

# Power System Operation Working Group Terms of Reference

dd mmm 2018

## 1. Background

The Power System Operation Working Group (**PSOWG**) has been established, in accordance with clause 2.3.17 of the Market Rules and section 9 of the Constitution of the Market Advisory Committee (**MAC**). The PSOWG has been established to assist the MAC in fulfilling its obligation under clause 2.3.1(d) of the Market Rules to provide advice to the Rule Change Panel regarding matters concerning the evolution of these Market Rules.

## 2. Scope of Work

The Public Utilities Office is progressing the reforms required to improve access to Western Power's electricity network in the South West Interconnected System (**SWIS**)<sup>1</sup>. These reforms are supported by complementary and consequential reforms to the Wholesale Electricity Market (**WEM**), in particular, implementation of security-constrained dispatch and market arrangements, co-optimisation of energy and ancillary services and facility bidding for all Market Participants. These WEM reforms will require substantial changes to power system operations. The design of these reforms will also need to consider other issues, current and emerging, in regard to the management of power system security and reliability, and have sufficient longevity to accommodate the operation of the power system in the longer term.

The PSOWG's scope of work includes consideration, assessment and development of changes to the Market Rules and Market Procedures, in respect to the operation of the power system to support the WEM reform program. The core topic areas to be considered by the PSOWG include (but are not limited to):

- Power System Security and Reliability
- Constraints
- Planning and Forecasting
- Outage Management
- Dispatch

In assessing these areas, the PSOWG may also need to consider and advise on any interdependencies with regulatory instruments other than the Market Rules. While recommendations on potential changes to other regulatory instruments are outside of the scope of the MAC as outlined in clause 2.3.1 of the Market Rules, the Public Utilities Office

<sup>1</sup> <http://www.treasury.wa.gov.au/Public-Utilities-Office/Open-consultations-reviews/Constrained-Network-Access-Reform/>

will take into consideration any relevant deliberations of the PSOWG to effect changes to other regulatory instruments as required.

The PSOWG will work in parallel with the Market Design and Operations Working Group (**MDOWG**), and potentially other working groups, to provide advice to the MAC, which will in turn be utilised by the Public Utilities Office to inform WEM reform decisions.

Whilst the PSOWG's advice will be provided to the MAC, the ultimate process for amending the relevant Market Rules will be determined by the Public Utilities Office in consultation with the WEM reform coordination committee (i.e. whether amendment is to be made by the Rule Change Panel or by the Minister for Energy pursuant to Regulation 7(3) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*).

### 3. Membership

The PSOWG has a Chair appointed by AEMO, which is leading this area of reform activity on behalf of the Public Utilities Office. AEMO may replace the Chair at any time and must promptly advise the MAC of this action via the Rule Change Panel Secretariat. The Public Utilities Office will be a standing member of the PSOWG.

To accommodate the broad range of subject matters to be covered, the PSOWG has no permanent members apart from the Chair and the Public Utilities Office. Instead the Economic Regulation Authority, the Rule Change Panel, Rule Participants and other stakeholders may:

- nominate a representative to attend a PSOWG meeting by advising the PSOWG Secretariat in advance of that meeting;
- with the permission of the PSOWG Chair, send additional representatives to a PSOWG meeting, noting that only two members from one organisation can be members of the PSOWG at any given time; and
- register to receive information relating to the activities of the PSOWG, including notification of upcoming meetings, meeting papers and documents distributed out-of-session, by providing an email address for such correspondence to the PSOWG Secretariat.

The MAC has delegated the responsibility for accepting or declining nominations to the PSOWG Chair on the basis that no more than two (2) representatives from any one organisation will be accepted at any time.

### 4. Responsibilities of Meeting Attendees

A person attending a PSOWG meeting is expected to:

- have suitable knowledge and experience to engage in and contribute to technical discussion relevant to the specific meeting
- prepare for the meeting, including by reading any meeting papers distributed before the meeting;
- participate as a general industry representative rather than representing their company's interests; and
- carry out actions (e.g. technical analysis, impact assessment) as agreed.

## 5. Administration

The secretariat for the PSOWG will be provided by AEMO.

AEMO will work with the Rule Change Panel Secretariat to ensure contact details for the PSOWG on the Rule Change Panel's website are maintained.

The PSOWG Chair will convene the PSOWG upon request from AEMO, the Public Utilities Office or the MAC Chair.

AEMO will prepare and distribute all meeting correspondence via email to the PSOWG. At least once per year, AEMO will contact MAC members and its WA Electricity Consultative Forum stakeholder group to invite interested stakeholders to subscribe to PSOWG notifications.

AEMO will provide the following documentation by email to its PSOWG stakeholder list in respect of a PSOWG meeting, and will use best endeavours to meet the following timeframes:

- notice of meeting and agenda at least 10 business days prior to the meeting;
- relevant meeting papers between three to five business days prior to the meeting; and
- a record of meeting and actions arising no more than five business days following the meeting

AEMO may, following consultation with the PSOWG, vary the timeframes for document distribution if it considers that they are impeding the schedule and progress of the PSOWG.

Meeting outputs such as concept papers and position papers, will be published on the Rule Change Panel's website for wider industry consultation once considered by the MAC and WEM reform coordination committee.

Attendees will be expected to:

- advise the PSOWG Secretariat of intended attendance at an PSOWG meeting at least five business days prior to the meeting; and
- provide any feedback or endorsement to the record of meeting and actions arising no more than five business days following distribution .

The record of meeting is to record attendance, main points of discussion, agreed recommendations and action items.

## 6. Reporting Arrangements

The PSOWG Chair (AEMO) must provide a report to the MAC on the activities of the PSOWG at each MAC meeting. The PSOWG Chair must also report back at other times requested by the MAC on issues referred to the PSOWG by the MAC. The PSOWG Chair, in collaboration with the Public Utilities Office, will also have responsibility to provide a report to the WEM reform co-ordination committee on recommendations from PSOWG discussions.

The periodic reports must include, at a minimum:

- details of the most recent meeting, including the date of the meeting and a list of the issues or proposals considered;
- the date of the next meeting and the issues or proposals to be considered (if known); and

- an indicative forward agenda.

## 7. Contact Details

Market Participants and other stakeholders may contact the PSOWG Secretariat at [Stuart.Featham@aemo.com.au](mailto:Stuart.Featham@aemo.com.au). Documentation and information related to the PSOWG will be published on the Rule Change Panel's website at [xxxxxxxxxxxxxxxxxxxxx](#).

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