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	<p>Mr Glazier presented the system strength definition and system strength requirements (slide 8) and noted that this slide categorises the mechanisms in the way they are divided up in the regulatory instruments today. He added that the Technical Working Group members have discussed extending these definitions, but that this will be discussed in more detail during stage 2 of this review (gap analysis).</p>
	<p>Mr Glazier presented a diagram illustrating different activities that are carried out to maintain security and reliability and their interactions (slide 10).</p>
	<p>Ms Varma stated that there are a few planning processes missing from slide 10. She gave the Transmission Network Development Plan, that Western Power submits as part of its Access Arrangement,</p>



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planning processes, such as

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Mr Glazier agreed with this.

Mr Price noted that if funding and financing mechanisms are out of scope, then the way that facilities are certified and reserve capacity obligations may be out of scope.

Chair noted that the proposed standard should be considered a standard.

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but noted that all the other planning mechanisms exist to meet customer need. He added that the most effective way to deliver a secure and reliable power system at a low cost is increased control, and if customers are happy with that, then that could be the right path. However, this review needs to be mindful of the implications of increasing central control.

that this review is also covering the PSSR governance framework, which includes compliance monitoring, reporting and enforcement. She added that one objective of this review is also to establish a proper governance mechanism to ensure adherence to the standards.

Mr Peake noted that the capacity target and the reserve margin set by the AEMO (clause 4.5.9 of the WEM Rules), is another significant cost driver.

The Chair acknowledged Mr Peake is important, and that these mechanisms should not be changed quickly or frequently.

Ms Gilchrist asked whether there is a timeframe and process for managing provisions out of scope for this review. She used the quality element of the NQRS Code as an example.

The Chair clarified that quality will largely be covered by this review.

Mr Glazier noted that reliability and quality are interconnected, and quality is therefore within scope. He added that quality is reflected in the NQRS Code, the Technical Rules and in Appendix 12 in the WEM Rules. Mr Glazier clarified that a key question going forward will be how to consolidate those quality requirements into a single mechanism.

Ms Gilchrist clarified that she was asking about the processes

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technologies will be part of the discussion for stage 2. He clarified that slides 19 and 20

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Availability
than requiring a circuit to be available for security reasons.

Mr Price noted that RoCoF ride-through is actually lower than 4 Hz/s (for network and other facilities) and provided the below accredited values.

Ms Varma noted that, while there is a financial incentive for generators through the runway method
R She added that the WEM

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	<p>Mr Glazier noted the lack of content in the existing mechanisms around resilience, adding that this will be discussed in detail during the gap analysis.</p>
	<p>Mr Vaughan clarified that the Enhancing Operational Resilience in Relation to Indistinct Events NEM Rule change was primarily focused on expanding on and defining the largest credible contingency, and the powers the system operator must have to manage these events. He clarified that the main learning from this rule change is to be mindful of not constraining the system operator too much.</p>
	<p>The Chair noted the spectrum of risk and conservatism, and emphasised the importance of evaluating whether a proposal is in fact a minimum standard.</p>
	<p>Mr Glazier agreed with Mr Vaughan and the Chair, noting that during extremely low probability/extremely high impact events the position should be that the operator may use its discretion to manage PSSR. He noted that the Pilbara Network Rules are very clear that the Independent System Operator can do what they need to maintain PSSR in such events, but that the WEM Rules are less explicit.</p>
	<p>Mr Vaughan clarified that the rule change in the NEM primary focused on the preparation the operator could undertake. He added that resilience can have a complex definition, and this review must assess whether resilience is actually additional to security and reliability or not.</p>
	<p>Mr Glazier noted that the discussion regarding resilience must be centered around the ability to respond to changes in the market and the rapid advancement of technologies. He added that this feeds back into the considerations about how rigid the governance mechanism should be given the pace of change.</p>