



5 January 2024

James Campbell-Everden
Chief Executive Officer
Pilbara ISOCo

Submitted by email: submissions@pilbaraisoco.com.au and online at: www.pilbaraisoco.com.au

Dear James

DRAFT PILBARA ISOCo MID-YEAR REVIEW 2023-24

1. APA appreciates the opportunity to provide feedback on the Pilbara ISOCo's (ISO's) Mid-Year Review 2023-24 for the North West Interconnected System (NWIS).
2. Rule 122 (1) in Subchapter 4.5 of the Pilbara Network Rules (PNR) outlines the ISO's budget objectives. The ISO's primary budget objective is to ensure that:
 - a. fees are consistent with the Pilbara Electricity Objective; and
 - b. the ISO Fees include only costs which would be incurred by a prudent person performing the ISO's functions under Part 8A of the Act, acting efficiently, in accordance with GEIP, and seeking to achieve the lowest practicably sustainable cost of performing those functions, while effectively promoting the Pilbara Electricity Objective.
3. Rule 122 (2) sets out the ISO's secondary budget objective. This is to achieve the primary budget objective as simply and inexpensively as possible, while ensuring that all affected stakeholders (including consumers on to whom the costs may be passed) have a reasonable opportunity to be heard.

Time for Review and Comment

4. APA notes that the ISO published the invitation for submissions for the budget review at 5pm on Friday 15 December 2023, with responses due Friday 5 January 2024.
5. APA has not had sufficient time to review and consider the document provided as our office was closed for the festive season from 22 December until 3 January 2024, leaving only 6 full business days for review and comment.
6. APA does not believe this timeframe is consistent with the secondary objective set out in Rule 122 (2).
7. APA's request for a reasonable extension of time was not granted.

APA Comment on ISOCo Mid-Year 2023-24 Budget

8. APA is concerned with the ISO Fees increasing by \$840,000 pa to \$4,677,273 pa in the



ISO's revised 2023-24 mid-year budget. This represents an overall c.21% increase in total operating expenses.

9. The ISO cites the rapid growth in generation capacity, transmission infrastructure and reliance on intermittent renewable electricity as the primary driver for the expenditure increase.
10. As a consequence, the ISO expects increases in the following areas:
 - a. Legal and professional fees \$300,000
 - b. System Operations \$45,000
 - c. Engineering and Technical Services \$340,000
 - d. Regulatory and Technical ISO Labour Costs \$225,000
11. ISO notes in its mid-year 2023-24 budget that "the Company plans to transition from the use of consultants for core business activities and transfer these responsibilities to Pilbara ISOC Co employees". However, this cost saving is not reflected in the revised budget.
12. APA recommends the ISO provide stakeholders with a full cost breakdown to justify how these costs have been determined and to ensure the ISO is achieving the primary budget objective which is the lowest practicably sustainable cost to perform the ISO's functions.

Thank you for your consideration of APA's submission. If you would like to discuss this submission, please contact me at anthony.ravi@apa.com.au or on 0402 069 906 or steven.kane@apa.com.au or 0410 443 434.

Yours sincerely



Anthony Ravi
Head of Commercial