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## Pilbara ISOC Co Draft Decision - Review of Subchapter 7.3 and 7.4 of the Pilbara Network Rules

APA Submission



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Submitted by email: [submissions@pilbaraisoco.com.au](mailto:submissions@pilbaraisoco.com.au) and online at: [www.pilbaraisoco.com.au](http://www.pilbaraisoco.com.au)

Dear James

**APA Submission: Pilbara ISOC Co Draft Decision - Review of Subchapter 7.3 and 7.4 of the Pilbara Networks Rules**

APA appreciates the opportunity to provide feedback on the Pilbara ISOC Co's (ISO) Draft Decision (**Draft Decision**) - Review of Subchapter 7.3 and 7.4 of the Pilbara Networks Rules (**PNR**).

APA is supportive of the direction given in the Draft Decision with respect to greater transparency and clarifying the ISO's power to resolve matters where consensus among Network Service Providers (**NSPs**) will not be reached. Consideration of an expanded scope for the ISO is timely as the North West Interconnected System (**NWIS**) becomes more complex. However, we support a lighter style of regulation than envisioned in the Draft Decision that retains independence for NSP's to collaborate directly in relation to outages.

In our view, any reform to Subchapter 7.3 and 7.4 of the PNR should be focused on developing an outcomes-based approach to outage coordination and management that considers system security risks (i.e. only credible operational risks) in a defined and appropriately limited set of circumstances (e.g. where outage impacts others). Risks should be evaluated using a standardised, NSP approved risk framework. Defined timelines for the ISO's assessment of risks and ISO decisions will need to be a feature of any revised framework for APA's continued support of an expanded role.

The ISO has recommended that several items identified through the review are to be deferred to later reviews or may be considered in a broader review of the PNR currently being undertaken by Energy Policy WA (**EPWA**). Given that costs, perceived and actual conflicts of interest and governance mechanisms are material to the Subchapter 7.3. and 7.4 outcomes, we consider items 9.1.1(d) to (k) in Draft Decision need to be considered concurrently and should not be considered separately to this ISO review.

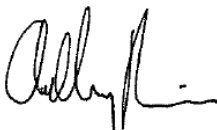
Other items that require sharper focus in the Final Decision are:

- Issues associated with costs of one participant taking an outage being absorbed by other participants needs to be considered and a "cause pays" principle adopted to support any changes to Subchapter 7.3 and 7.4 topics; and
- Distinction between supplementary ESS for outages and contracted ESS, noting that supplementary ESS for outages represents a different service with distinct considerations from other contracted ESS.

APA's detailed feedback is provided in Appendix A to this submission.

Thank you for your consideration of APA's submission. If you would like to discuss this submission in more detail, please contact me at [anthony.ravi@apa.com.au](mailto:anthony.ravi@apa.com.au)

Yours sincerely



**Anthony Ravi**  
Head of Commercial

## APPENDIX A: APA feedback on ISO's Proposed Recommendations

The following table outlines APA's feedback on the ISO's recommendations outlined in the Draft Decision for the review of Subchapters 7.3 and 7.4 of the Pilbara Network Rules.

ISO draft recommendation	Issue(s) being addressed	APA Feedback
<p><b>Recommendation 1:</b> That although Subchapters 7.3 and 7.4 should leave room for informal cooperation and collaboration between market participants, they should not require it.</p>	<p><b>Issue 2:</b> The emphasis on informality and collaboration has resulted in processes under Subchapters 7.3 and 7.4 that lack rigour. It has been suggested that the Pilbara outage management regime should copy the WEM Rules'.</p>	<p>APA supports the draft recommendation that the Subchapters 7.3 and 7.4 continue to support informal collaboration and cooperation between market participants.</p> <p>APA does not consider the role proposed in paragraph 4.2.11 of the Draft Decision related to this recommendation, which envisions the ISO having central-decision-making responsibly in relation to outage and coordination management, is sufficiently justified at this point.</p> <p>An expanded ISO role that would be appropriate to address outage and coordination management is one that is limited to when the ISO considers consensus via the informal processes will not be reached. Such a role would have the effect of driving better cooperation and collaboration without introducing undue regulatory processes or administrative costs for the ISO. It would also better align with the light-handed regulation framework on which the Pilbara regime was built.</p> <p>Further, APA's view is that the ISO should govern only those situations where outages affect other NSPs and be limited to transmission infrastructure.</p> <p>We note throughout the Draft Decision the ISO defers aspects to a broader review of the PNR. APA recommends that any rule or procedure changes proposed by ISO in the Final Decision should be considered alongside any PNR changes proposed by EPWA as part of its broader review.</p>
<p><b>Recommendation 2:</b> That wherever possible, information about notifiable events should be publicly available.</p> <p>That in designing the detail of these rules, consideration should be given to whether any of this information needs to be kept confidential, and if so, how transparency is nonetheless to be maximised.</p>	<p><b>Issue 2:</b> The emphasis on informality and collaboration has resulted in processes under Subchapters 7.3 and 7.4 that lack rigour. It has been suggested that the Pilbara outage management regime should copy the WEM Rules'.</p> <p><b>Issue 25:</b></p>	<p>APA supports the ISO's goal of fostering transparency and acknowledges the importance of providing network participants with access to outage planning information for comprehensive risk assessment.</p> <p>As noted by the ISO in the Issues Paper and the Draft Decision, the current definition of Notifiable Event is broad, and design will need to consider whether information captured needs be kept confidential. However, we see little to no value in publishing information related to notifiable events outside of NSPs.</p> <p>We would add to this that the ISO should consider potential implications of the Security of Critical Infrastructure Act 2018 (SOCi) in choosing to make information public.</p>

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	<p>The regime for notifying, assessing, managing and mitigating notifiable events must appropriately balance transparency, accountability, confidentiality and competition.</p>	<p>APA supports working with the ISO and NWIS participants on updated rule drafting as part of the processes that follow this review.</p> <p>Our support for this recommendation, assumes the ISO will balance transparency goals with the need to protect commercially sensitive and security sensitive information appropriately.</p>
<p><b>Recommendation 3:</b> That Subchapters 7.3 and 7.4 should enable the processes for notification, assessment, approval, scheduling and management of notifiable events to differentiate between and integrate across the various types of such events as appropriate, including:</p> <ul style="list-style-type: none"> <li>planned maintenance and routine upgrades;</li> <li>major or extended outages;</li> <li>commissioning and testing;</li> <li>events in integrated mining networks;</li> <li>events in the Pluto facility; and</li> <li>events in any other connection point compliance facility.</li> </ul>	<p><b>Issue 3:</b> The definition of “notifiable event” is very broad. The Subchapter 7.3 and 7.4 processes may need to differentiate between, and integrate across, different classes of notifiable event, for example:</p> <ul style="list-style-type: none"> <li>planned maintenance and routine upgrades;</li> <li>major or extended outages;</li> <li>commissioning and testing;</li> <li>events in integrated mining networks;</li> <li>events in the Pluto facility; and</li> <li>events in another connection point compliance facility.</li> </ul>	<p>APA broadly agrees that the definitions of Notifiable Event and Outage do not need to be amended within the context of the current usage. However, the definitions may need to be re-considered in the context of changes to the publication of this information and the subsequent processes that would be attached to events falling within the definition.</p> <p>As outlined above in Recommendation 1, APA supports a process where any Notifiable Event could trigger the opportunity for ISO to evaluate the risks and provide directions only where consensus via the informal process will not be reached.</p> <p>As acknowledged by the ISO in the Issues Paper and the Draft Decision, there is overlap and ambiguity in relation to the Notifiable Event. contingency and pre-threat contingency definitions in the PNR that need to be addressed. APA agrees the PNR and Procedures should seek to minimise ambiguity, inconsistency and gaps where appropriate.</p> <p>Once an event is identified as a Notifiable Event, the adoption of a standardised, transparent risk-based assessment (for those issues that will not otherwise be resolved by NSP consensus) would help identify the actions (pre-contingency or contingent) that appropriately manage the operational risks and assist to resolve the overlap and ambiguity. <b>To the extent the risks are the same, the rules should provide for a consistent set of outcomes.</b> APA supports changes to sub chapter 7 to implement this approach.</p>
<p><b>Recommendation 4:</b> That the PNR and Procedures should seek to minimise any risk of ambiguity, inconsistency or gaps arising from the potential overlap between:</p> <ul style="list-style-type: none"> <li>notifiable events being managed under Subchapters 7.3 and 7.4;</li> <li>contingencies and pre-contingent threats being managed under</li> </ul>	<p><b>Issue 4:</b> Under the current rules, a planned outage is a contingency, and not a pre-contingent threat, and so falls to be managed under rule 187 which has a focus on reactive post-contingent responses.</p> <p><b>Issue 21:</b></p>	<p>As outlined further on in APA’s response, costs and cost recovery including for ESS should be considered alongside change to the Notifiable Events regime (refer to comments on Recommendations 7, 8 and 17).</p> <p>In developing Recommendation 4, the ESS that is being considered is supplementary ESS (i.e. not ESS that is committed to managing other risks) (refer to APA’s response to Recommendation 18).</p>

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<p>Subchapter 7.5 and the Protocol Framework; and</p> <ul style="list-style-type: none"> <li>the procurement and activation of ESS under Chapter 8.</li> </ul>	<p>The rules do not deal separately with the specification and procurement of, and cost recovery for, additional ESS, or machine start or other services, when this is required to manage or mitigate a notifiable event, rather than as part of normal system operations under Chapter 8.</p>	
<p><b>Recommendation 5:</b> That the PNR's and Procedures' references to "outage" and "notifiable event" be made consistent.</p>		<p>APA supports the use of consistent terminology across related content.</p>
<p><b>Recommendation 6:</b> That the changes implemented under Draft Recommendations 3, 4 and 5 ensure that the limitations of the definition of "island" do not constrain the circumstances in which mitigation measures for notifiable events are considered or implemented.</p>	<p><b>Issue 17:</b> The rules and protocols do not deal cleanly with a situation in which islanding has not yet occurred, but pre-contingent actions are necessary, e.g. to prevent islanding or ensure the island is secure (or at least inside the technical envelope) should islanding occur.</p>	<p>APA welcomes further clarity from the ISO on what changes it is proposing for this Recommendation 6. In particular on how 'weak' islanding events (as described in the Draft Decision on page 27) are defined and how cost allocation would be considered alongside any requirements related to Notifiable Events.</p> <p>In principle, APA is supportive of changes that are fit for purpose, preserve the light-handed regime intended for the NWIS and promote efficiency and simplicity.</p>
<p><b>Recommendation 7:</b> That the primary objective for Subchapters 7.3 and 7.4 be revised, to focus solely on achieving the system security objective.</p> <p><b>Recommendation 8:</b> That the ISO be given the overarching function of managing and approving notifiable events, including supervising their notification and scheduling,</p>	<p><b>Issue 1:</b> Subchapters 7.3 and 7.4 do not specify the "system security objective" as their primary objective.</p> <p><b>Issue 2:</b> The emphasis on informality and collaboration has resulted in processes under Subchapters 7.3 and 7.4 that lack rigour. It has been suggested that the Pilbara outage</p>	<p>APA does not agree with the ISO's interpretation that the overall objective of Chapter 7 is not applied fully to Subchapter 7.3 and 7.4. The three limbs in rule 173(1) provide secondary purposes within the context of the Chapter and so necessarily are underpinned by the power system security objective.</p> <p>While APA does not consider changes are necessarily in relation to Recommendation 7, updated wording that provides greater clarity on the application of the PNR is supported. More broadly, APA agrees that any recommendations from the ISO in relation to Subchapters 7.3 and 7.4 should focus exclusively on system security and consider only reasonably foreseeable operational risks.</p>

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<p>assessing their risks, and supervising, and as necessary directing, the management (including mitigation) of those risks.</p>	<p>management regime should copy the WEM Rules’.</p> <p><b>Issue 9:</b> The rules do not clearly allocate responsibility for determining the impacts a notifiable event might have on the power system, including security, reliability, constraints and ESS, or for the risk and other analysis and modelling required to assess these things, and do not provide a mechanism for accommodating different risk appetites or resolving disagreements on these matters.</p> <p><b>Issue 12:</b> Except in the case of a scheduling conflict, the rules do not provide for a notifiable event to be stopped or deferred, or otherwise be the subject of a direction, pending satisfactory resolution of any disagreement regarding its impacts on other participants, e.g. by way of its impact on security, reliability, constraints or ESS.</p> <p><b>Issue 13:</b> The definition of scheduling conflict is limited to events which may take the system outside the technical envelope or otherwise pose an unacceptable risk to security or reliability. This does not require the</p>	<p>Regarding Recommendation 8, the recommendation is timely given the anticipated increase in network complexity. There is a need for a greater role for the ISO in managing and approving Notifiable Events including supervising their notification and scheduling, assessing their risks, supervising, and as necessary directing, the management (including mitigation) of those risks.</p> <p>As outlined above, APA supports an expanded ISO role that is limited to when ISO considers consensus via the informal processes will not be reached. This increased role should apply a risk-based approach that balances a range of factors including system security and statutory obligations of NSPs (for example, regulatory and safety compliance obligations). The risk-based framework for ISO’s assessments should be robust and agreed upon by all network participants.</p> <p>Within the revised framework, NSPs should retain the autonomy to manage their outages and maintenance, provided their actions do not impact other network participants.</p> <p>APA strongly supports a “causer pays” model as a fair and reasonable method to allocate the costs of ISO decisions.</p>

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	<p>system to be maintained in a secure state, and does not assess other impacts such as on risk, constraints, ESS or cost.</p> <p><b>Issue 14:</b> The ISO's power to intervene in a scheduling conflict is not enlivened until it has first determined that a consensus is unlikely to be reached in time. This could create system risk.</p>	
<p><b>Recommendation 9:</b> That the ISO develop its own resources to deliver the function described in Draft Recommendation 8.</p>	<p><b>Issue 26:</b> If the ISO is given an expanded role to address the issues identified in this paper, it would have resourcing and hence cost implications.</p>	<p>APA agrees that the ISO must develop its own resources to effectively implement Recommendation 8. However, it is important to note that planned outages to critical transmission infrastructure occur infrequently, suggesting that the resourcing needs should align with this expected level of activity.</p> <p>We recognise that the shift in ISO's responsibilities may necessitate an expansion of its organisation. Therefore, it is crucial to ensure that any new resources added possess the appropriate skill set, experience and independence from interested parties required to successfully fulfill the proposed expanded scope. ISO should also seek to achieve this for minimum cost.</p> <p>Regarding appropriate skill set and experience, APA considers resourcing professionals with a deep understanding of the network and relevant industry credentials critical to ensuring credibility when assessing notifiable events. Sufficient controls also need to be established to ensure that ISO is appropriately guided such that objective decisions are made in the interests of achieving the system security objective.</p>
<p><b>Recommendation 10:</b> That the ISO control desk's functions be restricted to real-time operations, contingency response and managing near-term pre-contingent threats such as cyclones and bushfires.</p>	<p><b>Issue 4:</b> Under the current rules, a planned outage is a contingency, and not a pre-contingent threat, and so falls to be managed under rule 187 which has a focus on reactive post-contingent responses.</p>	<p>Regarding the ISO's control desk functions, APA agrees the ISO control desk, while being outsourced to a vested-interest party, must be restricted as outlined in Recommendation 10. This is important to guardrail independence and to avoid overstepping the scope of the functions that were initially envisaged for ISO's control desk.</p> <p>In developing further detail, the ISO needs to elaborate further on the impacts and consequences for the totality of planning and anticipatory activities from a resourcing, cost and dedication level perspective (e.g. articulate the staffing impact to get to a position where no support from control</p>

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	<p><b>Issue 10:</b> If there is disagreement between Horizon Power and another NSP regarding the assessment of a notifiable event, the ISO's use of ISO control desk staff to help in the assessment places a focus on how Horizon Power manages the staff's conflict of interest.</p>	<p>desk is required). These impacts and costs need to be balanced with the outcome to ensure that the result is optimal for network participants.</p> <p>Related to this recommendation, APA would also like options in the next stage of the process to consider models that would deal with real-time matters linked to system security where a real or perceived conflict of interest exists. It may be optimal for both the Subchapter 7.3 and 7.4 matters and ISO control desk functions to be performed by a single, independent entity.</p>
<p><b>Recommendation 11:</b> That the rules or a procedure require the ISO to develop a standardised risk assessment framework for assessment, approval, scheduling and management of notifiable events, and require all participants to use that framework.</p>	<p><b>Issue 16:</b> The rules do not deal with how network planning criteria are to be dealt with in assessing, managing and mitigating notifiable events.</p> <p><b>Issue 18:</b> There is no clear mechanism for identifying the measures necessary to manage or mitigate a notifiable event, and no clear obligation on any person to implement those measures once identified.</p>	<p>APA agrees with the objective of Recommendation 11, which emphasises the need for a standardised risk assessment framework to enhance overall system security.</p> <p>APA support is contingent on the following:</p> <ul style="list-style-type: none"> <li>• NSPs play an active role in defining the risk framework and risk matrix utilised by the ISO.</li> <li>• The finalised risk framework and risk matrix implementation is approved by all NSPs.</li> <li>• The framework focuses exclusively on system security, with no consideration for other types of risk or control when assessing notifiable events. It is crucial that the framework avoids any discussions around commercial concerns, reputation, brand, or asset damage.</li> <li>• All network participants employ the same tool for assessing security and reliability risks. When defining this framework, the primary objective for ISO is to harmonise risk tolerances and establish a consistent language for describing impacts to the network.</li> <li>• ISO should have the power to safeguard system security through this risk framework. However, as noted above, resourcing professionals with a deep understanding of the network and relevant industry credentials is critical to the ensuring unbiased decisions are made in that are in the interests of achieving the system security objective.</li> <li>• The ISO is solely responsible for assessing the overall risk to the system when consensus views cannot be achieved. An objective assessment criterion is used.</li> <li>• The framework should not add further complexity to the existing process, but rather focus on streamlining and standardising the approach to assessing risks.</li> <li>• ISO (and NSPs) be held to appropriate, defined timeframes when assessing risks under the proposed framework, such that NSPs are not delayed by the ISO. The basis for timeframes cannot be on a "best endeavours" basis.</li> </ul>



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<p><b>Recommendation 12:</b> That the rules and procedures give the ISO the necessary powers to give directions in connection with the scheduling and management of notifiable events. That this includes a power to approve or disapprove notifiable events with or without conditions, and a power to recall equipment where appropriate.</p>	<p><b>Issue 15:</b> Are the ISO’s direction powers under rules 182(3) to (5) appropriate and sufficient?</p> <p><b>Issue 18:</b> There is no clear mechanism for identifying the measures necessary to manage or mitigate a notifiable event, and no clear obligation on any person to implement those measures once identified.</p> <p><b>Issue 22:</b> The ISO has no power to direct how a notifiable event is to be managed or mitigated.</p> <p><b>Issue 23:</b> The nature and timing of pre-contingent powers required to manage notifiable events are likely sufficiently different to the post-contingent powers the ISO control desk needs to manage contingencies, that it is appropriate for them to be exercised by the ISO rather than the ISO control desk. The current pre-contingent protocol was not designed to manage notifiable events.</p>	<p>APA’s strong view is that the ISO should only issue directions to NSPs if the Notifiable Event will have an impact on another network participant and the affected parties have been unable to reach consensus via the existing informal processes. If no other network participant is impacted by the Notifiable Event, then the NSP should be able to manage the outage in accordance with its own criteria.</p> <p>We agree that the ISO should direct actions. However, it is crucial that NSPs retain control over their assets to avoid contract breaches. Therefore, we believe that the ISO control desk should not execute these measures independently.</p> <p>In relation to the recall of equipment, APA believes there should be a clear provision requiring the ISO to demonstrate the specific risk being mitigated when recalling the equipment and, if appropriate, what alternate measures have been considered. Recall of equipment is potentially costly and in the absence of sufficient risk assessment and justification, there is an unacceptable risk of unjust recall of equipment.</p> <p>With any additional or clarified ISO responsibilities, an appropriate governance and control framework is needed. It is APA’s view that requiring the ISO to provide network participants with a risk assessment justifying the return of the asset to service is part of this framework. Regardless, ISO should only be able to recall equipment when there is an imminent or potential threat to overall system security.</p> <p>In relation to Issue 15, APA is of the view that the ISO has sufficient power to issue directions under rules 182(3) to (5) by virtue of the definition for “Scheduling Conflict” given in rule 182(1) of the PNR. This rule states:</p> <p><i>A “Scheduling Conflict” arises for a planned Outage if the ISO determines that the Outage taken together with all currently proposed or anticipated Notifiable Events, may cause the Power System to be Outside the Technical Envelope, or otherwise poses an unacceptable risk to Security and Reliability.</i></p> <p>When there are no other proposed or anticipated Notifiable Events, the clause appropriately contemplates a “Scheduling Conflict” as being a Notifiable Event that causes the Power System to</p>

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		<p>be Outside the Technical Envelope, or may cause the Power System to be Outside the Technical Envelope, or otherwise poses an unacceptable risk to Security and Reliability.</p> <p>Based on the above understanding, APA is of the view that ISO has power to direct how a Notifiable Event is to be managed or mitigated (Issue 22).</p> <p>From the Draft Decision, APA understands ISO has a different view of its existing powers. APA has concerns that the additional processes being sought by ISO introduce a level of complexity that is not commensurate with the intended light-handed regime for the NWIS. Further clarity from the ISO in this regard to Scheduling Conflicts would be beneficial.</p>
<p><b>Recommendation 13:</b> That the ISO develop a new Procedure to govern the notification, assessment, approval, scheduling and management of notifiable events.</p> <p><b>Recommendation 14:</b> That a notifiable event management process be established for the NWIS as described in this section 7.3.</p>	<p><b>Issue 2:</b> The emphasis on informality and collaboration has resulted in processes under Subchapters 7.3 and 7.4 that lack rigour. It has been suggested that the Pilbara outage management regime should copy the WEM Rules’.</p> <p><b>Issue 6:</b> The rules rely primarily on oral discussion as the means for NSPs to notify the ISO and other NSPs of notifiable events. This minimises the compliance burden for near-term coordination but may not be the optimum way to manage scheduling and assessment (including modelling) for outages which are known well in advance.</p> <p><b>Issue 7:</b> There is no Procedure regarding outage management and the rules do not provide for one.</p>	<p>While APA broadly agrees with the procedure outlined, several elements require further clarification and potential amendments:</p> <ul style="list-style-type: none"> <li>• APA seeks to understand the process and considerations if the ISO does not approve or rejects a notifiable event (especially at late notice). Particularly in scenarios where an approved event must be rescinded due to incidents involving other network participants. A clear process for this situation needs to be established.</li> <li>• The Draft Decision mentions that the ISO will develop an "equipment list" that <i>“includes significant energy-producing facilities, energy storage systems (ESS), and transmission network elements serving them”</i>. APA is concerned that this may expand the approval process beyond what is defined as a Notifiable Event under PNR Rule 166. APA considers the equipment list should be limited to transmission network elements that affect overall system security. Specifically, APA does not want to be in a position where approval is required for taking generation or load offline where that change does not affect system security.</li> <li>• Outages governed by the ISO should focus solely on transmission elements, without affecting generators or backup power supplies.</li> <li>• In terms of ISO’s recommendation of receiving a non-binding plan on a yearly basis, APA would suggest the frequency to be changed to a yearly submission with a review iteration every 6 months, as this would allow for more accurate planning.</li> <li>• APA requests that ISO provide clarity on the approval criteria and timeline following the submission of a Notifiable Event proposal. As outlined above, it is essential for the ISO to commit to a specific, defined timeframes for decisions once proposals are received, as network participants need to finalise their actions accordingly. The Draft Decision outlines the timeline until the proposal submission but lacks detail on subsequent timings.</li> </ul>

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	<p><b>Issue 8:</b> The rules regarding the composition, agenda and duration of system coordination meetings are too prescriptive. These matters may be better located in a Procedure.</p> <p><b>Issue 11:</b> There is no general requirement for planned outages and other notifiable events to be approved.</p> <p><b>Issue 12:</b> Except in the case of a scheduling conflict, the rules to not provide for a notifiable event to be stopped or deferred, or otherwise be the subject of a direction, pending satisfactory resolution of any disagreement regarding its impacts on other participants, e.g. by way of its impact on security, reliability, constraints or ESS.</p> <p><b>Issue 15:</b> Are the ISO's direction powers under rules 182(3) to (5) appropriate and sufficient?</p> <p><b>Issue 16:</b> The rules do not deal with how network planning criteria are to be dealt with in assessing, managing and mitigating notifiable events.</p> <p><b>Issue 19:</b> There is no practicable mechanism to resolve differences of opinion in connection with notifiable events, for example regarding risk</p>	<ul style="list-style-type: none"> <li>As mentioned elsewhere in our submission, APA supports an outcomes focused approach that is fit for the unique NWIS environment. Unlike the SWIS there is less redundancy and greater economic consequences for outages in the NWIS. APA is supportive of submitting an outage plan. However, reform that requires the ISO to approve or reject an outage is not supported. The ISO role should be limited to when consensus is not reached by affected parties.</li> <li>Regarding the outage proposal document that ISO is planning to require for a Notifiable Event, APA's view is that only transmission elements should be considered for this procedure, NSP's must be free to conduct outages on its generation facilities as long as network stability and security is not impacted. If the outage does not affect any other NSP the ISO should not be involved.</li> <li>To enhance consistency and completeness, APA recommends that the ISO provide a standardised template for outage proposal documentation. This would help achieve uniformity across submissions.</li> <li>APA is not convinced that commissioning and testing should be managed in the same manner as outages. APA's view is that outages pertain to critical infrastructure affecting overall system security, while the commissioning and testing of new equipment should be treated separately from this process.</li> </ul>

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	assessment and how or by whom a notifiable event is to be mitigated or managed.	
<p><b>Recommendation 15:</b> The ISO, through its power to approve or reject proposals for notifiable events, will be responsible for determining which mitigations or other management measures should be implemented for an event.</p> <p><b>Recommendation 16:</b> That the ISO be empowered to direct the proponent, and if appropriate other participants, to take measures to mitigate notifiable events. That the ISO control desk have the power to activate these measures as necessary during real-time operations.</p>	<p><b>Issue 15:</b> Are the ISO's direction powers under rules 182(3) to (5) appropriate and sufficient?</p> <p><b>Issue 18:</b> There is no clear mechanism for identifying the measures necessary to manage or mitigate a notifiable event, and no clear obligation on any person to implement those measures once identified.</p> <p><b>Issue 22:</b> The ISO has no power to direct how a notifiable event is to be managed or mitigated.</p> <p><b>Issue 23:</b> The nature and timing of pre-contingent powers required to manage notifiable events are likely sufficiently different to the post-contingent powers the ISO control desk needs to manage contingencies, that it is appropriate for them to be exercised by the ISO rather than the ISO control desk. The current pre-contingent protocol was not designed to manage notifiable events.</p>	<p>APA has several insights and concerns regarding the ISO's proposed procedures for determining and directing mitigation actions:</p> <ul style="list-style-type: none"> <li>As mentioned above, we seek clarity on the process and considerations if the ISO disapproves a Notifiable Event (especially at late notice), particularly in scenarios where an approved event must be rescinded due to incidents involving other network participants. A formal process for handling this situation is necessary.</li> <li>APA also notes that the document states the ISO will determine which mitigations or management measures should be implemented for an event. However, we believe this is inaccurate; NSPs should be responsible for identifying mitigation measures, with the ISO's role limited to assessing and approving or rejecting those measures based on an objective assessment of the credible risks.</li> <li>Furthermore, we have concerns about the proposed "evaluation criterion" from the ISO. The current language, which aims to "maintain security and reliability in affected parts of the network to at least the level they were shortly before the outage," does not align with the intent of the procedure. We suggest revising this to indicate that the evaluation should be based on achieving "an acceptable level as determined by the ISO, in accordance with the agreed risk framework." This wording more accurately reflects operational realities, as it is not always feasible to maintain security and reliability at the same level as before the event, and this does not necessarily indicate that the system is at risk.</li> <li>When it comes to recalling equipment, APA's view is that the ISO should be required to demonstrate the specific risk being mitigated, particularly showing that there is an imminent or potential threat to overall system security. This should be supported by a risk assessment provided to network participants.</li> <li>APA does not support the ISO control desk having the power to activate mitigation measures during real-time operations. While the ISO should direct actions, APA does not support the ISO dispatching or starting machines autonomously, as this could jeopardise compliance with existing contracts.</li> <li>While APA agrees that the ISO should have the power to direct the recalling of equipment, we assert that this authority must come with compensation for the equipment owners to prevent NSPs from incurring losses.</li> </ul>

ISO draft recommendation	Issue(s) being addressed	APA Feedback
		<ul style="list-style-type: none"> <li>APA acknowledges the ISO's right to reject Notifiable Events under the proposed changes, it is crucial that the process allows for multiple avenues for NSPs to explore before a rejection occurs. We also emphasise the need for defined timelines after a proposal is lodged, giving network participants sufficient time to amend their proposals in response to the ISO's recommendations.</li> </ul>
<p><b>Recommendation 17:</b> That a broader review address the question of how notifiable event mitigation costs should be identified, assessed and allocated.</p>		<p>APA acknowledges that the cost impacts associated with mitigation are complicated. However, given the role of cost allocation in driving incentives in this area, we consider it prudent to consider the cost implications alongside the matters being considered in this review.</p> <p>For example: If, due to an outage, another network participant is required to take actions that results in an adverse commercial outcome for the NSP, the costs should be absorbed by the NSP responsible for the outage (i.e. causer pays approach). In APA's view, the principle of "the causer must pay" applies to any mitigation activity affecting another NSP. The affected party should estimate the costs, with the ISO serving as a reviewer of those estimates.</p> <p>For the detailed drafting changes to be supported, the following principles in relation to cost allocation are appropriate:</p> <ul style="list-style-type: none"> <li>NSPs must be properly and fairly compensated for any decisions made by the ISO.</li> <li>Only direct costs linked to the operation of the asset will be recoverable, specifically the direct costs associated with the essential service.</li> <li>ISO should have a clearly defined approach to assess cost impact estimations to determine whether they are "genuine," as well as what mechanisms, if any, NSPs will have to manage disagreements. We emphasise the need for a framework that allows the ISO to document and demonstrate the rationale behind its decisions.</li> </ul>
<p><b>Recommendation 18:</b> That during the detailed design of the new regime, consideration be given to whether the ISO should be permitted to utilise ESS contracts to manage notifiable events, and if so in what circumstances. Further, if so, that the review under Draft</p>	<p><b>Issue 21:</b> The rules do not deal separately with the specification and procurement of, and cost recovery for, additional ESS, or machine start or other services, when this is required to manage or mitigate a notifiable event, rather than as part of</p>	<p>APA agrees that using supplementary ESS could be a useful mechanism for the ISO to safeguard system security. However, we would like to highlight a few important points:</p> <ul style="list-style-type: none"> <li>The supplementary ESS should be in addition to the any existing contracted ESS being used to fulfil other system security or related services. In the scenarios described in the Draft Decision, supplementary ESS represents a different service with distinct considerations from other contracted ESS.</li> </ul>

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<p>Recommendation 17 determine how the resulting ESS costs should be allocated.</p> <p><b>Recommendation 19:</b> That the ISO propose urgent rule and procedure changes as necessary, to enable it to use ESS to mitigate notifiable events, as an interim solution pending any more complete rule changes which may be developed following this review and any broader review. Further, that pending a suitable answer to the question of how mitigation costs should be identified, assessed and allocated, the costs of ESS contracts used in this fashion should be recovered through standard Subchapter 8.3 processes.</p>	<p>normal system operations under Chapter 8.</p> <p><b>Issue 24:</b> The rules lack any mechanism to determine and apportion the costs of managing and mitigating notifiable events. A choice needs to be made as to whether mitigation costs should be apportioned on a causer pays, beneficiary pays or socialised basis, or some combination of these or some other basis.</p>	<ul style="list-style-type: none"> <li>Specifically, we see an issue with the statement: “ISO has an ESS contract in place with the relevant generator which permits the ISO to direct the generator to start that machine.” In our opinion, the utilisation of supplementary SRESS, as described in the document, is a different service not covered by current contracts. Under the existing operating model, NSPs are contracted to provide a specified number of megawatts, and how they choose to fulfill that obligation (e.g., across one or multiple machines) is their prerogative. Therefore, starting a generator or machine likely exceeds the scope of the current contracts.</li> <li>For the mechanism that ISO describes in the document to mitigate notifiable events, supplementary SRESS contracts would need to be established. Once these contracts are in place, along with pre-agreed pricing mechanisms, the ISO can direct NSPs to implement them as needed to safeguard system security.</li> <li>APA does not believe that the costs associated with the utilisation of supplementary ESS for outages should be split equally among participants. Instead, we believe that the network participant responsible for triggering the use of the additional ESS should bear the total cost of the mitigation activity.</li> <li>Utilising supplementary ESS to cover outages impacts NSPs, as these resources are currently relied upon to accommodate fluctuations in the network and to balance power. APA believes that the mitigation of outages should be addressed through a separate service, with costs borne by the party responsible for the outage.</li> <li>The ISO should have the authority to direct network participants to provide the necessary service. The provider would then execute this service and present a genuine cost associated with it. For example, activating a gas turbine incurs costs for NSP customers who pay for the gas, so we must ensure compensation for this.</li> </ul>
<p><b>Recommendation 20:</b> That in due course a broader review should address the matters identified in this section 9.</p>	<p><b>Issue 5:</b> Because a planned outage is a contingency, whenever a planned outage is occurring anywhere in the NWIS, the system is defined to be “outside normal operating conditions”, enabling relevant protocols to be activated (if their activation conditions are met)—but the pre-contingent protocol will not be available. The ISO</p>	<p>APA welcomes the further review of the critical issues identified in Section 9 of the Draft Decision. However, the items 9.1.1(d) to (k) are central to the review of Subchapters 7.3 and 7.4 and need to be considered concurrently.</p>

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	<p>seeks stakeholder feedback on whether this is a desirable outcome, or whether: (a) planned outages would be better managed as a variety of pre-contingent threat; or (b) the definition of “normal operating state” should be changed so that the system can (or can sometimes) remain in this state despite planned outages being under way; or (c) a fourth operating state is required, specifically to deal with planned outages.</p>	