



Agenda Item 5c: Progress against Market Rules Evolution Plan

Below is a summary of the status of the market development reviews currently either underway or scheduled to be underway as part of the Market Rules Evolution Plan (Plan).

The IMO has undertaken a review of the Plan. Part of this review has been assessing what issues are long term road map issues and what issues are evolution plan issues. An updated paper is on today's agenda. The IMO would like to note that this Plan is likely to be updated in the near future following the population of the Rule Participant Issues Log.

Any changes from what was presented to the March MAC meeting are in red for ease of reference.

Review	Timeline	Status update
Supplementary Capacity Provisions	July – Dec 08	<p>Well underway.</p> <ul style="list-style-type: none"> • Three rule changes (27, 28 and 34) • Rule change 27 commenced 1 January 2009, 28 commenced 1 February 2009 and 34 has been extended as per the notice of extension published on the IMO website as a result of a large number of issues raised in the first round of submissions. • The IMO commissioned MMA to undertake a technical analysis on both RC_2008_27 and RC_2008_34. • The SRC Working Group resolved that additional changes may need to be implemented to the funding of Supplementary Capacity Contracts to further address the objectives of the market rules. • With respect to RC_2008_27 Verve requested that IMO consider further rule amendments that facilitate recovery of some or all of the SRC activation costs via the market, possibly on deviations from net contract position. <p>This additional work has not yet been scheduled by the IMO. The IMO will provide the MAC with a post project review at the June MAC meeting.</p>
Ancillary Service Standards and requirements study	July 08 – June 09	<p>Initiated.</p> <p>Key dates are:</p>

Review	Timeline	Status update
		<ul style="list-style-type: none"> • SKM appointed 19 January to undertake study; • Study underway, the IMO and System Management have reviewed SKM's draft report prior to publishing for consultation. The draft report has been provided to the MAC as part of today's meeting papers for information. • The timelines have been extended for this project. Public consultation on initial draft report: by 18 May, this may include a public workshop to present the draft report, to be confirmed; • Public consultation on second draft report: by 7 July; • Publish final report: by 21 August; and • Initiate preparation of any rule changes (set up MAC working group if necessary): by 10 September.
Intermittent Load Provisions	July – Dec 08	<p>Not started.</p> <ul style="list-style-type: none"> • This work has not yet been re-scheduled by the IMO.
Prudential Requirements and Default Provisions	July 08 – June 09	<p>Initiated.</p> <ul style="list-style-type: none"> • Internal review of the issues surrounding prudential requirements and default provisions • Additional work on issue identification still required. • A concept paper covering the issues identified and potential solutions is underway and will be presented to the June or September MAC meeting. • The IMO proposes that the timeframe for completion of this review be extended by three months to September 2009.
Long term market roadmap	July – June 09	<ul style="list-style-type: none"> • IMO canvassed views regarding who should lead the development of this. • Strong indication from stakeholders that this is not within the IMO's ambit. • IMO currently working with Office of Energy and ERA to establish the appropriate body to lead this and a way forward.
Reserve Capacity application timeframes	Jan – Dec 09	<p>Initiated early, well underway.</p> <ul style="list-style-type: none"> • Initial concept paper presented at the December MAC meeting. • Updated concept papers presented at the February MAC meeting. • Rule changes for “Changing the Window of Entry” on the March MAC meeting agenda. • Rule changes for “Extending the Timeframe” on today's meeting agenda.
Investigate interim steps to improve the Balancing	Jan 09 – Jun 10	<p>Not started (as anticipated in the original Market Rules Evolution Plan), however, the IMO has contracted Jim Truesdale (Concept Consulting) to undertake an initial</p>

Review	Timeline	Status update
		assessment of whether the current market design could accommodate competitive balancing.
Examine the impact of policy developments in regard to emissions trading, greenhouse gas abatements, and renewable energy targets on the Market Rules and the Market in general.	Jan – Dec 09	Not started. <ul style="list-style-type: none">• On hold until overall review of Plan complete.