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Please direct all responses/queries to:
Renay Sheehan



3 May 2024

Mr James Campbell-Everden
Chief Executive Officer
Pilbara ISOC Co Limited
via submission portal

Dear James

Submission to Consultation: Draft Determination on flexible approach to spinning reserve essential system services (SRESS)

Woodside appreciates the opportunity to provide feedback on the Draft Determination: Flexible approach to spinning reserve essential system services (SRESS) issued in April 2024. Woodside, as a potential new entrant to the Pilbara electricity market, supports the development of this approach, subject to the two suggestions outlined below.

Woodside notes that:

- (1) the Draft Determination proposes to procure a level of Base SRESS sufficient to cover most operating conditions, and then dynamically enable additional machines under a Supplementary SRESS service when circumstances require;
- (2) the Base SRESS appears to be substantially the same as SRESS services contracted in 2023, such that the Base SRESS providers will need to commit to maintaining contracted headroom in generating units to meet the expected level of spinning reserve requirements; and
- (3) supplementary SRESS is proposed to be dispatched by the Pilbara Independent System Operator (ISO) control desk based on decision criteria specifying the circumstances in which it should call on Supplementary SRESS and a multi-factor dispatch merit order prepared by ISO, which ranks contracted generating units in the North West Interconnected System (NWIS) by geographic location, contracted Supplementary SRESS price (adjusted for response speed) and any other matters the ISO considers suitable.
- (4) Woodside is not aware of this approach of a combination of Base and Supplementary SRESS being used in any other electricity networks in Australia. Woodside notes that subject to the response received to the ISO's Request for Tender (RFT) for provision of these two distinct and separate services, the costs of this approach, its allocation to participants and whether the approach will deliver on achieving the ESS objectives will be key considerations for the long-term management of SRESS in the NWIS.

Proposed suggestions

Given the uniqueness of the proposed supplementary approach Woodside proposes that if the RFT is successful, the ISO should commit to have a 12-month trial period. The trial results could be reviewed at the end of the trial period to understand the benefits, consider any lessons learnt and finalise a path forward to procuring and managing SRESS in the NWIS. This also provides an opportunity to consider other options to reduce Supplementary SRESS requirements, such as demand side management.

The Draft Determination gives a high-level indication of how payments will be made to Supplementary SRESS providers. However, the Draft Determination does not discuss the pricing model for payees of the service or how that pricing model will be developed. Woodside proposes that the ISO outlines the details of this pricing model or how it will be developed as potential payees of the Supplementary SRESS service will be keen to understand these details.

Should you wish to discuss the matters raised in this submission, please do not hesitate to contact me.

Yours sincerely

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VP New Energy Australia Pacific