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Attention of Assistant Director Markets
Economic Regulation Authority
Level 6, 197 St Georges Terrace,
PERTH WA 6000
publicsubmissions@erawa.com.au

SUBMISSION RELATED TO DISCUSSION PAPER: ANNUAL WHOLESALE ELECTRICITY MARKET REPORT TO THE MINISTER FOR ENERGY

Synergy is pleased to offer the following submission in response to the Authority's request for stakeholder feedback on strategic, policy or other high-level issues that impact on the effectiveness of the Western Australia's Wholesale Electricity Market (WEM) in meeting the Wholesale Electricity Market Objectives.

Synergy has considered some of the desirable aspects of a stable, sustainable and competitive wholesale electricity market which it has used as a basis to offer comment on the key issues raised by ERA in its request for submissions.

Synergy has previously expressed concerns regarding the Reserve Capacity Mechanism, related to:

- The rapid increase in the reserve capacity price;
- The high reserve capacity price resulting in an increased and excessive quantity of shared capacity;
- All this happening when the published forecast for capacity was significantly higher than what was actually needed.

Synergy suggests that the above conditions have collectively resulted in the market paying hundreds of millions of dollars more than is necessary to maintain the target level of reliability.

More recently, several significant changes have occured:

- Significant reduction in the capacity price for capacity year 2014/15 due to the amended MRCP formulation.

- Improvements in demand forecasting which corrected for previous errors such as large discrete loads and the impact of residential PV cell installation.; and
- Finalisation of the Reserve Capcity Mechanism working group.

These changes and work streams indicate that concerns raised about the Reserve Capacity Mechanism have been understood and to a degree acted upon. The expectation is that previous excesses are being addressed, though the current quantity of excess shared capacity is a continuing concern which will both add extra cost to the market and cause difficulties when trying to correctly price capacity to our customers.

The hope is that the amended Maximum Reserve Capacity Price methodology recently adopted will assist in reducing excess shared capacity. It is also hoped that the proposals from the Reserve Capacity Mechanism working group will also assist the reduction of excess shared capacity, though given stagnent load grow and continued PV investment, more drastic measures than these are likely to be required.

The attached submission provides additional comments in support of the above statements and indicates that more still needs to be done to ensure that the Reserve Capacity Mechanism is resulting in efficient and equitable market outcomes in the Wholesale Electricity Market.

Synergy is happy to discuss any or all of the attached feedback with the Authority by contacting either Stephen MacLean: phone 6212 1498, email: stephen.maclean@synergy.net.au or John Rhodes: phone 6212 1138, email john.rhodes@synergy.net.au.

Yours sincerely

STEPHEN MACLEAN
MANAGER MARKET DEVELOPMENT

Discussion Point 1

Stakeholders are invited to comment on how the Market Rules may be improved so that the Reserve Capacity Auction provision can be utilised by the IMO for the procurement of any capacity shortfall in meeting the Reserve Capacity Requirement and whether the Bilateral Trade Declaration of capacity should be made as a binding commitment between Market Participants similar to the Bilateral Submission in the energy market of the WEM.

The activities of the Reserve Capacity Mechanism working group

The Reserve Capacity Mechanism working group recommended adjustments to the existing reserve capacity price mechanism to provide incentives for the suppliers of capacity not to bring in additional capacity before it is required. The adjustment mechanism recommended by the consultants (The Lantau Group) to the working group involves a higher price when the market is in balance, in order to provide additional incentives for new capacity, and a lower price when the market is in surplus to deter further investment in capacity.

An auction process was largely dismissed by The Lantau Group because it was stated that an auction process would be complex and difficult, and subject to gaming by market participants. No substantive analysis was undertaken to support these conclusions, despite proposals by working group members to consider an auction based approach.

Synergy's view is that The Lantau Group's proposal is only an interim approach to ensuring a balanced capacity market (ie no major surplus or deficit) and that further reforms are necessary to achieve efficient outcomes.

Proposal for auction arrangements

The Lantua Group early on, made comment that a series of auctions could be used to progressively capacity credit planned capacity beyond the current two year ahead crediting process. This would allow base load generators which require longer lead times than do peaking gas turbines to secure their capacity credits earlier and the market to better know what capacity it could expect. This is different from the existing early capacity certification present in the market because it would be designed to avoid excess shared capacity and allow more accurate demand forecasting undertaken closer to the start of the capacity year to be used.

A progressive auction approach would increase the quantity of credited capacity closer to the actual capacity year allowing both time for market participants to correct their positions and also deliver a level of volume and price certainty. Unfortunately, this idea was not progressed further by the working group such a more detailed understanding of how it would operate in the WEM could be derived.

Problem of DSM and auctions

It was often raised at the working group that a single reference capacity technology did not cover the full range of capacity types that should be considered and that DSM in particular, given its inability to provide capacity for more than a few days should not be classified in the same way as large scale generation (>30 MW) that can provide capacity on a more reliable basis.

Consistently commented by working group members was that the inclusion of DSM in the Reserve Capacity Mechanism could distort price signals in either an auction or administered price approach..

It has been suggested that DSM should be treated separately from large scale generation in the RCM. For example, the IMO could specify an amount of DSM that can be certified, with the balance reserved for large scale generation. If there is insufficient large scale generation, then an auction could be run to fill the gap, which both DSM and small scale generation participating.

Binding bilateral trade declaration

Currently, capacity providers must indicate whether they intend to trade their capacity bilaterally or offer it in an auction. Whenever total intended bilateral trades exceed the Reserve Capacity Target the auction is cancelled and the opportunity for efficient price discovery is lost - furthermore, the inbuilt auction tie-break mechanism that caps shared capacity at 100 MW will not apply.

If the current arrangements of the IMO paying for all capacity bilaterally declared persist, bilateral declarations will continue to dominate given it delivers a guaranteed payment with no reality of any bilateral arrangement needed. At the working group Synergy proposed that a bilateral declaration if issued should disallow declared capacity from recieving payment from the IMO given the declaration meant payment was being made by another market participant. Synergy still considers this an appropriate mechanism under which a bilateral declaration should be issued, but suggests given the current excess of shared capacity that such an approach would be problematical to implement immediately. The better approach is to first secure reduction in shared capacity before considering implementing such a disciplined bilateral declaration arrangement.

If such an approach were implemented in a future capacity year then it would most certaintly trigger the use of an auction process given that the Reserve Capacity Target would not be met by bilateral contracting alone. Such an arrangement needs to have developed an operational auction which avoided the possibility of manipulation, exercise of market power or failure often referred to as the zerop infinity problem.

Bilateral declaration and auction not mutually exclusive

A reason capacity providers do not use the existing auction is that an excess of capacity offered bilaterally has always resulted in the auction being cancelled. This presents a risk for capacity wishing to use the auction,

perhaps to achieve a higher price than the current 85% or to lock in the 10 year special pricing arrangement. To make the auction a more practical instrument a suggestion is to allow capacity which wishes to use the auction to first secure capacity credits through a bilateral declaration whist retaining the option of entering the auction if an auction were to be called.

Discussion Point 2

Stakeholders are invited to comment on whether there should be a limit set for the amount of Capacity Credits that the IMO can procure in excess of the Reserve Capacity Requirement and if so, on what basis this limit should be determined.

Synergy's preferred approach

Synergy supports the concept of limiting the quantity of capacity credits that the IMO can issue. Relying on price mechanisms alone to deter excess capacity entering the market may not be sufficient, especially if DSM is treated in the same way as large scale generation. For example, even at a price below $100K/MW, DSM will still be viable and will continue to enter the market at a low capacity price. Some capacity will enter the market to meet the energy needs of retailers (eg base load and mid-merit plant), which could result in a surplus of capacity credits for several years until load growth absorbs the new capacity. When this occurs, the IMO should not be accrediting additional generation capacity beyond market requirements.

Synergy's preferred approach is for the IMO to limit the amount of excess capacity that can be accredited in any one capacity year. For example, the capacity limit could be set at 150 to 200 MW. While the new plant can enter the market, it will not receive revenue from the IMO for capacity credits. This would be paid by retailers or absorbed by merchant generators if they decided to bring in capacity in excess of market requirements.

Our approach would have to be phased in given the current surplus of capacity in the market, implemented to occur only after the quantity of excess shared capacity had been significantly reduced.

Using DSM to capped excess shared capacity

If the market determined that the current quantity of excess capacity was not going to reduce or was reducing too slowly, creating a significant cost to the market, then a method to speed up the reduction of excess shared capacity would be to use the priority criteria given in Appendix 3 of the market rules. Appendix 3 gives priority to that capacity which has a higher level of availability.

For example, priority would be given to Generators, Availability Class 1, given their higher level of availability, and that capacity providers need to earn revenue from providing capacity credits for the investment to go ahead. Availability Classes 2 to 4 may not be accredited by the IMO until the market is in balance or has a forecast shortage.

This suggestion recognises that Avaialbility class 2 to 4 are more likely the type of capacity which can be more quickly called upon if an impending shortage is suspected and given their low fixed investment costs would not be required to be funded every year, but only when needed.

Interim suggestion

Given the significant surplus of capacity credits, the IMO should not run the Reserve Capacity Mechanism for the 2015/16 capacity year. Instead, the IMO should affirm that the existing capacity will be available for use in 2015/16.

Discussion Point 3

Stakeholders are invited to comment on the effectiveness of the Reserve Capacity Price that has been set using the administrative formula with reference to the Maximum Reserve Capacity Price and the Excess Capacity Adjustment and whether an alternative calculation formula should be explored.

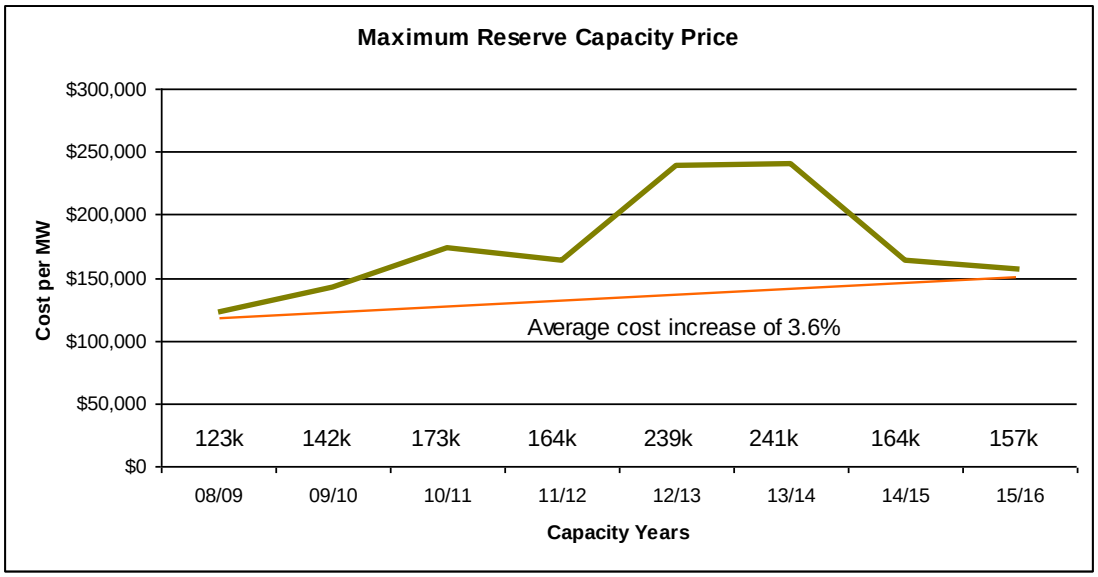
The current formula

The current administered pricing formula was implemented to approximate an efficient price given the absence of an auction. The 85% selection was arbitary, but reflected a view at the time that the initial MRCP set, not calculated, at $150,000 per MW was generous and if new capacity needed more than 85% of this payment they would enter through the auction gate.

The first time the MRCP was calculated was for the 2008/09 capacity year producing a lower value of $122,500. Jumping forward to the next MRCP being the 2015/16 capacity year, this is expected to deliver a price of $157,000. Taking these two values gives an annual increase in the MRCP of 3.6%, which appears to be a reasonable increase over the period.

One may speculate that the increase in excess shared capacity has resulted from the MRCP increasing well above the 3.6% value. One may also speculate that if the MRCP had not increased so dramatically, instead sticking closer to the 3.6%, the Reserve Capacity Target would still have been achieved, but the the market would have avoided a surge in shared capacity.

The simple point here is that the current administered formula has been suspect not because of its design, but due to a weakness in determining a reasonable annual change in the MRCP. Therefore the success of the current or future arrangements critically depends upon how well the MRCP is calculated from year to year.



In summary, Synergy does not necessarly have concerns regarding the current administered pricing formula, but has concerns about years the MRCP dramatically increased and the consequences, unnecessarily high costs paid by customers, of those increases. Synergy's key concern with the administered formula has been the lack of discipline allowing it to increase rapidly for the 2012/13 capacity year. Although previously Synergy has raised comment that the price reduction used to proportionally lower the RCP given excess shared capacity was too sluggish a signal to capacity investors, the real issue was the high MRCP. In saying this, given the most recent activities by the IMO and the MRCP working group in reformulating the MRCP, Synergy is more confident that the MRCP is less likely now to go out of control and bring unnecessary cost to the market and a new explosion in shared capacity.

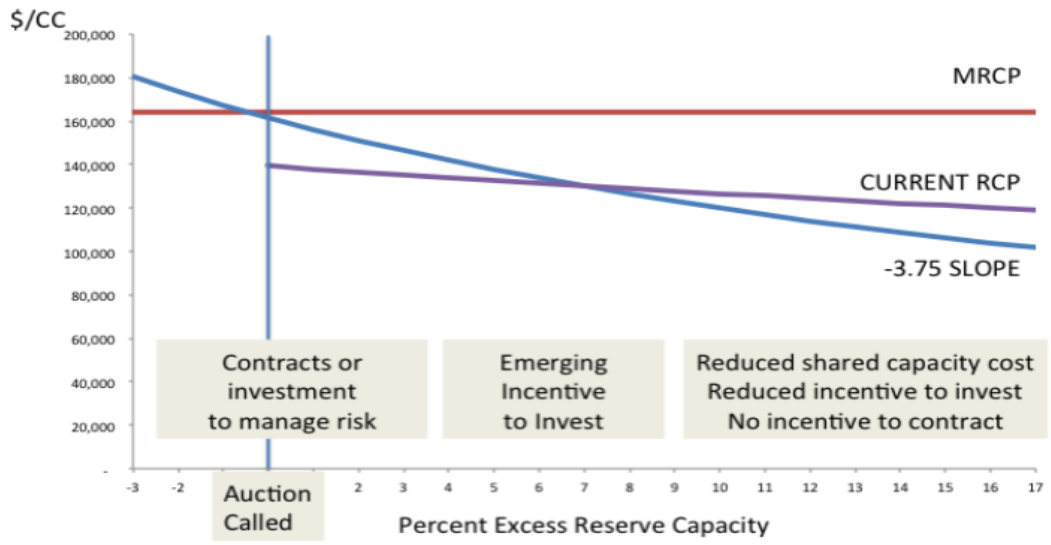
Administered formulation has outstanding problems

The outstanding problem with the existing administered formula, and Synergy would suggest The Lantau Group proposal, is that both may not materially reduce the quantity of excess shared capacity in a reasonable timeframe. The consequnce of this is that the market is paying for too much capacity without a commensurate improvement in reliability that has value to customers. True, the 2014/15 RCP has been reduced and the expectation for 2015/16 is even lower, but this will not reduce the amount of DSM currently credited and although some existing generators could not make their desired margin at these lower prices, they may also not retire given the winfall gained accrued during the 2012/13 and 2013/14 capacity years. The process of reducing the quantity of excess shared capacity is likely to be slower than desired and may require more dramatic approaches be adopted as was suggested above.

Discussion Point 4

Stakeholders are invited to comment on Lantau's proposal for changing the Reserve Capacity Price calculation formula in the Market Rules.

The Lantau Group proposal is a modification of the current administered formula aimed at better capping the quantity of excess shared capacity and replacing the need for the auction mechanism by allowing a higher RCP than MRCP if capacity offered is less than required. The following stylised graphic represents the proposal.



Three key differences are:

- the 15% discount (applicable if no shortage) is removed;
- sliding price scale changed factor from 1 to 3.75; and
- RCP allowed to increase to 110% of the MRCP.

Synergy does not object to this modification of the current administered formula, but notes it may only provide a minor improvement on what currently exists and may, given its faster price reduction, increase investment and contracting risk.

The proposed changes are largely incremental: while they better signal the supply and demand balance, they do not guarantee that the target capacity will be achieved and a significant quantity of excess shared capacity will be avoided - it is possible that the proposed amendment will not be sufficient of itself to make the reserve capacity mechanism robust.

In the absence of an auction or physical capping of the market, the RCP is left to signal when new capacity is required and when not. As presented, the Lantau Group proposal still contains a generous price adjustment and scope exists to make it sharper such that the likelihood of the market carrying inefficient amounts of excess shared capacity is reduced. In this regard, the mechanism could be restructured to achieve a cross-over point to the existing RCP at a lower percent, in the order of 5%, and then exhibiting a much steeper decline thereafter.

Reducing price variations with the Lantau Approach

The Lantau Group approach will see more variation in price compared to the current methodology. In theory, the lower price when excess capacity increases should deter capacity suppliers and prevent the price fluctuations. Price fluctuations could be further avoided by putting in place a physical limit on the amount of capacity that can be accredited, as outlined earlier.

Discussion Point 5

The Authority invites stakeholders to comment on the value provided by DSM under the current market design and the cost of DSM to the market. The Authority also invites stakeholders to comment on whether alternative treatments of DSM could provide a more cost effective way to the market for the efficient use of DSM.

Under the current market design DSM is akin to an insurance product against critical peak events or loss of fuel supply or multiple unplanned capacity outages. DSM sits last in the dispatch merit order albeit that it is subject to a number of dispatch constraints.

DSM is allowed the same capacity payment as a conventional generator even though its underlying cost structure is completely different – its fixed costs are low while its opportunity cost of dispatch can be high, likely much higher than that of a distillate fired plant.

DSM can distort the RCP as its differential cost structure means it can comfortably participate in an uncapped capacity market or in a single auction of both supply and demand sides. If the market were to entertain a capping of capacity and undertook this on a price basis then given the current quantity of excess shared capacity this would result in most of the DSM capacity being credited with some of the longer term investment type capacity, being generators, missing out. The market could lose high availability capacity to be replaced with lower available capacity, albeit that total capacity payments would be reduced.

Harmonising supply and demand side

The working group recommended that DSM operate similar to peaking generators by removing the restricted hours of operation. In principle, uncapping DSM limits from 24 hours of operation to being unlimited sounds reasonable, given it gets the same payments as a peaking generator which are expected to always be available, but Synergy has a concern here.

Synergy raises the point that DSM is naturally limited in its performance because providing capacity is its secondary function which is always limited by its primary function of producing widgets. By insisting that DSM provide unlimited hours of operation, although given the quantity of excess shared capacity means it is most unlikely to be called, misrepresents what DSM can do. Synergy is therefore concerned that this component of the harmonising proposal requires something physically impossible from DSM. Instead of being unreasonable and requiring the impossible, the market should recognise that DSM is a limited product and design payment and operational structures around this limitation.

Alternative payment structure for DSM

If the the purpose of DSM is to meet the rare but extreme peak events, for, say 50 hours or less, then this recognises a different function for DSM from that a peaking generator. If the reason for capacity crediting DSM is different from that of peaking generators, then efficiency considerations suggest the payment structure needs to change to better align with DSM cost structures and not tie payment of DSM to a 160 MW OCGT cost structure. That is, the fixed/variable allocation needs to change to a lower fixed component with a dispatch price set to make up the difference such that total payment does not exceed the equivalent a peaking generator would receive in the same circumstances. Efficiencies accrue from a lower cost to market where the year exhibits expected or typical load/supply outcomes.

Difficulties using differential pricing

Under the Reserve Capacity Mechanism a capacity credit for DSM is the same credit given to a generator, so this creates difficulty in applying differential pricing between generators and DSM. It is difficult because DSM will always bid itself up to the price of the substitute being the generator RCP equivalent whilst having access to a higher dispatch payment. Effectively the market will lose the price benefit from having DSM but continue to pay its high dispatch premium.

To avoid this and allow DSM to be paid differently DSM would have to represent a different product either a second type of capacity credit or an ancillary service product. Synergy suggests the market should consider paying DSM differently from peaking generators and ensure this works by creating a different type of product for DSM.

Discussion Point 6

Stakeholders are invited to comment on the application of clause 4.11.1(h) of the Market Rules and any appropriate modification that may be required to improve its effectiveness.

It is concerning if capacity can access prolonged outages, to a level significantly above industry best practice for equivalent technology and aged plant. Such behaviour unreasonably denies customers the benefit of that plant being available to contribute to system reliability and potentially lowering prices through participating in the STEM and balancing markets.

It is reasonable to conclude that sanction actions available to the IMO (in the form of not assigning capacity credits) are unlikely to be brought to bear given the current extended assessment periods and high planned and unplanned thresholds - 30% when taken together.

Synergy's view is that thresholds embodied in 4.11.1(h) are too generous and need review. In defining the new thresholds Synergy recommends adopting international best practice as a threshold basis for to provide the appropriate encouragement for generators to efficiently manage outages and return to service to deliver value to customers who pay the reserve capacity charges.

Furthermore, Synergy recommends that it be a periodic requirement that the market be informed, for example by an annual report tabled at MAC, about the prevalence of extent of prolonged outages.

Discussion Point 7

Stakeholders are invited to comment on the provisions of clause 4.27 of the Market Rules and whether the incentives for plant availability could be improved.

Given planned outages exempt facilities from reserve capacity obligations (and hence refunds), it is important that rigorous performance monitoring be undertaken to identify where planned outages are excessive and for the IMO to protect customer interests by having access to sanctions to encourage outage performance in line with industry best practice.

Sanctions under 4.27 are two fold where thresholds are triggered:

- Limits can apply to future planned outages – no longer open ended and exposes generators to refunds where outages continue past approved dates; and
- Exemptions from reserve capacity obligations while undertaking planned outages can be put aside exposing a generator to refunds i.e. continued planned outage treated as forced outage.

At issue is whether customer interests are sufficiently protected by the current thresholds for triggering the sanctions when compared with the prevalence and extent of planned outages taken by generators.

This suggests that the market needs to be informed:

- as shared capacity would complete to get contract cover. When the quantity of excess shared capacity had been reduced then Synergy would see it timely to change the RCM such that bilaterally declared capacity received no capacirty payment. the current threshold for mandatory reporting under 4.27.2 seems high at 80 days; and
- About industry best practice for plant outages for various generation plant types with consideration given to how this changes with plant age which can be used as a basis to determine whether the current thresholds and sanctions are overly generous and are not protecting customers from excessive planned outages.

Discussion Point 8

Stakeholders are invited to comment on whether the current market design provides appropriate incentives for retirement of inefficient generating units.

In response to this discussion point the following comments are made.

In an efficient energy market, commercial drivers and consequences alone should dictate plant retirement decisions – it is a matter for investors whether the risk adjusted return available from the subject capacity/energy markets justifies the continued application of funds in a generator compared retiring the generator and pursuing opportunities elsewhere.

In gross energy markets retirement decisions in respect of energy producing plant are largely tied to whether short run marginal costs are sufficiently below the market clearing price to ensure dispatch so that the differential contributes to fixed cost recovery. Plants experiencing declining efficiency due to age or technical obsolescence would be shifted up the merit order bringing forward the retirement decision.

In the WEM this decision is not clear cut as reserve capacity payments may be sufficiently high such that capacity utilisation can become a second order issue – in the absence of physical capacity limits to deal with excess capacity and given the likely lower written down value of inefficient plant, such plant may add to unneeded excess capacity and constitute a barrier to entry of more efficient energy producing plant to the detriment of the market.

In a capacity auction environment, this potential inefficiency would be resolved: total return needed by investors to justify plant retention (i.e. defer retirement) would reflect the sum of capacity and energy payments. Investors would bid a capacity price which when combined with forecast dispatch outcomes (given expected plant SRMC and derived contribution to fixed costs) would deliver the needed return. Efficient plant would gain entry, potentially displacing existing plant less efficient, whenever it presented a lower total cost outcome.

As noted above, in the WEM, investors will first consider the plant retirement decision in the context of the administratively determined RCP and the extent to which it covers/exceeds fixed costs; dispatch is incidental as it will be priced at a minimum of SMRC. This suggests that the appropriate incentives for the retirement of inefficient plant need to be tied to the RCM and the process by which capacity prices and the quantity of capacity credits are set. In an auction scenario, this will self resolve; in an administratively determined RCP scenario an intervention is required.

Discussion Point 9

Stakeholders are invited to comment on issues that are impacting on the efficient operation of the new LFAS market.

In response to this discussion point the following comments are made>

LFAS has been introduced without competition being available (only Verve able to offer prices from July) resulting in large price increases that the market was not informed of or prepared for - this is inconsistent with the principle of competitive markets i.e. need a reasonable number of competing suppliers.

In the absence of effective competition, IMO/ERA monitoring is a necessary but not sufficient condition for prices to reflect efficient levels (i.e. innovation signal is muted if service supply dominated by monopoly provider).

Given the significant cost incurred by the market to move from administrative to competitive LFAS provision, to maximise beneficial outcomes action should be immediately taken to reduce barriers to entry and enable competitive supply.

If the introduction of competitive LFAS has shown the real cost of providing this service as opposed to the discounted cost which may have resulted from the administered approach, it also creates an opportunity to reassess the level of LFAS costs paid by the market arising from at its current volumes and time periods.

Consideration needs to be given to the reducing the cost of LFAS by reducing the time period it is determined over and the level of frequency control actually needed. System Management and the IMO have indicted both of these approaches potentially reduce the cost of LFAS without impacting on reliability.

In light of the adverse outcomes experienced by the market in implementing contestable LFAS supply, a compelling case would need to be made that tangible efficiencies will be delivered before the market implements the contestable supply of spinning reserve services – at a minimum this means the market must be assured that there will at least be one generator capable of effectively competing, over a large part of the day, with the default monopoly supplier.

Discussion Point 10

Stakeholders are invited to comment on whether the current information regime under the Market Rules presents a potential barrier to entry and what, if any, improvements can be made in promoting more efficient market outcomes.

A concern to Synergy and one which impacts the market generally in terms of accuracy of load demand is Synergy's limited access to current (yesterday's) demand.

The major part of Synergy's load is represented by non-interval meters which are only accurately determined as part of the non-STEM settlement some 6 weeks after the end of each month. For Synergy this means it does not know its actual demand for the first day of summer until 10 weeks later leading to considerable, inaccuracies in its nominations and therefore distorting of the clearing price for energy.

Synergy proposes that having access to earlier estimates of its actual demand would improve its nomination forecasting reducing this balancing error. Synergy also proposes that if it could re-nominate its demand within the trading day then this would largely remove the other mayor error being inaccurate weather forecast information based upon scheduling day information.

Synergy believes that these two changes would dramatically improve its ability to forecast and nominate its actual demand and not distort market prices or generator resource plans based upon old demand information and out of date weather forecasts.

Discussion Point 11

Stakeholders are invited to comment on how effective the IMO, System Management and the Authority have been in carrying out their respective functions in the WEM.

General comments

A hallmark of a well functioning market is confidence in market governance arrangements – there must be adequate separation of roles and duties to avoid capture and an adequate independent review process of regulatory and administrative decision outcomes.

In respect of the WEM, the IMO has a dual role as rule administrator and rule maker which is of concern to some. Whether there is sufficient independence between the IMO board and its administrative secretariat such that concerns are unwarranted is a matter of judgement based on experience. Nevertheless while the IMO continues to assume its dual role with the board taking advice from its secretariat the perception about the lack of independence remains.

As a matter of principle, the governance structure should be independently reviewed to determine whether it is justified to adopt a similar structure to that of the National Electricity Market where a completely separate body manages the rule change process from that charged with the day to day operation and oversight of the market.

Composition of MAC

The Market Advisory Group should represent a broad cross section of the market and its processes should disallow one section to dominate by numbers or common interest.

There is a view that the MAC is largely composed of generator representatives either as Market Generators or as Market Customers with a generator preference. It is perceived that there is a weakness in customer advocacy within the membership which allows for criticism that decisions are made for the benefit of generators not always giving due regard to end use customers issues. The concern is that although the MAC composition appears to be balanced, given an equal number of Market Generators to Market Customers, it is not robust in representing customer perspectives and is effectively dominated by generator interests.

Chairing of the MAC and associated working groups

Currently the MAC and its subordinated working groups are chaired by an IMO representative. The point has been raised that this allows a level of meeting and process control that can be perceived as not representative of the whole market's best interests. Given that MAC and working group decisions impact the IMO's work streams directly and so the IMO has particular interest in certain outcomes, consideration should be given to having such meeting chaired by others than IMO representatives.

Working group resources

Currently the resources used by working groups and other IMO based committees are directed almost solely by the IMO. This can be seen as limiting the range of research and consultant comment which is allowed to be offered or be directed by the working group members. Consideration should therefore be given to allowing a degree of control over these resources such that the working group members, acting as a collective, have some direct involvement in how resources are used.