been used.**

Action Item 2:

The Chair opened discussion on this action item by stating that:

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Mr Price stated this is a question of the relative merits of a DSP compared with storage as a scheduled facility. would be for the facility to be a scheduled or a semi-scheduled facility, stating that:

- A scheduled facility is able to participate in ESS and has more market obligations (from a visibility and controllability perspective) even though there are less obligation hours of storage vs DSP.
- A battery is the same battery with the same capacity whether it is registered as a DSP or not.

The Chair asked the group whether the consultation paper should seek views on this.

Mr Butler stated that the expectation is that there will be opportunities on top of the capacity component for that registered facility to access other value streams.

The Chair stated that a facility may or may not be able to access them depending on

Mr Trumble stated that:

- There are three DSPs shown as registered in the Electricity Statement of Opportunities (ESOO), however two of those (Wesfarmers

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The Chair suggested posing that question in the consultation paper.

Mr Ditric asked whether ~~the~~ WEM Rules should be changed to allow and/or require DSPs to bid into the RTM or whether they provide optimum value by participating in the RCM only.

Mr Trumble expressed concern that the DSP is being called when AEMO thinks it might need it, but in many cases AEMO then decides it is not required. Mr Trumble asked how a DSP could be paid for supplying energy and also be available to AEMO as an insurance policy.

The Chair responded that DSPs currently do ~~to~~ offer in the market to reduce consumption. They just get an activation notice that they will be dispatched in 2 hours and need to respond.

The Chair said that there is a question whether there should be changes requiring DSPs to submit offers, noting that the risk is that they may all bid at the cap, requiring a tie-breaker.

The Chair asked Mr Price if, when the new market commences, the optimisation of those things would be better and the activation may be more precise than it is today.

Mr Price said that he hopes so, noting there is always uncertainty around dispatch because of the notice period required.

The Chair noted that:

the notification period is 2 hours, in contrast with the SRC last summer where a longer, 9 hour notification period ~~er~~ created much uncertainty.

the 2-hour period in the rules may need to be reconsidered if DSPs need to make offers.

The Chair asked whether more equalised participation is required.

Mr Schubert stated that the market is still not mature, and if there are more ways for demand side to particip

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- Currently, if a DSP with an ESR component registers as a scheduled load it cannot also register as a DSP. The only exception is interruptible load as it is not a scheduled facility.
- There is a need to determine whether, if load is significantly bigger in size than the ESR, this is a barrier to entry to the detriment of the market.

Mr Schubert stated that interruptible loads offering ESS are very valuable because they are fast and do not need AGC.

The Chair stated that the key questions to be addressed by the group are:

- If a facility is providing spinning reserve, or in the future contingency raise, is it providing both services at the same time and should it get the benefit of both; and
- If it is activated to provide spinning reserve, is it also covering its DSP obligations.

Mr Ross stated that there are two different market services: one is contingency and the other is capacity. More often than not they do not coincide. While they may influence the decision of which to dispatch first, they are often very different services to the market.

The Chair stated that the





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Mr Schubert stated that visibility is key for AEMO, and noted that:

- For contingency raise, the local UFLS relays used by interruptible loads can operate and trip the load.
- For contingency lower, an over frequency relay could instantly turn on a big load.

Ms Richards added that curtailing solar is also effective as it can be turned off quickly.

Mr Trumble stated that Boddington is the largest single connection load on the system and does have an UFLS scheme which works automatically.

Mr Trumble asked Mr Price how AEMO dispatches spinning reserve for those programs currently identified as DSP and also providing spinning reserve and how AEMO monitors the performance of the service.

Mr Price said that ultimately the spinning reserve will be enabled through dispatch instructions to each facility for the relevant dispatch interval.

Mr Price said that he is not aware of the exact SCADA requirements for the current interruptible loads, but expects the status of the underfrequency relays would be visible to AEMO.

Mr Trumble noted that DSPs, when dispatched, are subsequently required to show that they did reduce load to the required level.

Mr Trumble asked if the other two DSPs being held as spinning reserve are being dispatched by AEMO as spinning reserve, and whether that is fast enough given the discussion on participants providing ESS needing to be SCADA connected.

Mr Price answered that:

They will be enabled for ESS, which is checking whether their underfrequency relay is active, with no other signal required to enable them for an interval.

Following a contingency (as with all providers) AEMO uses a high-speed data recorder to review whether performance was in line with accredited quantity.

The new FCESS framework includes information on failure to perform in line with accreditation parameters.

The Chair asked if AEMO requires them to be enabled when they are getting instruction but be disabled at other times, and stated there may be a contentious issue as to how quickly they can be restored.

Mr Price did not believe there is a requirement for them to disable a response, but that there was a droop response that they must provide, and that there are differences in reserving headroom and providing a contingency reserve response.

The Chair said that the procedure needs to be checked, as well as how that will work in a competitive market if DSPs may or may not be dispatched for contingency raise.

Mr Price stated if a load is not in merit it will not be dispatched in the contingency reserve raise market, but if there is an event it will still be required to respond to frequency in both directions.

The Chair said that it must therefore be up to the load to disable itself, so it does not respond to frequency deviations and is not being paid if it is not in merit.

The Chair said that RoCoF can be provided by loads and questioned whether the working group needed to discuss this issue. The Chair invited views on this but received none.

Mr Ditric asked whether:

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there was a need to explore ways for loads / DSPs to participate in the STEM, and whether there was an appetite for participation.

there are any restrictions due to the sale and supply of energy and whether this should also include withdrawal.

Mr Schubert said that there was a retailer in the past who purchased energy from the STEM and sold it to customers at STEM prices plus a margin.

The Chair stated that if they have a bilateral contract they can do that, but the question is