CMM TECHNICAL WORKING GROUP

MEETING NOTE

Tuesday 22 March 2022 (1-3pm AEDT)

Chair: Neil Gibbs

Attendees: David Heard (ECA), Brian Spak (ECA), Amin Masoumzadeh (AGL), Anthony Rossiter (Powerlink), Bill Jackson (Electranet), Con van Kemenade (Enel Green Power), Dam Mascarenhas (Alinta), David Havyatt (NICE), Gordon Leslie (Monash University), Manas Choudhury (Edify), Marilyne Crestias (CEIG), Matthew Dickie (RWE), Robert Pane (Intergen), Sarah-Jane Derby (Origin), Shevy Moss Feiglin (AGL), Vedran Kovac (Hydro Tasmania), Tom Gibson (OnLine Power), Tom Meares (ESB) James Hyatt (ESB), Jess Hunt (ESB), Tom Livingstone (ESB), Arista Kontos (ESB), David Swift (ESB).

Apologies:

Time	Topic	Key points/action items
1:00	Welcome, objectives and agenda	
1:05	WA experience of transmission access (Greg Ruthven, Rennie Partners)	Greg Ruthven provided an overview of the transmission access experience in Western Australia. The key points were that: • Western Australia originally had a system of physical access, where generators paid for an agreed level of service. • It was in the process of moving to an open access regime, similar to what occurs in the NEM under the status quo. • Deep connection costs were seen as a barrier to investment, and that work-arounds such as run-back schemes had only provided temporary relief to the issues that were caused by this regime. • Attempts to overcome the barriers to investment by batching generator connection applications had not had the desired effect of triggering transmission investment that is jointly funded by batch members. • A group of generators had applied the batching arrangements to jointly fund a preferential dispatch mechanism however this was causing operational difficulties due to the way it was implemented.

		Members of the working group raised questions regarding access in WA: • The do no harm assessment assesses the impact of a new connection on any existing physical access rights. The modelling was modelling of thermal limits, done by Western Power as part of the connections process. It does not include system security information. • In terms of similarities to the NEM, the WA market has a capacity mechanism with payments based on system normal conditions. This means that the volatility caused by congestion and outages are less important to generators than in the NEM. Race-to-the-floor bidding in real time may be an issue under the new access model in WA. • Some of the issues experienced in WA are WA specific. The issues regarding batching will be addressed by REZ infrastructure being built ahead of generator connections. • When multiple run-back schemes are in place, the problem presented becomes intractable when there are multiple schemes to be honoured simultaneously. • There is a regulatory investment test for new transmission in WA, based on how much benefits new transmission build would bring to consumers.
1:30	Final objectives and assessment criteria	The ESB presented the final iteration of the objectives and assessment criteria, and noted that these versions would appear formally in the consultation paper.
1:35	Proposed approach to assessing models	The ESB outlined the proposed “mix and match” approach to model development. Members of the working group noted: • Open to exploring a bybrid approach, conditional on sufficient ESB resources bring allocated, engagement with the original model proponents, a robust feedback loop and that any hybrids are assessed robustly against the CMM. • Some consumer representatives were of the view that the CMM is already a good model, and were unsure why the ESB is examining alternatives that have been rejected in previous reviews. Conversely, another group member questioned why the ESB is continuing to progress with the CMM despite adverse stakeholder feedback on this option. ○ The ESB noted that there may be ways to make the CMM work better.

		• It is important to allow for adequate time to properly consider the models. • Some members of the group were supportive of the genuine consideration of alternative models. However it was also observed that options that do not show merit should be taken off the table where possible to reduce the consultation burden on stakeholders. • The ESB and TWG should work through how a new entrant would approach their investment and operational decisions under the different models.
1:45	Core features of an access model: • Initial characterisation of how each option addresses core features • Word document provided in meeting invite	The ESB provided an overview of the core features of an access model in investment and operational timeframes. Members of the working group noted: • That it is important to consider optimising transmission build. ○ The ESB suggested that this may be a point for the transmission planning framework, but that it will be given further consideration. • The feature of maximising hosting capacity of the network should feature in the investment and operational timeframes. [*Note – the ESB is reflecting on this suggestion as the original intent of this core feature was to promote cost-effective incremental investments that increase transmission hosting capacity*.] • The core features should also include how the model achieves coordination between transmission and generation. • Inter-regional and intra-regional flows are important to take into account. • It is important to address possibilities for gaming, but may be difficult to work out all the elements of a model that may be gamed.

2:45	Preliminary assessment of models against criteria	• The ESB shared links to Mural worksheets. ESB requested TWG members' provide input on how each core component of each model performed against the agreed assessment criteria by COB Monday 28 March.
		• It was noted that the materials circulated as part of the meeting papers included:
		  ○ The ESB's initial attempt to describe how each model meet each core feature and
		  ○ The ESB's initial assessment of how the vanilla CMM and CMM-REZ adaptation perform against the assessment criteria, together with preliminary insights drawn from the public forum and previous Mural exercise.

2:55	Next steps	It was clarified that the ESB would consult on the core components of an access model in the consultation paper. A hybrid model may then be identified following the April paper. It was agreed that it would be useful to assess the status quo, along with any completed but not implemented reforms, against the assessment criteria.
3:00	Thanks and Close	