Market Advisory Committee

Agenda

Meeting No.	47
Location:	IMO Board Room Level 3, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date:	Wednesday 14 March 2012
Time:	2.00pm – 5.00pm

Item	Subject	Responsible	Time
1.	**WELCOME**	**Chair**	2 min
2.	**MEETING APOLOGIES / ATTENDANCE**	**Chair**	2 min
3.	**MINUTES FROM MEETING 46**	**Chair**	10 min
4.	**ACTIONS ARISING**	**Chair**	10 min
5.	**MARKET RULES**		
	a) Market Rule Change	**IMO**	2 min
	b) PRC_2012_02: Relevant Demand for a Demand Side Programme	**EnerNOC**	20 min
6.	**MARKET PROCEDURES**		
	a) Overview	**IMO**	2 min
7.	**WORKING GROUPS**		
	a) Overview and membership updates	**IMO**	2 min
	b) RDIWG Update (verbal)	**IMO**	10 min
	c) RCM Working Group (verbal)	**IMO**	20 min
8.	**UPDATE ON IMPLEMENTING THE PROVISION OF NCS PRESENTATION**	**WP**	15 min
9.	**GENERAL BUSINESS**		

Item	Subject	Responsible	Time
10.	**NEXT MEETING: 18 April 2012 (2.00-5.00pm)**		

Minutes

Meeting No.	46
Location	IMO Board Room Level 3, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date	Wednesday 8 February 2012
Time	2.00pm – 3.30pm

Attendees	Class	Comment
Allan Dawson	Chair	
Suzanne Frame	Compulsory - IMO	
Andrew Everett	Compulsory – Generator	
Stephen MacLean	Compulsory – Customer	
Mr Phil Kelloway	Compulsory – System Management	Proxy
Steve Gould	Discretionary – Customer	
Michael Zammit	Discretionary – Customer	
Peter Huxtable	Discretionary – Contestable Customer Representative	
Shane Cremin	Discretionary – Generator	
Ben Tan	Discretionary – Generator	
Paul Biggs	Small Use Customer Representative	
Paul Hynch	Minister's appointee	Proxy
Corey Dykstra	Discretionary – Customer	
Peter Mattner	Compulsory – Network Operator	
Stephen MacLean	Compulsory – Customer	
Andrew Sutherland	Discretionary – Generator	
Wana Yang	Observer-ERA	
Apologies	**Class**	**Comment**
N/A		
Also in attendance	**From**	**Comment**
Aditi Varma	IMO	Minutes
Bruce Cossill	IMO	Presenter
Greg Ruthven	IMO	Presenter
Jenny Laidlaw	IMO	Observer
Fiona Edmonds	IMO	Observer
Courtney Roberts	IMO	Observer

Item	Subject	Action
1.	**WELCOME** The Chair opened the meeting at 2.00 pm and welcomed members to the 46th meeting of the Market Advisory Committee (MAC).	
2.	**MEETING APOLOGIES / ATTENDANCE** No apologies were received. The following other attendees were noted: • Bruce Cossill (Presenter) • Greg Ruthven (Presenter) • Fiona Edmonds (Observer) • Jenny Laidlaw (Observer) • Courtney Roberts (Observer) • Aditi Varma (Minutes)	
3.	**MINUTES OF PREVIOUS MEETING** The minutes of MAC Meeting No. 45, held on 14 December 2011, were circulated prior to the meeting. The minutes were accepted as a true and accurate record of Meeting No. 45. *Action Point: The IMO to publish the minutes of Meeting No. 43 on the website as final.*	**IMO**
4.	**ACTIONS ARISING** Most actions arising were completed prior to the meeting. The following exception was noted: • **Item 33:** Ms Suzanne Frame advised that the progress of PRC_2010_27 was contingent on the outcomes of MEP and the MAC would be advised of the revised time frames as soon as the final report is published.	
5a.	**MARKET RULE CHANGE OVERVIEW** The Chair requested that it be noted that the IMO was conducting an internal review of the Rule Change log and the MAC will be updated on any changes to the Rule Change log at its meeting in March. *Action Point: The IMO to provide an overview of any updates to the Rule Change Log following its internal review during the March MAC meeting.*	**IMO**
5b.	**PRC_2012_01: INTERMITTENT LOADS ELIGIBILITY CRITERIA** Mr Greg Ruthven presented the Pre Rule Change Discussion Paper: Intermittent Loads Eligibility Criteria (PRC_2012_01). Mr Ruthven advised that the purpose of the proposed changes were to correct a manifest error in the clauses used to test the eligibility of a Load as an Intermittent Load. Mr Stephen MacLean queried if the generator serving an Intermittent	

	Load was allowed to be at a separate location. Mr Ruthven confirmed that the Market Rules allowed for the generator to be present at either the same or a different location and that the inconsistencies presented in this Pre Rule Change would occur in both of these situations. Mr Ben Tan queried whether this meant that the generator servicing an Intermittent Load could have a different NMI to the load itself. Ms Jenny Laidlaw and Mr Ruthven confirmed that this was the case, but noted that several conditions had to be met by the generator in these circumstances. Ms Wana Yang questioned if the proposed changes were simply to correct a mathematical error or if the issue affected real-world application of the clause. Mr Ruthven confirmed that as the clauses currently stand, a load will essentially fail the test in clause 2.30B.2(b) even if it satisfies all other clauses. Ms Jenny Laidlaw confirmed that there may be existing Loads that are adversely affected by this clause. Mr Andrew Sutherland was concerned that the relevant clause is currently applied as read from the Market Rules even though it seemed that the Market Rules did not allow for an Intermittent Load to exist behind an Embedded Generator. Mr Ruthven answered that he was not aware of how the relevant clause was applied historically and confirmed that presently it is the Market Participant's responsibility to identify a part of the Load that is to be considered an Intermittent Load. Mr Corey Dykstra said that it was not immediately apparent that an inconsistency existed in the clauses because the issue existed with regard to how the 4320 Trading Intervals of net energy consumption in a capacity year were identified. Mr Dykstra said that it did not seem to be a manifest error. Mr Sutherland agreed that because the clause was currently being applied as it was originally contemplated (i.e. to allow a generator to only meet part of a load); it was not clear why the clause needed an urgent change using a fast-track process. The Chair queried whether the clause was limiting real-world application to which Mr Ruthven replied that it would be limiting if new Loads applied to be classified as Intermittent Loads. Ms Yang questioned the benefit available to a participant on qualifying as an Intermittent Load to which Mr Sutherland and Mr Ruthven replied that the benefit existed in the form of lower Individual Reserve Capacity Requirement (IRCR) but that the participant also took on a substantive risk in the form of uncapped refunds for the Intermittent Load where they fail to meet their capacity requirements. Mr Stephen MacLean asked if it was correct to assume that the clause allowed an Intermittent Load to maximize its consumption quantity during the 4320 Trading Intervals. Mr Greg Ruthven replied that there should be annual checks in place for this. Mr MacLean agreed that the assumptions behind choosing 4320 Trading Intervals could be questioned but that was outside the scope of the proposed changes. The Chair asked MAC members if there was agreement that the proposed changes should be progressed, subject to the IMO reconsidering its initial assessment of the proposed changes as meeting	

	the criteria to be progressed via the fast track rule change process. MAC members agreed with the Chair. *Action Point: The IMO to review the qualification of PRC_2012_01 as meeting the criteria to be progressed via the fast-track process.*	**IMO**
6a.	**MARKET PROCEDURE CHANGE OVERVIEW** The Chair informed the MAC that there were a number of proposed amendments to Market Procedures required as a result of the Rule Change Proposal: Competitive Balancing and Load Following market (RC_2011_10) that would be brought forward to the market for consideration. There were also a number of amendments to other Market Procedures in the pipeline as a result of the current internal review of Market Procedures being undertaken by the IMO. Although these changes were lower priority than the required changes to Market Procedures as a result of RC_2011_10, their number was significant and they would improve overall Market Procedures.	
7a.	**WORKING GROUP OVERVIEW** The MAC noted the Working Group overview. Mr Dykstra advised the MAC that Ms Deb Rizzi will be Alinta's representative on the IMO Procedures Working Group. The MAC accepted Ms Rizzi's nomination for the Working Group *Action Point: The IMO to update the website and the Terms of Reference for the IMO Procedures Working Group to reflect that Ms Deb Rizzi will replace Mr Adam Lourey.*	**IMO**
7b.	**RDIWG UPDATE** Ms Suzanne Frame provided a verbal update on the Rules Development Implementation Working Groups progressed to date to the MAC. Ms Frame advised the MAC that the IMO had provided a further consultation period on RC_2011_10 and that the call for submissions for this had closed on 7 February, with two submissions received. The submissions for the first tranche of Procedure Change Proposals which included the IMO's new Market Procedure for Balancing Facility Requirements (PC_2012_02) and the new Market Procedure for Balancing Market Forecasts (PC_2012_03) closed on 6 February along with System Management's proposed changes to the Power System Operation Procedures under the Procedure Change Proposal: Replaced PSOPs: Competitive Balancing and Load Following Market 1 (PPCL0021). Ms Frame noted that submissions the further two Procedure Change Proposals from System Management required for RC_2011_10 would close on 10 February (PPCL0022) and 20 February (PPCL0023). Ms Frame also informed the MAC that the IMO recently published the Procedure Change Proposal: New Market Procedure for IMS Interface (PC_2012_04) Ms Frame advised that minor amendments to the IMO's other Market Procedures required for RC_2011_10 would be presented at the next IMO Procedures Working Group meeting. The Chair highlighted that the IMO Board will consider advice on RC_2011_10 before finalising the go-live date for the new balancing and	

	LFAS markets. The Chair advised that the IMO has invited System Management to present their readiness for the go-live date to the IMO Board at their monthly meeting on 16 February.	
7c.	**RCM WORKING GROUP UPDATE** The Chair advised that nominees had already been informed of their appointments. All nominations had been accepted given the level of interest in this working group. The Chair apologised to MAC members regarding the confusion about RCMWG meeting being held in close proximity to the MAC meeting date. The Chair confirmed that this will be instituted in the first RCMWG meeting. The Chair also apologised on behalf of the IMO for not conducting the RCMWG workshops that had previously been discussed by the MAC. The Chair noted that a paper on definition of capacity will be presented at the first RCMWG meeting to assist the group's deliberations. The Chair highlighted that the IMO intends to recall the Maximum Reserve Capacity Price Working Group (MRCPWG) during 2012 to further consider the assumptions that underpin the Weighted Average Cost of Capital (WACC). This work will be commenced in April-May 2012. Mr Dykstra noted that the Australian Competition Tribunal (ACT) had released its decisions on the appropriate value of *gamma* that should be considered in the determination of WACC. The Tribunal released its decisions on 6 January and 11 January 2012 changing the recommended value of *gamma* to 0.25 from 0.50 which has a material impact on the WACC in the order of 50-55 basis points. Mr Dykstra further noted that the ACT's decision in a related WA Gas Networks case will only be released in June 2012 but it is not expected to be different from the ruling that ACT has already taken. In light of this, Mr Dykstra asked if this would constitute sufficient evidence to suggest that the IMO should review this parameter. The Chair confirmed that IMO will consider the ACT's decisions. Mr Ben Tan queried if the MRCP would be considered in the scope of the RCMWG. The Chair confirmed that the Reserve Capacity Price falls under the scope of RCMWG but not the formulation of the MRCP as that has already been the subject of the significant review undertaken recently by the MRCPWG. Further clarifying his point, the Chair said that the application of MRCP in the RCM will be reviewed under the scope of RCMWG. With regard to the Draft Terms of Reference for the RCMWG, the Chair confirmed to Mr MacLean that his feedback had been considered and included. Mr MacLean further questioned if the IMO would allow alternative approaches to be considered outside the issues list identified by The Lantau Group. The Chair confirmed that the IMO Board had asked for the review to be completed within 9 months and that the IMO would welcome alternative approaches and solutions within the overall scope of work for the RCMWG. At this stage, Mr Everett queried if the group was indeed satisfied with the coverage of issues in The Lantau Group report. In response to this, the Chair said that the RCM review was initiated by the IMO Board to assess over-supply of capacity and The Lantau Group's work was conducted in response to that. Now the IMO	

	Board has requested the MAC to provide advice on The Lantau Group report. Mr Dykstra reminded the MAC that the industry had previously identified the RCM as being the second most important issue for consideration after Balancing. He acknowledged that over supply of capacity was an important issue but it was only one among several issues that the industry would like to consider. He suggested that the first meeting of the RCMWG should consider what the industry wants the RCM to deliver. Mr Cremin suggested that a redefinition of capacity in the WEM is an important starting point. The Chair delineated the two issues for the RCMWG as a) What is the definition of capacity and b) What should the RCM deliver. The MAC discussed that it would be useful to hear from Mr Brendan Clarke and Mr Stephen MacLean about the history and background of RCM. The Chair said that he was aware that the political intent was to ensure reliability and certainty in the market but he acknowledged that it would be useful to include an agenda item on the history of RCM at the first RCMWG meeting. *Action Point: Include agenda item on History and Background of RCM in the 15 February 2012 RCMWG meeting*	**IMO**
8.	**IMPLEMENTING THE PROVISION OF NCS** Mr Peter Mattner from Western Power provided the MAC with a verbal update on status of the current tender to procure Network Control Services (NCS) in Albany. Mr Mattner notified the MAC that tenders for supply of NCS in Albany closed on 7 February 2012. Mr Mattner noted that Mr Neil Chivers from Western Power would provide a further update on the outcomes of the tenders to the MAC at its next meeting. The Chair asked if this was the first NCS to be provided to Albany. Mr Mattner confirmed this and added that other places for NCS are being considered. Mr Tan asked if the terms of any successful tender would be publically released after the procurement process finishes. Mr Mattner said that in his opinion the scope of the services provided would be made public knowledge but the commercial arrangements around the services would remain commercial-in-confidence. The Chair asked about the level of control and how many MW they are looking for in Albany. Mr Matter responded that he could not recall this information but would be happy to provide a link to this information. The Chair then suggested that this item be included in the agenda for the next MAC meeting. *Action: The IMO to include a further update of the NCS procurement process on the agenda for the March MAC meeting.*	**IMO**
9.	**CARBON TAX IMPLICATIONS ON THE WEM** Mr Bruce Cossill from the IMO presented a brief summary of the paper on the potential options in the WEM for carbon intensity reporting. The MAC members agreed that this was a good and timely idea given the commencement of the Carbon Pricing Mechanism in mid 2012.	

	Mr Cremin said that carbon intensity reporting was necessary and questioned whether it was SCADA data the IMO would be requesting Market Participants provide on a voluntary basis because not all generators have metered data. He suggested that care should be taken to ensure the correct combination of sent-out or as-generated data was used with the corresponding generator greenhouse intensity. ~~was concerned that the sent-out SCADA data would not be an accurate reflection of generator's carbon-intensity and therefore, generators should be required to report sent-out carbon intensity which could later be reconciled with the SCADA data~~. Mr Everett agreed with Mr Cremin and highlighted that this was the only way generators would be able to report carbon intensity. Mr Dykstra questioned if the intent was that generators provide the IMO the average carbon intensity for a reporting period which could then be applied to the sent-out intensity rather than a more accurate reading per Trading Interval. The Chair clarified that the intent was to receive a reasonably static factor of carbon intensity per MW generated by facility and then apply that to SCADA data which is already available with the IMO and subsequently publish aggregate carbon intensity for SWIS for every Trading Interval. He highlighted that the IMO did not wish to make this reporting overly complex but keep it reasonably accurate. Mr Peter Huxtable asked if the index would be reported separately for STEM and Balancing to which the Chair replied that the IMO would publish total SWIS carbon-intensity because the nature of bilateral and STEM submissions on a market participant basis rather than a facility basis restricted the granularity of the carbon-intensity reporting. Mr Dykstra questioned if the reporting obligation rests at the entity level or at the facility level and if the reporting obligation falls on the controlling entity and not necessarily the owner of the facility. Mr Huxtable noted that it is a carbon pricing mechanism and not a carbon tax, therefore it is not covered under tax changing laws. The Chair highlighted that this reporting process would only work if all Market Participants participated. Based on the MAC's support, the IMO will initiate carbon-intensity reporting on a voluntary basis; however, the IMO would consider initiating a Rule Change in consultation with the MAC if accurate information was not received consistently from all Market Participants. The Chair also asked MAC members to confirm that the intensity levels should be reported at the aggregate level. MAC members agreed. Mr Sutherland asked if the IMO had considered other impacts of the carbon pricing mechanism- for instance on the Maximum STEM price and Alt Maximum STEM price. The Chair indicated that this work was underway. He added that the in the National Electricity Market, the impacts of the carbon pricing mechanism on the prudential requirements of Market Participants was being reviewed. However, the IMO did not expect a sizeable impact on prudential requirements in the WEM. At this point, Mr MacLean highlighted that prudential requirements was an important, but often overlooked area for Market Participants. The Chair noted that the IMO will have evaluated and communicated impacts on	

	prudential requirements for Market Participants prior to 1 July. Mr Paul Biggs asked if the IMO would be involved in the settlements of permits for energy traded in STEM and balancing market to which the Chair replied that the IMO would not be involved in settlement of permits. Mr Cossill asked the MAC members what time-period might be the most useful for reporting carbon-intensity. Mr Cremin considered that reporting by off-peak and on-peak periods would be useful because of the different types of generating facilities operating during these periods. The Chair highlighted that the IMO would be able to provide half-hourly data if the generators provided facility-level intensity data. This could then be aggregated up to any time period. The MAC members discussed that it would be useful to have intensity reported for different time-periods. The Chair informed the MAC that the IMO would inform Market Participants of its intention and requirements with regard to carbon-intensity reporting. *Action: The IMO to communicate impacts on Prudential Requirements for Market Participants prior to 1 July* *Action: The IMO to inform MAC on its intention and requirements with regards to carbon-intensity reporting.*	**IMO** **IMO**
11.	**GENERAL BUSINESS** The Chair noted that the recommendations for the new MAC had been sent to the IMO Board for endorsement at their meeting on 16th February. The Chair thanked all members for their contribution during 2011 and provided a reminder of the upcoming MAC Appreciation Dinner to be held on 15th February.	
CLOSED: The Chair declared the meeting closed at 3.30 pm.		

Agenda item 4: 2012 MAC Action Points

Legend:

Shaded	Shaded action points are actions that have been completed since the last MAC meeting.
Unshaded	Unshaded action points are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

#	Year	Action	Responsibility	Meeting arising	Status/Progress
33	2011	The IMO to consider the suggested amendments to the Pre Rule Change Discussion Paper: Ancillary Services Payment Equations (PRC_2010_27) provided by Mr Stephen MacLean, and update the proposal as appropriate.	IMO	June	Underway. To go to the June MAC.
36	2011	The IMO to consider updating the load profile used in the Available Curve Calculations for the Statement of Opportunities.	IMO	Dec	To be considered in the next SOO.
43	2011	The Office of Energy to provide the MAC with an update on progress around the implementation of incentives for dual fuel facilities in the Wholesale Electricity Market.	OoE	Dec	Ongoing.
44	2011	The IMO to publish its guidelines for Transitional Arrangements on the IMO website	IMO	Dec	Underway

#	Year	Action	Responsibility	Meeting arising	Status/Progress
1	2012	The IMO to publish the minutes of Meeting No. 45 on the website as final.	IMO	Feb	Completed.
2	2012	The IMO to provide an overview of any updates to the Rule Change Log following its internal review during the March MAC meeting.	IMO	Feb	Update to be given at March MAC.
3	2012	The IMO to review the qualification of PRC_2012_01 as meeting the criteria to be progressed via the fast-track process.	IMO	Feb	The IMO has decided to put PRC_2012_01 into the Standard Rule Change Process.
4	2012	The IMO to update the website and the Terms of Reference for the IMO Procedures Working Group to reflect that Ms Deb Rizzi will replace Mr Adam Lourey.	IMO	Feb	Completed.
5	2012	Include agenda item on History and Background of RCM in the 15 February 2012 RCMWG meeting	IMO	Feb	Completed.
6	2012	The IMO to include a further updated of the NCS procurement process on the agenda for the March MAC meeting.	WP	Feb	Completed.
7	2012	The IMO to communicate impacts on Prudential Requirements as a result of the introduction of the carbon pricing mechanism for Market Participants prior to 1 July.	IMO	Feb	In progress
8	2012	The IMO to inform MAC on its intention and requirements with regards to carbon-intensity reporting.	IMO	Feb	In progress

Agenda Item 5a: Overview of Market Rule Changes

Below is a summary of the status of Market Rule Changes that are either currently being progressed by the IMO or have been registered by the IMO as potential Rule Changes to be progressed in the future.

Rule changes: Formally submitted (see appendix 1)	7 March 2012
Fast track with Consultation Period open	0
Standard Rule Changes with 1st Submission Period Open	1
Fast Track Rule Changes with Consultation Period Closed (final report being prepared)	0
Standard Rule Changes with 1st Submission Period Closed (draft report being prepared)	2
Standard Rule Changes with 2nd Submission Period Open	0
Standard Rule Changes with 2nd Submission Period Closed (final report being prepared)	2
Rule Changes - Awaiting Minister's Approval and/or Commencement	1
Total Rule Changes Currently in Progress	**6**

Potential changes logged by the IMO- Not yet formally submitted	January	February
High Priority (to be formally submitted in the next 3/6 months)	0	0
Medium Priority (may be submitted in the next 6/12 months)	32	24 (+1/-9)
Low Priority (may be submitted in the next 12/18 months)	26	24 (+3/-6)
Potential Rule Changes (H, M and L)	**58**	**48**

The changes in the rule change and issues log from December to January have arisen from:

Priority	Issue
High	N/a
Medium	**In:** • **LoadWatch Data and Publication:** An obligation is required for SM to deliver LoadWatch data to the IMO, and a corresponding obligation on the IMO to publish the LoadWatch report. **Out:** • **Reprioritised to Low:** In the current rules there is no clause that states the IMO may reject a Procedure Change Proposal that the IMO has submitted. The only reference is to when the IMO rejects a Procedure Change Proposal by System Management. This issue arose due to PC_2010_03 being rejected and withdrawn by the IMO. • Medium Issues: 56, 73, 90, 105, 110, 115, 120, 130, were internally identified issues which removed from the Rule Change Log following an internal review and assessment. Refer to Appendix 2 of this paper for further details
Low	**In:** • **Reprioritised to Low:** In the current rules there is no clause that states the IMO may reject a Procedure Change Proposal that the IMO has submitted. The only reference is to when the IMO rejects a Procedure Change Proposal by System Management. This issue arose due to PC_2010_03 being rejected and withdrawn by the IMO. • **Metered Consumption:** Rules are unclear in relation to metered consumption, which should be a non-loss factor-adjusted quantity. The IMO proposes to define Metered Consumption in the Market Rules. • **Cure Notices and Credit Support:** Additional wording required at the end of clause 9.23.4(b) to avoid doubt and to avoid having to issue a Cure Notice or calling on Credit Support where a Participant has resolved a default before the IMO takes those steps. **Out:** • Low Issues: 45. 84, 121, 134, 135, 141 were internally identified issues which were removed from the Rule Change Log following an internal review and assessment. Refer to Appendix 2 of this paper for further details

The IMO also notes that it keeps a log of Minor and Typographical issues that is updated on a regular basis. These issues are collated and submitted in three batches each year.

APPENDIX 1: FORMALLY SUBMITTED RULE CHANGES (Current as of 7 March 2012)

Standard Rule Change with First Submission Period Open

ID	Date submitted	Title	Submitter	Next Step	Date
RC_2012_01	29/02/2012	Intermittent Loads Eligibility Criteria	IMO	Submissions close	16/04/2012

Standard Rule Change with First Submission Period Closed

ID	Date submitted	Title	Submitter	Next Step	Date
RC_2010_08	15/04/2010	Removal of DDAP uplift when less than facility minimum generation (An extension has been agreed with Griffin Energy due to MEP)	Griffin Energy	Publish Draft Rule Change Report	19/04/2012
RC_2011_14	20/01/2012	Calculation of Availability Class Quantity Correction	System Management	Publish Draft Rule Change Report	04/04/2012

Standard Rule Change with Second Submission Period Closed

ID	Date submitted	Title	Submitter	Next Step	Date
RC_2010_28	01/03/2011	Capacity Credit Cancellation	IMO	Publish Final Rule Change Report	13/03/2012
RC_2011_02	10/03/2011	Reassessment of Allowable Revenue during a Review Period	ERA	Publish Final Rule Change Report	15/03/2012

Rule Changes with Final Rule Change Report Published

ID	Date submitted	Title	Submitter	Next Step	Date
RC_2011_10	23/09/2011	Competitive Balancing and Load Following Market	IMO	Ministerial Approval	23/03/2012

APPENDIX 2: OVERVIEW OF INTERNAL IMO REVIEW OF RULE CHANGE LOG

Issue No.	Priority	Subject	Issue	Update
45	L	Timelines	The clauses 7.2.3B and 7.2.3C (RC_2009_13) requires that System Management (SM) provide information outlined in 7.2.1(a) and 7.2.3A during certain times of the day. If this is unable to be done by SM by the prescribed time, an alternative time needs to be arranged by the IMO for SM. The issue here is that 6.4.6 circumscribes an allowable delay if the IMO or supporting infrastructure (interpreted to be System Management) fails to provide information. This delay is 2 hours and it lines up all the window start and end times to this 2 hour delay. The point made is that perhaps all of these timeframes should line up such that there is consistency in the timelines.	This issue has been removed from the log as it has been addressed by the Rule Change Proposal: Competitive Balancing and Load Following (RC_2011_10)
56	M	Metering timelines	There are currently issues with the timeliness of metering information and a disjoin between the requirements in the Market Rules and Market Procedure. Refer to metering data procedure	The IMO has determined to remove this general issue from the log as this issue is considered to be procedural in nature. The timeliness of metering information will be considered as part of the current review of the metering Market Procedure. If specific amendments to the Market Rules are identified these will re-added to the log.
73	M	Net STEM Shortfall calculations	Two issues identified with the calculations: 1. Portfolios with multiple generators (solved with RC_2010_03); and 2. Facilities with outputs which exceed their Reserve Capacity Obligations. A detailed solution is needed for issue 2. (See RC_2010_03) for interim solution.	Issue 2 was addressed during 2012 by the Rule Change Proposal: Calculation of Net STEM Shortfall for Scheduled Generators (RC__2011_07) which commenced 1 December 2011.

Issue No.	Priority	Subject	Issue	Update
84	L	Non STEM Settlement Statements	The drafting in this section needs review. In particular subclause (c)(ii)(A) needs to be amended to Market Participant's and (c)v suggests that the Notional Wholesale Meter is a facility as currently drafted (this requires amendment)	This issue has been removed from the log as the IMO does not consider this is an issue and does not require a rule change.
90	M	Curtailed Demand	Clause 6.14 deals with the calculation of MCAP. The calculation includes the determination of Relevant Quantity. One of the inputs into Relevant Quantity is "the IMO's estimate of the total MWh demand curtailed during that Trading Interval (if any). …" [Clause 6.14.4(d)(ii)] The IMO has no information about curtailed demand and relies on information supplied under an informal arrangement with System Management. We would like to regularise this by changing the rule so that System Management is required to supply the information, and we are required to use the information supplied.	This issue relating to the formal supply of information on curtailed demand from System Management was addressed as part of the Rule Change Proposal: Calculation of the Capacity Value of Intermittent Generation-Methodology 1 (IMO) which commenced 1 January 2012.
105	M		The IMO is required to publish near real time operating data (clause 10.5.1(z)). Two aspects of this (total generation and total Spinning Reserve) are provided in MW and the third aspect, Operational System Load Estimate, is provided in MWh. The IMO considers that all three aspects of this data should be published in the same format.	This issue has been removed from the log because all values are now published in MW.

Issue No.	Priority	Subject	Issue	Update
110	M	IRCR and RC Security	If at the end of the First Year of Capacity Credits (CCs) a Facility has failed to operate the Facility adequately the Market Participant forfeits the RC Security. The IMO is therefore required to pay out the security to Market Customers in proportion to their IRCR after paying any SRC costs There are a number of times which the IMO may decide to pay out the Security to Market Customers – each with different impacts on the amount of RC Security each would receive (due to monthly updates of IRCR proportions) and with implications on how it would be possible to pay for SRC	This issue has been removed from the log. The IMO received legal advice that under clause 4.13.11A the IMO would be required to hold onto a RC Security until such time as the risk to the market associated with the failure of that Facility to meet its obligations has passed. The IMO considers that there is no longer uncertainty as to when the IMO may decide to pay out the RC Security and so there is no update to the Market Rules required,
115	M	Commissioning	**Payments to generators for commissioning energy** The Market Participant Registration project is recommending that Registration occurs after commissioning. The IMO would like to amend the rules to allow for energy payments to unregistered Facilities while commissioning.	The IMO has determined that there is no requirement to change the Market Rules around when a facility is registered since the current Market Rules work.
120	M	Intermittent Generator Data	The REGWG requested that a Rule Change proposal be developed to publish aggregated Intermittent Generator data. See REGWG Minutes from 12 August 2010 meeting.	This issue has been removed from the log following the Rule Change Proposal: Competitive Balancing and Load Following (RC_2011_10) which included a requirement for the publication of aggregated Non-Scheduled Generation output by Trading Interval.
121	L		The Clause currently refers to "any other load facilities designated as significant by SM". It is unclear how SM would designate	This issue has been removed from the log as the IMO does not consider this is an issue and does not require a rule change.
130	M	Fuel Declarations	Market Participants who change	This issue has been

Issue No.	Priority	Subject	Issue	Update
			their fuel on the day are meant to notify System Management in accordance with MR7.5.4 and System Management must maintain a record of all notifications in accordance with MR7.5.6. The issue lies is if a Market Participant was cleared in STEM on liquid but on the scheduling day it runs on non-liquid it may have artifically inflated the price. Furthermore, the IMO on occasion receives notification from SM of any changes to fuel declarations, thus the IMO has barely any visibility of changes in fuel on the scheduling day. this is much of a compliance issue as fuel declarations may be in accurate.	removed from the log since the IMO determined that the existing Market Rules function as intended.
134	L	Reserve Capacity Security	A Market Participant may have two or more Demand Side Programmes commencing operation in the same year with Reserve Capacity Security applicable to all. In the event that the participant fails to fill both/all DSPs, they could assign loads to the first DSP and prove performance to get security back, then reassign loads to the other DSP to get that security back. This would be devalue the Reserve Capacity Security and defeats the intent of protecting against build risk. Most likely to occur where one participant has more than one Facility commencing in the same year. Premier Power has 2 Facilities commencing in 11/12, 4 in 12/13, but would be low risk as it is designing its DSP's to be single Loads. Water Corp has some overlap with facility upgrades for 11/12, also low risk. EnerNOC/DMT will have 2 facilities commencing in 12/13. May also create incentive for a participant to subcontract a load from another provider for a short duration in order to receive security back.	This issue has been addressed by the Procedure Change Proposal: Reserve Capacity Security (PC_2012_01). This issue as subsequently been removed from the log.

Issue No.	Priority	Subject	Issue	Update
135	L	Reserve Capacity Security	Similar to IR134. A Market Participant with a new DSP and at least one existing DSP may fail to procure sufficient capacity to fill all programmes. This participant has incentive to fill new DSP first to get security back and leave existing DSP unfilled. Although the participant would be liable for refunds for the missing capacity, this subverts the intent of the RC security mechanism.	This issue has been addressed by the Procedure Change Proposal: Reserve Capacity Security (PC_2012_01). This issue as subsequently been removed from the log.
141	L	Reserve Capacity Security	Where a Participant operates the facility at 100% and is eligible for immediate return of RC Security, the IMO is obliged to refund a cash deposit within 10 Business Days of the request. Cash security is deposited in a monthly term deposit account and participants may choose to delay return to ensure full interest payment for the current month (we offer the choice to the participant). Where the participant chooses to wait until the end of the month and this is more than 10 BDs from the original request, the IMO must ask the participant to withdraw the original request and re-submit. Should amend 4.13.14 to state that the cash should be refunded at a mutually agreed date.	The IMO has reconsidered this issue and does not consider a change to the Market Rules is required given there is a clear operational process which can overcome this issue. The issue has been subsequently removed from the log.

Wholesale Electricity Market
Rule Change Proposal Form

Change Proposal No: *[to be filled in by the IMO]*
Received date: *[to be filled in by the IMO]*

Change requested by:

Name:	Jeff Renaud
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Organisation:	EnerNOC
Address:	45 Ventnor Avenue, West Perth
Date submitted:	*2 February 2012*
Urgency:	*3-High*
Change Proposal title:	Relevant Demand of a Demand Side Programme
Market Rule(s) affected:	4.26.2CA

Introduction

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the Independent Market Operator.

This Change Proposal can be posted, faxed or emailed to:

Independent Market Operator
Attn: Manager Market Development and System Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4339
Email: market.development@imowa.com.au

The Independent Market Operator will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the wholesale electricity market objectives. The objectives of the market are:

(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
(c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;

(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and

(e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

Details of the proposed Market Rule Change

1. Describe the concern with the existing Market Rules that is to be addressed by the proposed Market Rule change:

Context

The development of the Relevant Demand methodology for a Demand Side Programme (DSP) was considered as part of an extensive set of rule changes (RC_2010_29) to enable a "portfolio management" approach for DSPs. The idea of the new method was that the performance of a DSP would be assessed in aggregate, rather than on a site-by-site basis, as was the case prior to the implementation of the RC_2010_29 changes.

As part of the development of the DSP Relevant Demand methodology, Data Analysis Australia (DAA) was commissioned to consider the method for calculating the Relevant Demand (RD) of DSPs[1]. As set forth in their paper, a key requirement of the analysis was to formulate a methodology that was both "stable and reliable".[2]

DAA investigated two ways of combining data from the constituent loads to produce a portfolio RD. In each case, the RD is calculated by taking a median across the specified peak trading intervals. The difference is that:

- In Approach A, an RD is calculated for each NMI in turn, then the results are summed to give the portfolio RD.
- In Approach B, the loads are summed first, then the RD is calculated from these summed values.

DAA's analysis showed that "there does not appear to be an obvious bias between the approaches whereby one approach yields consistently higher Relevant Demands over the other"[3].

Further, their results "demonstrated that the order by which the aggregation occurs has little effect on the stability and reliability of the relevant demand"[4].

In RC_2010_29, it was decided to use Approach B as it appeared easier to administer:

> "Following the outcomes of DAA's analysis which found no significant difference between the two options, the IMO did not consider it is necessary to calculate the RD level for each individual Load as this would create unnecessary operational overhead and not improve the RD levels ability to reflect the normal operational level of the DSP during required intervals."[5]

It is understood, however, that the operational impact in utilising the alternative Approach A is minor, and existing tools designed to calculate DSP RDs could accommodate the change relatively simply.

[1] Comparison of Alternative Relevant Demand Calculation Methodologies, Data Analysis Australia, Project: IMO/3, July 2010.
[2] Ibid, Section 1, page 1.
[3] Ibid, Section 9, page 36.
[4] Ibid, Executive Summary, page v.
[5] RC_2010_29 Final Rule Change Report, Appendix 1, page 101 (of PDF)

Comparison: Approach A vs. Approach B

EnerNOC supports DAA's finding that neither approach has an obvious bias.

Either method can give the higher result, depending on the data. We demonstrate this with some extreme examples.[6]

In Figure 1, the DSP's RD using Approach B is 1.2MW, whereas using Approach A, gives a result of 0.3MW – a difference of 0.9MW.

Figure 2 illustrates two slightly different loads. In this case, the DSP's RD using Approach A yields a RD result of 2.1MW, whereas Approach B yields a RD of 1.2MW; the same 0.9MW difference, but in the opposite direction.

Although this is a simplistic example, it clearly shows that either approach can yield a higher RD. When analysing different portfolios that exhibit similar characteristics this same principle would stand true.

Figure 1: Comparison of DSP Relevant Demand Approaches (A & B)

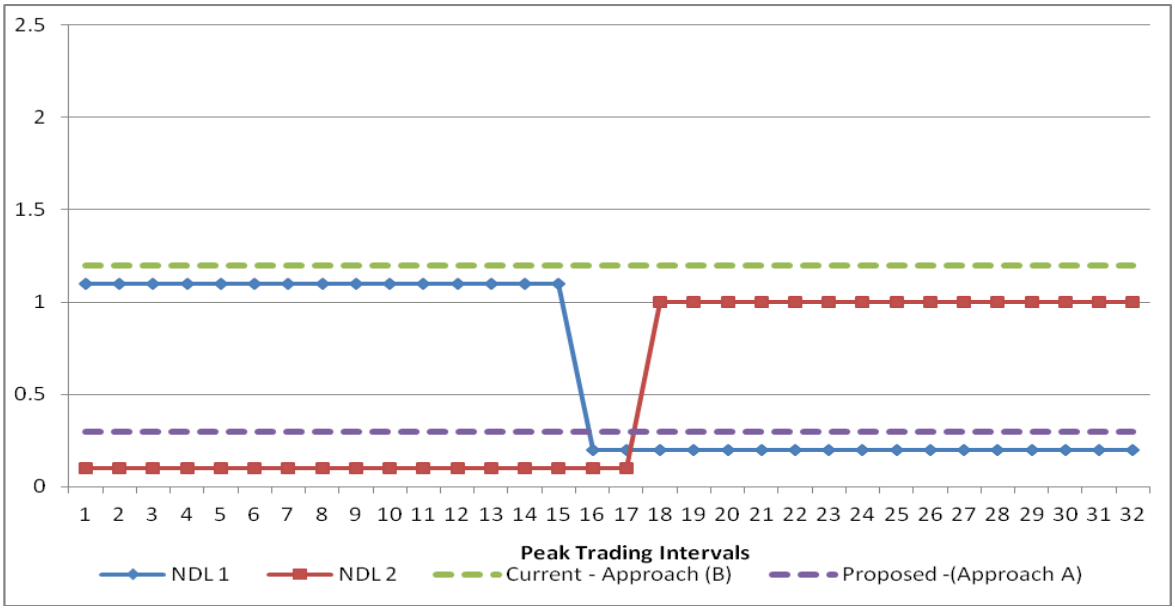
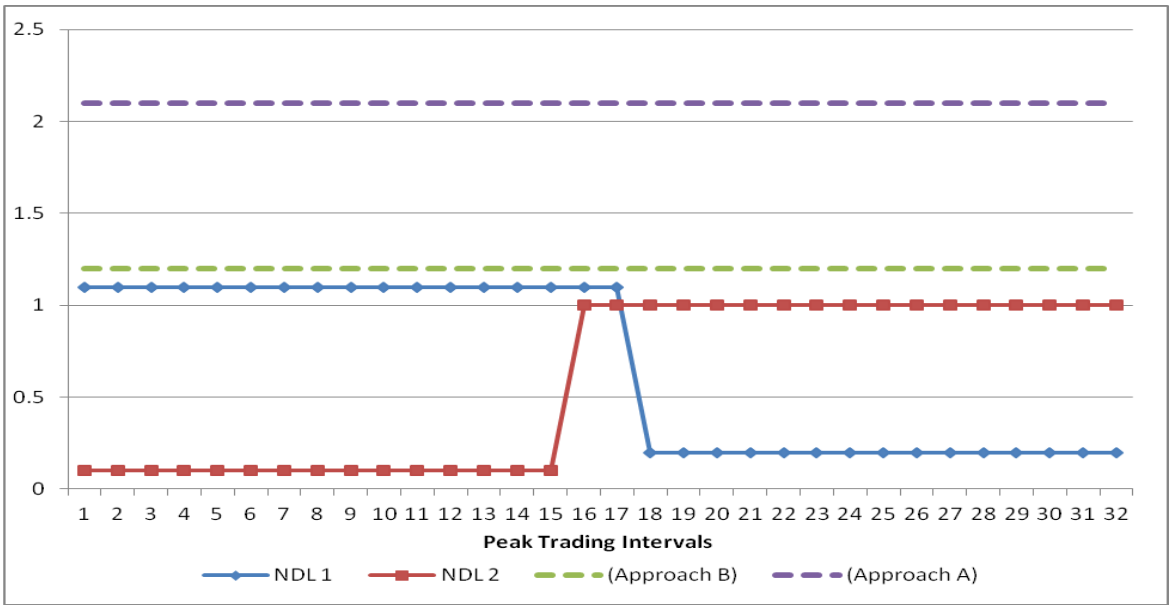


Figure 2: Comparison of Relevant Demand Approaches (A & B)



[6] Supporting data has been provided to the IMO as an addendum to this submission

Uncertainty, and Lack of Stability

As will be elaborated below, the portfolio RD calculated using Approach B is very sensitive to changes in the portfolio and can result in significant uncertainty for end-use customers. Practically, this means that the "value" of an end-use customer can be very different depending on what other loads are in the DSP.

Examining the example of Figure 1, if the DSP consisted only of NDL1, the portfolio RD would be 0.2MW. Adding NDL2 increases the portfolio RD to 1.2MW. It could then be considered that NDL2 contributed 1MW, however this is inaccurate and inequitable, as the result is derived simply because they were added after NDL1. Equally, if the DSP consisted only of NDL2, the portfolio RD would be 0.1MW. Adding NDL2 increases the portfolio RD to 1.2MW. It could then be considered that NDL1 contributed 1.1MW, which again is inaccurate and inequitable.

Summary - Figure 1

In First	RD (MW)	In Second	Portfolio RD Result (MW)	Marginal Value of Second Site (MW)
NDL1	0.2	NDL2	1.2	1
NDL2	0.1	NDL1	1.2	1.1

Conversely, in Figure 2, NDL1 alone gives an RD of 1.1MW. Adding NDL2 increases the portfolio RD to 1.2MW. Similarly, NDL2 alone gives an RD of 1MW and adding NDL1 increases the portfolio RD to 1.2MW. Subsequently, it could be considered that NDL2 is worth 0.2MW and NDL1 0.1MW, however, this again would be inaccurate and inequitable based upon the timing of their introduction to the DSP. Alternatively, the first associated load would need to be informed that their contribution is not as high as initially thought.

Summary - Figure 2

In First	RD (MW)	In Second	Portfolio RD Result (MW)	Marginal Value of Second Site (MW)
NDL1	1.1	NDL2	1.2	0.1
NDL2	1	NDL1	1.2	0.2

As DSPs introduce or remove loads from their program over time, the contribution of individual constituent loads to the DSPs RD requires significant recalculation with the result wholly dependent upon the order in which individual loads are introduced into the calculation.

Using Approach A, these problems do not occur: in the example of Figure 1, the portfolio RD is 0.3MW, and in the example of Figure 2 it is 2.1MW. Each NDL's contribution is easy to calculate, using data from that site alone, and *remains stable*.

Lack of Transparency

There is a problem with Approach B: since the result is sensitive to the correlation between the loads, you cannot calculate the contribution of any one NMI unless you have meter data for all the NMIs in the DSP.

This means that the IMO can calculate it, as can an aggregator, but an individual customer cannot.

It is important for an individual customer to be able to calculate their contribution to the portfolio RD, because it is this (less their minimum load) which determines the value they contribute to the DSP.

Under Approach A, this is a simple calculation that they can perform themselves; under Approach B, they have no way of doing this, and simply have to trust that an aggregator is dealing with them fairly: there is no transparency.

Furthermore, an aggregator is unable to calculate this figure using Approach B until they have identified, and obtained meter data for, all the other loads which will constitute the DSP. Until that point, the contribution of each load to the DSP is highly uncertain.

Key Concern with the Existing Approach

EnerNOC's key concern with the status quo is one of transparency. Poor transparency discourages engagement in DSM, as it would in any other part of the market. Without a clear relationship between the portfolio RD and an individual RD, a DSP's customers are in the dark – a DSP operator is unable to clearly and transparently inform their customers of their individual baselines – at best, they can give an estimate, but this will need to be revised continually as the portfolio is assembled.

Fundamentally, poor transparency impacts end-users – they have to *trust* a DSP about what the DSP says they contribute, and that number may change over time as the portfolio changes, for reasons that a DSP can't explain to them without breaching the privacy of other end users.

A lack of transparency makes the current approach highly complex – baselines should be simple enough for all stakeholders to understand, calculate, and implement, including end-use customers.

Moreover, the current approach risks incentivising behaviour that may be at odds with the Market Objectives. Ideally, when an aggregator assembles DSPs, they should be concerned principally with reliable performance. Approach B encourages aggregators to optimise their DSPs to bring about outcomes similar to Figure 2, while avoiding those similar to Figure 1. There's no advantage to the market from this optimisation effort, and decisions made to further it could hinder reliability.

EnerNOC contends that the approach adopted under the existing rules was not intended to result in a demonstrably volatile outcome for end-use customers that can directly impact the delivery of physical capacity to market and hence system reliability.

A 'Portfolio' Baseline

EnerNOC supports DAA's assertion that "the effect of aggregating data [is] secondary to the effect...caused by the different Relevant Demand Methodologies"[7] and notes that DAA did not question the validity of either approach.

If Approach B had some significant theoretical or practical advantage over Approach A, it might make sense to persist with it. However, this is not the case: having found no significant difference between the two approaches, Approach B was chosen on the basis that it might require less work. In practice the work required by the IMO for each approach is the same: they can be calculated by the same tool from the same data.

EnerNOC proposes that, so long as a static baseline methodology is to be used for assessing DSPs, Approach B should be replaced with Approach A, due to the practical and policy issues that have been raised in this submission. EnerNOC is of the firm belief that Approach A will better allow the Market Rules to achieve its objectives and will result in a transparent methodology that accurately accounts for changes to a DSP's structure and encourages engagement in DSM.

[7] DAA, Section 9, page 36

2. Explain the reason for the degree of urgency:

The current approach is a barrier to participation in the RCM and creates significant instability and uncertainty for existing and potential new customers

3. Provide any proposed specific changes to particular Rules: (for clarity, please use the current wording of the Rules and place a ~~strikethrough~~ where words are deleted and underline words added)

It is proposed that the following rule change be implemented:

4.26.2CA. The Relevant Demand of a Demand Side Programme for a Trading Day d in a Capacity Year is the sum of the median ~~median of the historical consumption quantities determined by the IMO for each of the 32 Trading Intervals identified under clause 4.26.2C(a) for the Capacity Year. The historical consumption quantity for each Trading Interval is the sum, over all the Associated Loads associated with the Demand Side Programme during Trading Day d,~~ of the MW ~~quantity~~ quantities determined by the IMO for each Associated Load and the Trading Interval under clause 4.26.2C(b).

4. Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:

The proposed rule change would better address the market objectives in the following ways:

i. Market Objective (a): By reducing complexity, improving transparency, and establishing a clear relationship between individual load baselines and a DSP's Relevant Demand, the change will improve the reliability and efficiency in the provision of capacity services in the SWIS;

ii. Market Objective (c): Through removing disincentives for efficient DSM portfolio management, the change would help avoid discrimination against sustainable energy options and technologies that reduce overall greenhouse gas emissions. Further, it would avoid discouraging DSM participation by end-use customers by providing a clear and meaningful baseline to measure their contribution;

iii. Market Objective (e): By improving transparency and establishing a clear relationship between an individual load's baseline and a DSP's Relevant Demand, end-use customers will be encouraged to take measures that manage the amount of electricity consumed during periods of system stress.

5. Provide any identifiable costs and benefits of the change:

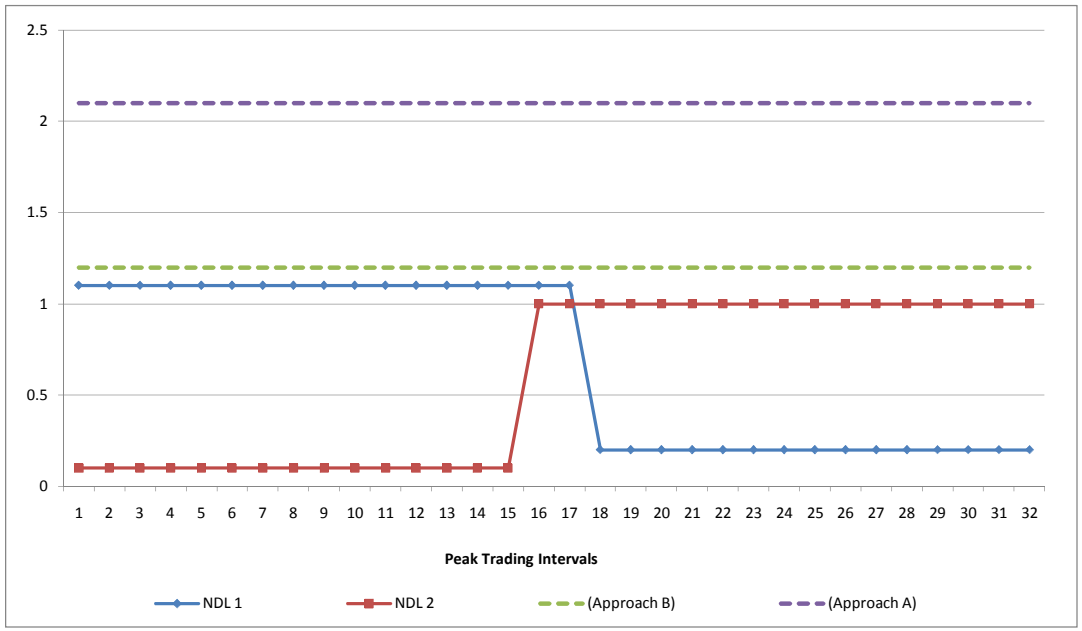
It is envisaged an overall reduction in costs will be experienced, through reduced complexity and requirements to mitigate "peak load losses", for both the IMO and DSP operators.

The simplification of the DSP Relevant Demand methodology and transparency involved in utilising the proposed rule change rather than that which exists at present will provide DSM program benefits for all customers / associated loads participating.

The change will encourage participation in the RCM and will lead to the efficient reduction in system peaks.

Figure 2

Interval		NDL 1	NDL 2	Sum	(Approach A)	(Approach B)
	1	1.1	0.1	1.2	2.1	1.2
	2	1.1	0.1	1.2	2.1	1.2
	3	1.1	0.1	1.2	2.1	1.2
	4	1.1	0.1	1.2	2.1	1.2
	5	1.1	0.1	1.2	2.1	1.2
	6	1.1	0.1	1.2	2.1	1.2
	7	1.1	0.1	1.2	2.1	1.2
	8	1.1	0.1	1.2	2.1	1.2
	9	1.1	0.1	1.2	2.1	1.2
	10	1.1	0.1	1.2	2.1	1.2
	11	1.1	0.1	1.2	2.1	1.2
	12	1.1	0.1	1.2	2.1	1.2
	13	1.1	0.1	1.2	2.1	1.2
	14	1.1	0.1	1.2	2.1	1.2
	15	1.1	0.1	1.2	2.1	1.2
	16	1.1	1	2.1	2.1	1.2
	17	1.1	1	2.1	2.1	1.2
	18	0.2	1	1.2	2.1	1.2
	19	0.2	1	1.2	2.1	1.2
	20	0.2	1	1.2	2.1	1.2
	21	0.2	1	1.2	2.1	1.2
	22	0.2	1	1.2	2.1	1.2
	23	0.2	1	1.2	2.1	1.2
	24	0.2	1	1.2	2.1	1.2
	25	0.2	1	1.2	2.1	1.2
	26	0.2	1	1.2	2.1	1.2
	27	0.2	1	1.2	2.1	1.2
	28	0.2	1	1.2	2.1	1.2
	29	0.2	1	1.2	2.1	1.2
	30	0.2	1	1.2	2.1	1.2
	31	0.2	1	1.2	2.1	1.2
	32	0.2	1	1.2	2.1	1.2
Individual Median		**1.1**	**1**			
(Approach B)		**1.2**				
(Approach A)		**2.1**				



Agenda Item 6a: Overview of Recent and Upcoming IMO and System Management Procedure Change Proposals

Legend:

Shaded	Shaded rows indicate procedure changes that have been completed since the last MAC meeting.
Unshaded	Unshaded rows are procedure changes still being progressed.

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
IMO Procedure Change Proposals					
PC_2011_04	Prudential Requirements	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Include some minor and typographical amendments to improve the integrity of the Market Procedure; • Include amendments required as a result of the Pre Rule Change Proposal: Prudential Requirements (PRC_2011_09) and o RC_2010_36 Acceptable Credit Criteria; and o RC_2011_04 List of entities meeting Acceptable Credit Criteria	• The amended Market Procedure: Prudential Requirements was presented alongside the Pre Rule Change Proposal: Prudential Requirements (PRC_2011_09) at the December MAC.	• To be discussed by IMO Procedures Working Group	TBC

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
PC_2012_01	Reserve Capacity Security	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedure project; • Reflect the broader heads of power for the Market Procedure; and • Ensure consistency with the proposed Amending Rules under the following Rule Change Proposals o Reserve Capacity Security (RC_2010_12); o Certification of Reserve Capacity (RC_2010_14); o Acceptable Credit Criteria (RC_2010_36); and o List of Entities meeting the Acceptable Credit Criteria (RC_2011_04)	• The consultation period closed on 16 February 2012. The IMO is currently preparing the Procedure Change Report.	• Publish Procedure Change Report.	TBA
PC_2012_02	New Market Procedure for Balancing Facility Requirements	This new Market Procedure proposes to: • Reflect the IMO's new format arising from its Market Procedure project; and • Specify the technical and communication criteria that a Balancing Facility, or a type of Balancing Facility, must meet.	• The consultation period closed on 6 February 2012. The IMO is currently preparing the Procedure Change Report	• Publish Procedure Change Report.	TBA
PC_2012_03	New Market Procedure for Balancing Market Forecasts	This new Market Procedure proposes to: • Reflect the IMO's new format arising from its Market Procedure project; and • Describe the processes that will support the determination and publication of the Balancing Forecast by the IMO, including outlining the information requirements from System Management to enable the Forecast BMO and Balancing Forecast to be prepared.	• The consultation period closed on 6 February 2012. The IMO is currently preparing the Procedure Change Report	• Publish Procedure Change Report.	TBA

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
PC_2012_04	New Market Procedure for IMS Interface	This new Market Procedure proposes to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with the proposed Amending Rules under the Rule Change Proposal: Competitive Balancing and Load Following Market (RC_2011_10)	• The consultation period closed on 2 March 2012. The IMO is currently preparing the Procedure Change Report.	• Publish Procedure Change Report.	TBA
TBA	Undertaking the LT PASA and conducting a review of the Planning Criterion	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Include some minor and typographical amendments to improve the integrity of the Market Procedure, including re-ordering some sections; and • Include both reviews required under clause 4.5.15 of the Market Rules (Planning Criterion and forecasting processes).	• The IMO is currently updating the Market Procedure following the 2 February 2011 working group meeting.	• Updated procedure to be presented back to working group for further discussion.	TBA
TBA	Participant Registration and Deregistration	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Revise the Market Procedure to provide more details of the relevant processes, including restructuring the Market Procedure to better present the process; • Reflect the new MPR system; • Ensure consistency with the Amending Rules from the Rule Change Proposal: Change of Review Board Name (RC_2010_18)	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	Facility Registration, Deregistration and Transfer	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project;	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
		• Reflect the new MPR system; • Revise the Market Procedure to provide more details of the relevant processes including: o restructuring the Market Procedure to better present the process; o providing further details of the consultation processes with System Management; o clarifying that there should not be any restriction on the ability to provide notifications in a manner outlined in the Market Procedure for Notifications and Communications; and o reflect the new processes for digital certificates • Ensure consistency with the Amending Rules from the following Rule Change Proposals; o Curtailable Loads and Demand Side Programmes (RC_2010_29); and o Change of Review Board Name (RC_2010_18), Including the proposed Amending Rules under the Rule Change Proposal: Competitive Balancing and Load Following Market (RC_2011_10)			
TBA	Settlement	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with the Amending Rules from the following Rule Change Proposals: o Settlement in Default Situations (RC_2010_04)	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
		o Change of Review Board Name (RC_2010_18); o Minor and typo (RC_2010_26) o Settlement Cycle Timelines (RC_2010_19) o Acceptable Credit Criteria (RC_2010_36)			
TBA	Meter Data Submission	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Clarify that the Procedure is part of the Settlement Market Procedures; • Ensure consistency with amendments to the Market Rules which have occurred since Market Start	• The IMO is currently revising the Market Procedure	• To be discussed by the IMO Procedures Working Group	
TBA	Capacity Credit Allocation	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Clarify that the Procedure is part of the Settlement Market Procedures; • Ensure consistency with amendments to the Market Rules which have occurred since Market Start	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	Intermittent Load Refund	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with amendments to the Market Rules which have occurred since Market Start	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	Loss Factors	The proposed updates are to: • Reflect the IMO's new format arising from its	• The IMO is currently working with Western Power to clarify some	• To be discussed by the IMO Procedures	

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
		Market Procedures project; and • Better clarify the processes in the Market Procedure. • Ensure consistency with amendments to the Market Rules which have occurred since Market Start	discrepancies between the Market Rules and Market Procedure	Working Group	
TBA	Certification of Reserve Capacity	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with the Amending Rules under the following Rule Change Proposals: o Certification of Reserve Capacity (RC_2010_14); o Curtailable Loads and Demand Side Programmes (RC_2010_29), Including the proposed Amending Rules under the Rule Change Proposal: Competitive Balancing and Load Following Market (RC_2011_10)	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	Individual Reserve Capacity Requirements	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with amendments to the Market Rules which have occurred since Market Start	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	Declaration of Bilateral Trades and the Reserve Capacity Auction	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with the Amending Rules from the following Rule Change Proposals: o Curtailable Loads and Demand Side	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
		Programmes (RC_2010_29); o Removal of Network Control Services Expression of Interest and Tender Process from the Market Rules (RC_2010_11); and o Certification of Reserve Capacity (RC_2010_14).			
TBA	Reserve Capacity Performance Monitoring	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with the Amending Rules from the Rule Change Proposal: Reserve Capacity Performance Monitoring (RC_2009_19)	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	Treatment of Small Generators	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with amendments to the Market Rules which have occurred since Market Start	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	Reserve Capacity Testing	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Reflect the new Temperature Dependence Curve • Ensure consistency with the proposed Amending Rules under the Rule Change Proposal: Competitive Balancing and Load Following Market (RC_2011_10)	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	Maximum Reserve	The proposed updates are to ensure consistency	• The IMO is currently	• To be discussed by	

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
	Capacity Price	with the proposed Amending Rules under the Rule Change Proposal: Competitive Balancing and Load Following Market (RC_2011_10).	revising the Market Procedure	IMO Procedures Working Group	
TBA	Information Confidentiality	The proposed updates are to: • Reflect the IMO's new format arising from its Market Procedures project; • Ensure consistency with the proposed Amending Rules under the Rule Change Proposal: Competitive Balancing and Load Following Market (RC_2011_10) along with all other rule changes which have occurred since Market Start	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working Group	
TBA	IT Interface – System Overview and requirements	The proposed updates are to ensure consistency with the proposed Amending Rules under the Rule Change Proposal: Competitive Balancing and Load Following Market (RC_2011_10)	• The IMO is currently revising the Market Procedure	• To be discussed by IMO Procedures Working	
System Management Procedure Change Proposals					
PPCL0020	Operational Data Points	The proposed updates are to: • Reflect System Management's requirements under Table 2 for "Wind Data at nacelle height" and Solar Data", in the Operational Data Points for Generating Plant Power System Operation Procedure, to enable System management to procedure more accurate Load Forecasts for a Trading Day as per Market Rule 7.22(a). • Some minor and typographical errors	• The amended PSOP commenced on 6 February 2012.		
PPCL0021	Replaced PSOPs: Competitive Balancing and Load Following Market 1	The proposed updates are to: • Amend the Dispatch and Communications and Control Systems PSOP's to reflect the changes arising from RC_2011_10.	• The consultation period closed on 6 February 2012. System Management is currently preparing the Procedure Change Report.	• Publish Procedure Change Report.	TBA

Change ID	Title	Brief overview of changes	Status	Next Step(s)	Date
PPCL0022	Replaced PSOPs: Competitive Balancing and Load Following Market 2	The proposed updates are to: • Amend the Ancillary Services and Power System Security PSOP's to reflect the changes arising from RC_2011_10.	• The consultation period closed on 10 February 2012. System Management is currently preparing the Procedure Change Report.	• Publish Procedure Change Report.	TBA
PPCL0023	Replaced PSOPs: Competitive Balancing and Load Following Market 3	The proposed updates are to: • Amend the Commissioning and Testing, Facility Outages and Monitoring and Reporting PSOP's to reflect the changes arising from RC_2011_10.	• The consultation period closed on 20 February 2012. System Management is currently preparing the Procedure Change Report.	• Publish Procedure Change Report.	TBA

Agenda Item 7a: Working Group Overview

1. WORKING GROUP OVERVIEW

Working Group (WG)	Status	Date commenced	Date concluded	Latest meeting date	Next scheduled meeting date
Reserve Capacity 2007 WG	Closed	Feb 07	May 07	-	-
NTDL WG	Closed	Oct 07	Nov 07	-	-
Energy Limits WG	Closed	Dec 07	Jan 08	-	-
DSM WG	Closed	Jan 08	May 08	-	-
SRC WG	Closed	Jun 08	Sept 08	-	-
Reserve Capacity 2008/09 WG	Closed	Dec 08	Jan 09	-	-
Renewable Energy Generation WG	Closed	Mar 08	Nov 10	-	-
Maximum Reserve Capacity Price WG	Closed	May 10	Jun 11	-	-
System Management Procedures WG	Active	Jul 07	Ongoing	12/12/2011	TBA
IMO Procedures WG	Active	Dec 07	Ongoing	26/05/2011	TBA
Rules Development Implementation WG	Active	Aug 10	Ongoing	06/02/2012	22/03/2012
Reserve Capacity Mechanism WG	Active	15/02/2012	-	15/02/2012	27/03/2012

2. WORKING GROUP MEMBERSHIP UPDATES

In accordance with the Terms of Reference (ToR) the Market Advisory Committee (MAC) must approve the appointment and substitution of members for the:

- IMO Procedure Change and Development Working Group

The MAC has received a request for Debra Rizzi to replace Adam Lourey as Alinta's representative on the IMO Procedure Change and Development Working Group.

The amended ToR does is attached as Appendix 1.

3. RECOMMENDATIONS

The IMO recommends that the MAC:

- **Agree** with the proposed amendment to the membership of this Working Group.

Terms of Reference

The IMO Procedure Change and Development Working Group

SCOPE

The Working Group's scope of work includes consideration, assessment and development of changes to IMO Market Procedures which the Market Rules require the IMO to develop. A Report on each Procedure Change proposed by the Working Group will be provided to MAC which demonstrates that the proposed change is consistent with the Wholesale Market Objectives and the Market Rules.

TERMS OF REFERENCE

- Members of the Working Group are appointed and substituted by MAC.
- The members of the Working Group are:

Suzanne Frame (Chair)	-	IMO
Debra Rizzi ~~Adam Lourey~~	-	Industry Representative, Alinta Limited
Michael Frost	-	Industry Representative, Perth Energy
Steve Gould	-	Industry Representative, Landfill Gas and Power
Grace Tan	-	System Management Representative
John Rhodes	-	Synergy Representative
Andrew Everett	-	Verve Energy Representative
Fiona Edmonds	-	IMO

- An issue can be referred to the Working Group for consideration by the MAC or the IMO. Generally, issues referred to the Working Group will relate to proposed procedure changes.
- The Working Group will be convened by the Chair upon request from the MAC Chair, or as required to complete its Scope of Work within the required timeframes.
- The Working Group will meet as required to provide the MAC and the IMO with a detailed analysis and advice regarding the issue referred to them.
- The Working Group will consider and develop, where appropriate, procedure changes within the timeframes set by the Chair with respect to each proposed procedure change.
- Procedure changes proposed by the Working Group must be consistent with the Wholesale Market Objectives and the Market Rules.
- Members are expected to attend as many Working Group meetings as practicable.
- The MAC may review, amend and extend these terms of reference, as necessary.