

## Independent Market Operator

### Market Advisory Committee

## Minutes

<b>Meeting No.</b>	13
<b>Location:</b>	IMO Board Room Level 3, Governor Stirling Tower, 197 St Georges Terrace, Perth
<b>Date:</b>	Wednesday 20 August 2008
<b>Time:</b>	Commencing at 2.00pm to 4.00pm

Attendees		
Allan Dawson	IMO	Chair
Kristian Myhre	Alinta	Member
Robert Pullella	Economic Regulation Authority	Observer
Shane Cremin	Griffin Power	Member
Dora Guzeleva	IMO	Member
Arian Lowe	IMO	Minutes
Jason Banks	Office of Energy	Member
Jenni Conroy	Synergy	Member
Phil Kelloway	System Management	Proxy for Ken Brown
Andrew Everett	Verve Energy	Member
Peter Huxtable	Water Corporation	Member
Apologies		
Geoff Gaston	Perth Energy	Proxy for Ky Cao
Peter Mattner	Western Power	Member
Steve Gould	Landfill Gas and Power	Member

Item	Subject	Action
1.	<b>WELCOME AND APOLOGIES / ATTENDANCE</b>  Noted apologies from Geoff Gaston, Peter Mattner and Steve Gould.  The Chair opened the meeting and welcomed members to the thirteenth meeting of the Market Advisory Committee.	<b>Chair</b>
2.	<b>MINUTES OF PREVIOUS MEETING / ACTIONS ARISING</b>  The Minutes of MAC Meeting No. 12 held on 14 May 2008 were circulated prior to this meeting.	<b>Chair</b>

Item	Subject	Action
	<p>The point was raised that the action recorded against proposed rule change 'Conversion of forced outages to planned outages', namely that the IMO and System Management provide analysis on this topic, was no longer necessary.</p> <p>One member stated that there had been no communication from the IMO or System Management regarding this rule change proposal or the fact it is not going to be progressed further.</p> <p>It was noted that more detailed discussion on the proposal was required between the IMO and System Management following the MAC meeting.</p> <p>The Chair advised that the IMO could not support the rule change proposal as it was currently written and accordingly had asked System Management to consider the proposal further.</p> <p>The Chair suggested that the IMO, Verve Energy and System Management arrange a meeting to discuss the rule change proposal.</p> <p>Members adopted the Minutes of Meeting No. 12 as a true and correct record of the previous meeting.</p>	IMO / VE / SM
3.	<p><b>MARKET RULE CHANGES IN PROGRESS</b></p> <p><b>DEMAND SIDE MANAGEMENT – OPERATIONAL ISSUES, RC_2008_20</b></p> <p>The Rule Change Notice for this change (submitted by the IMO) had been circulated to MAC. MAC Members were invited to express their views on this rule change proposal.</p> <p>It was advised that MAC had considered this issue at the last MAC meeting when it was submitted in the form of a pre-rule change discussion paper.</p> <p>It was pointed out that a timeframe was subsequently included in the proposal regarding commencement dates for the various market rule changes. It was advised that the timeframe had been considered by the DSM Working Group and subsequently circulated to MAC for consideration.</p> <p>Synergy raised an issue regarding the timeframe and was specifically concerned about the Relevant Demand definition commencing as soon as practicable.</p> <p>It was noted that MAC had been fully briefed on the proposed changes at its last meeting and that the timetable for commencement had been well-debated. The IMO also noted that it considers that the definition of Relevant Demand is generous and would be concerned if a Market Participant would not be able to adhere to it.</p>	

Item	Subject	Action
	<p>It was decided that any market participants that did not feel comfortable with the proposed timeframe should submit a submission outlining their concerns.</p> <p>MAC supported the rule change as proposed.</p>	
<b>4.</b>	<b>PROPOSED MARKET RULE CHANGES</b>	
	<ul style="list-style-type: none"> <li>• <b>INTERMITTENT GENERATORS COMMISSIONING</b></li> </ul> <p>This potential rule change proposal aims to introduce the requirement for Intermittent Generators to receive Capacity Cost Refunds in the case where the Facility is not commissioned in accordance with the application made for Certified Reserve Capacity and its Capacity Credits.</p> <p>MAC supported the rule change as proposed.</p>	<b>IMO</b>
	<ul style="list-style-type: none"> <li>• <b>INTERMITTENT LOAD REFUND MAXIMUM</b></li> </ul> <p>This potential rule change proposal is to remove the refund cap which currently applies to intermittent loads.</p> <p>MAC supported the rule change as proposed.</p>	<b>IMO</b>
	<ul style="list-style-type: none"> <li>• <b>CLAUSE 4.12.1 CONSISTENCY WITH CLAUSE 4.26.2</b></li> </ul> <p>The IMO briefed MAC on this proposed rule change which resolves an inconsistency between clauses 4.12.1 and 4.26.2.</p> <p>MAC supported the rule change as proposed.</p>	<b>IMO</b>
<b>5.</b>	<p><b>SUPPLEMENTARY RESERVE CAPACITY WORKING GROUP</b></p> <p>MAC did not propose any changes to the Terms of Reference for the Supplementary Reserve Capacity Working Group (albeit the appointment of a representative from System Management to sit on the Working Group).</p> <p>One member advised that the Working Group needs to urgently consider the definition of eligible services. Also, it was posited that perhaps the Working Group should also consider capacity that can only be provided on a 'best endeavours basis'.</p> <p><u>Proposed rule change PRC_2008_27</u></p> <p>It was advised that the proposed rule change PRC_2008_27 protects a retailer, that has not fully covered its IRCR, from bearing the entire cost of Supplementary Reserve Capacity.</p> <p>It was advised that this proposed rule change was an 'interim solution' while the Working Group continues to debate the issue of who should fund SRC. In the meantime, the Working Group would devise a more permanent solution.</p>	

Item	Subject	Action
	<p>It was noted that it is highly unlikely that SRC will be called before February 2009.</p> <p>MAC agreed that proposed rule change PRC_2008_27 be processed however MAC did not support that it be processed via the fast-track mechanism. It was posited that although the proposal should not be 'fast-tracked', the IMO could shorten its timeframes for drafting rule change reports and publishing rule change material and thereby significantly reduce the time required for processing the rule change.</p>	<b>IMO</b>
6.	<p><b>IMO MARKET RULES EVOLUTION PLAN 2008 - 2011</b></p> <p>The IMO explained that the Market Rules Evolution Plan consisted of a description of major and minor reviews scheduled to take place over the course of the next three years. It also contained a list of logged rule changes which need to be considered and where appropriate progressed.</p> <p>The IMO explained that there were 16 major market rule development reviews scheduled to take place. The IMO then provided a brief overview of each review.</p> <p>The IMO asked for feedback on whether all pertinent issues had been addressed in the plan, whether there were any issues which members did not consider worth addressing at this stage and whether the timeline was feasible.</p> <p>The Chair advised that this was the IMO's first Plan and that the IMO intended to come back to MAC with a revised Plan in the next six months. The Chair enthused that the Plan was a work in progress and that feedback was sought.</p>	<b>ALL</b>
7.	<p><b>IMO OPERATIONAL PLAN</b></p> <p>The Chair gave a presentation on the IMO Operational Plan.</p>	
8.	<p><b>OTHER MATTERS</b></p> <p>No other matters were raised.</p>	
9.	<p><b>NEXT MEETING</b></p> <p>Scheduled for 10 September 2008.</p>	
10.	<p><b>CLOSED</b></p> <p>The Chair declared the meeting closed at 3.55pm.</p>	