Independent Market Operator

Market Advisory Committee

Minutes of Meeting No. 6

Location:	ERIU Conference Room		
	Level 8, Governor Stirling Tower, 197 St Georges Terrace, Perth		
Date:	Wednesday 12 September 2007		
Time:	Commencing at 2.00pm to 3.15pm		

Attendees		
Anne Nolan	Chair, IMO	
Jason Banks	Office of Energy	
Ky Cao	Perth Energy	
Ignatius Chin	Economic Regulation	
	Authority	
Andrew Everett	Verve Energy	
Phil Kelloway	System Management	Proxy for Ken Brown
Dora Guzeleva	IMO	
Peter Huxtable	Water Corporation	
Mark Lewis	Transalta	
David Lyne	Newmont	
Robert Pullella	Economic Regulation	
	Authority	
Magnus Stensson	IMO	Minutes

Apologies		
Ken Brown	System Management	
Tony Perrin	Synergy Energy	
Stan Reid	Alinta	
Phil Southwell	Western Power	

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Item	Subject Meeting 6 – 12 Se	Action
1.	WELCOME AND APOLOGIES/ATTENDANCE	
	Noted apologies from Ken Brown, Tony Perrin, Stan Reid and Phil Southwell.	
	The Chair opened the meeting and welcomed members to the sixth meeting of the Market Advisory Committee.	
2.	MINUTES OF LAST MAC MEETING	
	The Minutes of MAC Meeting No. 5 held on 11 July 2007 were circulated prior to this meeting.	
	Members proposed minor amendments to Item 4 and Item 5 of the Minutes. The amended Minutes will be published on the IMO website.	IMO
3.	MARKET RULE CHANGES IN PROGRESS	
	PROVISION OF INFORMATION TO THE IMO, RC_2007_15	
	MAC members were invited to express their views on this proposed rule change, which was discussed at a previous MAC meeting.	
	MAC supported the change. No member expressed concerns with the proposed rule change.	
	OUTAGE NOTIFICATION TO THE IMO, RC_2007_16	
	MAC members were invited to express their views on this proposed rule change, which was discussed at a previous MAC meeting.	
	MAC supported the change. No member expressed concerns with the rule change proposed.	
	The IMO informed that a Workshop will be held with interested parties on 13 September and invited interested MAC members to participate.	
4.	POTENTIAL MARKET RULE CHANGE PROPOSALS	
	RELEASE OF STEM SUBMISSION INFORMATION	
	A proposal by ERA to amend the rules to release STEM submission information to the Public at 9.00am on the relevant trading day had been circulated for consideration by MAC.	
	MAC discussed whether the information could or would be used to change bidding behaviour, given that the Market Rules require generators to bid at their short run marginal cost. MAC also discussed whether small Market Participants would have the ability to effectively use the data, once available. However, MAC was in general agreement that an early release of STEM Bids and Offers could be beneficial to the Market and that there was no reason to delay publication beyond the Trading Day.	

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Minutes Meeting 6 – 12 September 2007 MAC was concerned about the drafting of the change and proposed that the word "completed" be removed. MAC was of the view that the information could be released even earlier than in the ERA proposal, preferably as soon as practical after the STEM had been cleared on a Scheduling Day. MAC suggested that ERA amend the proposal to propose that the information be published by 9am, instead of at 9am on the Trading Day. **ERA** The ERA will amend its proposal and submit it to the IMO on 13 September 2007. RESERVE CAPACITY TESTING A proposal by the IMO to amend the rules to clarify that Dispatch Instruction Payments are not calculated for the purpose of Reserve Capacity testing had been circulated for consideration by MAC. MAC noted that the current intent of the Rules appears to be that MCAP should be paid for Reserve Capacity tests and that there is a need to clarify inconsistencies in respect to this in the Rules. MAC also agreed that clarifying this will ensure that Verve Energy facilities are treated equally to non Verve Energy facilities in regard to compensation for these tests. MAC members discussed whether MCAP would cover the full costs of preforming the Reserve Capacity tests in all circumstances. For example ramp-up and ramp-down costs may not be fully covered by MCAP payments and since the Reserve Capacity Price does not cover testing costs, generators may have to bear costs associated with the Reserve Capacity tests in certain circumstances. While acknowledging the issues raised, MAC was in general agreement that the proposal should be put forward in order to clarify the Rules. The IMO will submit this as a formal Rule Change Proposal on 13 IMO September 2007 NON TEMPERATURE DEPENDANT LOADS (NTDLS) A proposal by Premier Power to amend the rules to change the timelines related to consideration of NTDLs had been circulated for consideration by MAC. MAC emphasised the importance of adequate measures to be in place to verify that a load is genuinely Non Temperature Dependant. The IMO explained that a check of meter data is conducted for all Loads applying to become Non Temperature Dependant. In general, MAC was in support of the proposed change. The IMO will IMO request Premier Power to submit this as a formal Rule Change Proposal on 13 September 2007. 5. NTDL ARRANGEMENTS WORKING GROUP Terms of reference for a Working Group to assess the NTDL definitions had been circulated for consideration by MAC. The IMO explained that the focus of the Group would be dealing with the definitions of NTDLs

in the Rules. For example, currently a Load that has a lower load during peak periods, and operates its full load during off peak periods, is treated as Temperature Dependant, even though it is not

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	temperature dependant.	
	MAC endorsed the establishment of the Working Group and approved the Terms of Reference.	
	MAC Members will provide the IMO with their nominated Working Group members by 17 September.	ALL
6.	ANNUAL REVIEW OF MAC COMPOSITION	
	The IMO informed MAC that it will soon commence the annual review of the MAC composition, as prescribed in the Market Rules and in MAC's constitution. The IMO noted the requirements to rotate members of MAC to enable other Participants to be represented and to consult with industry groups during the review. MAC members were requested to contact their industry organisations if they would like to provide input on MAC's future composition.	
7.	NEXT MEETING	
	The next meeting is scheduled for 10 October 2007.	
8.	CLOSED	
	The Chair declared the meeting closed at 3.15 pm.	

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