



Minutes

Meeting Title:	BRCP WEM Procedure Review Working Group	
Meeting Number:	2024_04_19 – Meeting 4	
Date & Time:	Friday, 19 April 2024, 10:30 AM – 11:30 AM (AWST)	
Location:	Online, via TEAMS	
Attendees:	Matt Shahnazari	Economic Regulation Authority (Working Group Chair)
	Oscar Carlberg	Alinta Energy
	Dimitri Lorenzo	Bluewaters Power
	Gerry Devereux	Australian Energy Market Operator
	Tessa Liddelow	Shell Energy
	Noel Schubert	WA Expert Consumer Panel
	Wesley Medrana	Synergy
	Dora Guzleva	Energy Policy WA
Non-attendees:	Vincent Chye	AGL / Perth Energy
	Jake Flynn	Collgar Renewables
	Ben Tan	Tesla Holdings
Apologies:	Hari Sridhar	TransAlta Corporation
DMS:	D275560	

1. Welcome

- The Working Group Chair, Shahnazari, opened the meeting at 10:30 AM. Shahnazari noted that:
 - The ERA published its procedure change proposal and draft Wholesale Electricity Market (WEM) Procedure on the Benchmark Reserve Capacity Prices (BRCP) for stakeholder feedback on 5 April 2024. The ERA will consider all in-time submissions in developing its procedure change report and final WEM Procedure, which the ERA expects to publish by June 2024.
 - The procedure change process in the WEM Rules [Rule 2.10.13(d)] requires the ERA's procedure change report to include a summary of the views expressed by the Market Advisory Committee (MAC). If the MAC has delegated its role to consider the ERA's proposal to a Working Group, then the ERA's report must include a summary of the views expressed by the Working Group. Shahnazari noted this meeting of the Working Group is convened to seek the Working Group's feedback on the ERA's proposal.
 - Working Group Members may also provide their views to the ERA separately, in their capacity as representatives of their organisations.
- Shahnazari asked Members to raise any conflicts of interest, noted the Competition and Consumer Law obligations of the Working Group and invited Members to bring to his attention any issues should they arise. Working Group Members did not raise any conflicts of interest and noted their obligations.
- Shahnazari noted the attendance and apologies as listed above.

2. Minutes of meeting 2024_02_22

- Shanazari noted the minutes of the 22 February 2024 meeting were circulated to the Working Group on 5 April 2024 for feedback. The Working Group Secretariat received feedback from Schubert identifying two minor typographical errors which have since been corrected.
- Shahnazari sought feedback on the minutes of the 22 February 2024 meeting. Working Group Members did not raise any other concerns.
- The minutes of the 22 February 2024 meeting were endorsed as a true and accurate record of the meeting. The minutes will be published on the [Working Group website](#).

3. Summary of the ERA's procedure change proposal and draft WEM Procedure

- Dhar and Dignard summarised the procedure change proposal and draft WEM Procedure. Their presentation is included in the meeting papers ([online](#)). Dhar and Dignard sought feedback from the Working Group.
- Schubert noted he was impressed with the analysis so far. Schubert noted that, in his capacity as the consumer representative, he was concerned about the expected increase in capacity costs driven by the expected shortfalls in capacity combined with increases due to the proposed BRCP Procedure and its annuity tilt. Shahnazari noted that the changes to the reserve capacity pricing curve – which are currently being reviewed by Energy Policy WA – are independent of the ERA's current review of the BRCP Procedure and its upcoming BRCP determination.

4. Summary of feedback received out of session from the Working Group on draft WEM Procedure in March 2024

- Shahnazari noted he sent a copy of an early draft WEM Procedure to the Working Group for feedback on 20 March 2024, prior to seeking the ERA Governing Body's approval.
- Dhar noted the Working Group Secretariat received comments from four Working Group Members:
 - Schubert provided drafting edits to improve the readability and clarity of the WEM Procedure. Dhar noted these edits had been incorporated in the draft WEM Procedure that was published for consultation.
 - Deveraux, Medrana and Tan sought further clarification on the value and application of the annuity tilt factor. Dhar noted that the Secretariat discussed these Members' concerns individually via email. Appendix 7 of the ERA's proposal ([online](#)) further explains how the ERA derived the annuity tilt.
 - Medrana provided the ERA consider an annuity period of 10-years or less.
- Dhar invited these Members to identify if their queries were adequately resolved and if they wanted to further discuss their comments with the Working Group. Members did not provide any feedback.

5. Next steps

- Shahnazari noted that:
 - The stakeholder consultation period on the ERA's proposal closes on 6 May 2024 and encouraged Members to submit their feedback prior to the deadline.
 - The ERA Secretariat is willing to meet with any Members individually to discuss any specific concerns.
 - The ERA will commence its annual BRCP determination process using the new WEM Procedure from July 2024.
- Shahnazari sought Members' feedback on whether they considered any benefit in convening another meeting of the Working Group. Shahnazari suggested the Working Group Secretariat first consider any feedback the ERA receives during the consultation period and determine if there were any issues that would benefit from further discussion with the Working Group. Carlberg and Schubert supported this approach.
- Shahnazari concluded the Working Group Secretariat will inform Members after 6 May 2024 on whether another meeting will be convened.
- Shahnazari thanked all Members for their time and input to the Working Group so far.
- Shahnazari noted he will update the MAC at its next meeting on 2 May 2024.

6. General business

- No general business was raised.

7. Meeting closed at 11:10 AM