

## Market Advisory Committee

### Minutes

<b>Meeting No.</b>	53
<b>Location</b>	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
<b>Date</b>	Wednesday 12 September 2012
<b>Time</b>	2.00pm – 4.00pm

Attendees	Class	Comment
Allan Dawson	Chair	
Suzanne Frame	Compulsory - IMO	
Geoff Gaston	Discretionary – Generator	
Ben Tan	Discretionary – Generator	
Shane Cremin	Discretionary – Generator	
Steve Gould	Discretionary – Customer	
Paul Troughton	Discretionary – Customer	Proxy
Nenad Ninkov	Discretionary – Customer	Arrived at 2.10pm
Peter Huxtable	Discretionary – Contestable Customer Representative	
David Murphy	Small Use Consumers' Representative	
Lisa Taylor	Minister's appointee - Observer	Proxy
Stephen MacLean	Compulsory – Customer	
Andrew Everett	Compulsory – Generator	
Phil Kelloway	Compulsory – System Management	
Neil Gibbney	Compulsory- Network Operator	Proxy
Natalie Jackson	ERA – Observer	Proxy
Apologies	Class	Comment
Michael Zammit	Discretionary – Customer	
Nerea Ugarte	Minister's appointee - Observer	
Peter Mattner	Compulsory – Network Operator	
Wana Yang	ERA - Observer	
Also in attendance	From	Comment
Fiona Edmonds	IMO	Minutes

Ben Williams	IMO	Presenter
George Sproule	IMO	Presenter
Jenny Laidlaw	IMO	Presenter
Matt Veryard	Western Power	Presenter
Natasha Cunningham	IMO	Observer
Aditi Varma	IMO	Observer
Ozren Kotur	IMO	Observer

Item	Subject	Action
1.	<p><b>WELCOME</b></p> <p>The Chair opened the meeting at 2.00 pm and welcomed members to the 53rd meeting of the Market Advisory Committee (MAC).</p>	
2.	<p><b>MEETING APOLOGIES / ATTENDANCE</b></p> <p>The following apologies were received:</p> <ul style="list-style-type: none"> <li>• Michael Zammit (Discretionary - Customer)</li> <li>• Nerea Ugarte (Minister's appointee - Observer)</li> <li>• Peter Mattner (Compulsory – Network Operator)</li> <li>• Wana Yang (ERA – Observer)</li> </ul> <p>The following other attendees were noted:</p> <ul style="list-style-type: none"> <li>• Paul Troughton (proxy for Michael Zammit)</li> <li>• Lisa Taylor (proxy for Nerea Ugarte)</li> <li>• Neil Gibbney (proxy for Peter Mattner)</li> <li>• Natalia Jackson (proxy for Wana Yang)</li> <li>• Fiona Edmonds (Minutes)</li> <li>• Ben Williams (Presenter)</li> <li>• Jenny Laidlaw (Presenter)</li> <li>• Matt Veryard (Presenter)</li> <li>• George Sproule (Presenter)</li> <li>• Aditi Varma (Observer)</li> <li>• Natasha Cunningham (Observer)</li> <li>• Ozren Kotur (Observer)</li> </ul>	
3.	<p><b>MINUTES OF PREVIOUS MEETING</b></p> <p>The minutes of MAC Meeting No. 52, held on 8 August 2012, were circulated prior to the meeting.</p>	

	<p>The following points were raised by members:</p> <ul style="list-style-type: none"> <li>• Mr Geoff Gaston noted that Mr Patrick Peake had been a proxy for himself not Mr Nenad Ninkov. The IMO agreed to correct the reference accordingly.</li> <li>• Mr Andrew Everett noted that he had raised a number of points during discussions on Synergy's early entry capacity payment rule change and on the Market Rules Evolution Plan that had not been reflected in the minutes. The Chair noted that the IMO did not necessarily minute all points raised in discussions.</li> <li>• Mr Phil Kelloway requested that the following sentence with respect to the Early Entry Capacity Payments Concept Paper be deleted as he was uncertain of its meaning: "Mr Kelloway noted concern about the IMO's ability to determine capacity shortfalls significantly ahead of time". The IMO agreed it was appropriate to remove this statement.</li> <li>• Dr Paul Troughton noted his name was incorrectly spelt in section 10 (General Business). The IMO apologised and agreed to correct the spelling accordingly.</li> </ul> <p>Subject to the incorporation of the proposed changes, the MAC agreed that the minutes were a true and accurate record of the meeting.</p> <p><i>Action Point: The IMO to amend the minutes of Meeting No. 52 to reflect the agreed changes and publish on Market Web Site as final.</i></p>	IMO
4.	<p><b>ACTIONS ARISING</b></p> <p>The following comments were noted on action items:</p> <ul style="list-style-type: none"> <li>• Item 33 – The Chair advised that the IMO intended to present an updated version of the Pre Rule Change Proposal: Ancillary Services Payment Equations (PRC_2010_27) to the MAC at its October 2012 meeting. The Chair noted that the IMO had to date alerted most Intermittent Generators that are likely to be affected by the proposed changes of the status of PRC_2010_27.</li> </ul> <p>Mr MacLean questioned if PRC_2010_07 still contained a significant number of complicated equations. Ms Jenny Laidlaw confirmed that the majority of changes to the settlement equations had been introduced in the Amending Rules resulting from the Rule Change Proposal: Competitive Balancing and Load Following (RC_2011_10).</p> <p>Mr Shane Cremin noted that he had been approached to represent the views of a number of impacted Intermittent Generators on the proposed changes. As he would be unable to attend the October MAC meeting, Mr Cremin requested that he be able to provide a submission representing their views prior to the meeting. The Chair agreed and suggested that Mr Cremin meet directly with the IMO to discuss the changes further at a mutually agreeable time.</p>	

	<p>The Chair signalled Collgar Wind Farm's intention to provide a presentation to the October MAC meeting on the issues it has identified with respect to the allocation method of Capacity Credits for Intermittent Generators.</p> <ul style="list-style-type: none"> <li>• Items 11 and 23 – Mr Phil Kelloway advised that a minimum of 72 hours notice is physically delivered to generators and loads impacted by a distribution network outage. In response to a query from Mr Ben Tan, Mr Kelloway confirmed that this was the actual process and not a proposed process. Mr Tan noted that this was not the case recently, having received only three minutes' notice of a distribution outage that impacted on a Tesla Facility. Mr Peter Huxtable noted that Water Corporation had experienced similar issues previously and to solve the issue is now provided with email notification in advance of an outage.</li> <li>• Item 35 – The Chair noted that Mr David Murphy had provided him with an update of the status of the Public Utilities Office (PUO) consideration of the issue of incentivising early entry capacity. In particular, the PUO had determined it would be most appropriate to await the outcomes of the Reserve Capacity Mechanism Working Group (RCMWG). Mr Murphy noted that the PUO did not want to provide any sort of policy direction that could potentially be inconsistent with the outcomes of the RCMWG. Mr MacLean noted his concern with the adoption of this approach.</li> </ul>	
5a.	<p><b>MARKET RULE CHANGE OVERVIEW</b></p> <p>Ms Suzanne Frame provided an update to the MAC on the current Rule Changes under development. Ms Frame noted that the high priority rule change on Commissioning and Dispatch Tolerances were on the agenda for discussion during meeting 53.</p> <p>Mr Everett noted that Verve Energy did not support the statement, included in the IMO's description of the Dispatch Tolerance issue, that Facilities in the Verve Energy Balancing Portfolio should not be treated differently to other facilities.</p> <p>Mr Everett also noted that, with respect to the medium priority issue relating to "certification", he was concerned that the comment on Capacity Credits needing to be limited to the declared sent out capacity (DSOC) for multiple Facilities sharing a DSOC may be inaccurate. Mr Neil Gibbney clarified that the DSOC should be regarded as a physical constraint. Mr Gaston noted that to date the Capacity Credits of Western Energy had been constrained to its DSOC. Mr Cremin agreed that this had been the case. Mr Tan noted that if a generator breaches a technical constraint (such as that imposed by a DSOC) then it can be potentially removed from the network by Western Power. Mr Everett noted that System Management often exceeds the DSOC at Verve Energy's Kemerton facility on Verve Energy's behalf.</p> <p>The Chair agreed that the issue of capacity in relation to the DSOC of a Facility is an important consideration, noting recent issues identified as a result of a thermal generator and wind farm being at the connection point and therefore sharing a DSOC. Mr Everett noted that the Capacity Credits awarded to an Intermittent Generator are based on their</p>	

	<p>performance during peak Trading Intervals and that in the case described by the Chair there would most likely be a DSOC sharing agreement in place between the two generators that caps the output of the wind farm. Mr Cremin noted that if a cap is placed on an Intermittent Generator's output through such an agreement then it would impact on the level of Capacity Credits awarded to it. The Chair noted that the issue needed to be considered and a solution (if necessary) progressed prior to the IMO's next certification cycle.</p> <p>The MAC noted the overview of recent and upcoming rule changes.</p>	
<b>5b</b>	<p><b>MARKET RULES EVOLUTION PLAN (OUTCOMES FROM VOTING)</b></p> <p>Ms Frame presented an overview of the outcomes from the voting of MAC members on the list of issues for consideration in determining the Market Rules Evolution Plan. Ms Frame noted that the prioritised list would form the basis for the IMO's work programme over the next 2-3 years.</p> <p>The Chair noted the IMO's intention was to provide the prioritised list to the PUO to seek its views of whether any issues on the list would be impacted on by any state policy direction.</p> <p>Mr Kelloway queried which of the prioritised items would be included on the IMO's work plan given that it would not be achievable to complete all the items in the next three years. The Chair considered that the biggest issue on the list for consideration from System Management's perspective is the Spinning Reserve market and noted that the IMO should be able to consider approximately half of the items on the list during the allowable revenue timeframe.</p> <p>Ms Frame stated that the IMO was intending to publish on the public web site the comments received from members during the voting process and queried whether it would be valuable to distribute the comments received from members to all of the MAC.</p> <p><i>Action Point: The IMO to distribute comments received during the MREP voting process to all MAC members.</i></p> <p>In response to a query from Ms Lisa Taylor around the scope of the item titled "reviews" on the list, Ms Frame clarified that it referred to the availability of information for use in the Energy Price Limits and Margin Values annual reviews.</p> <p>Ms Frame noted that consideration of formally instigating the calculation of an Emissions Intensity Index, along with information provision requirements, will be progressed by the IMO during the next six months. This piece of work would therefore not form part of the IMO's Allowable Revenue submission.</p>	<b>IMO</b>
<b>5c</b>	<p><b>PRC_2012_07: LOSS FACTOR DETERMINATION</b></p> <p>Ms Laidlaw presented an overview of the IMO's Pre Rule Change Proposal: Loss Factor Determination (PRC_2012_07), noting that the proposal addresses a number of discrepancies identified between the Market Rules and Market Procedures relating to the determination of the Loss Factors.</p> <p>The following points were raised during the ensuing discussion:</p>	

<ul style="list-style-type: none"> <li>• Mr MacLean questioned whether the changes were being made to simplify the Market Rules and allow changes to a connection point's Loss Factor to be made if the class to which it is assigned changes during the year. Ms Laidlaw confirmed this was the case.</li> <li>• Mr Gaston queried whether a Loss Factor would be updated if there is a change in the relevant network tariff. Ms Laidlaw noted that this was her understanding, but noted that for large loads and generators this is not overly relevant. Mr Gaston also requested clarification of whether the Loss Factors being discussed were used in the IMO's settlement processes. Ms Laidlaw confirmed this.</li> <li>• Mr Nenad Ninkov queried whether the Loss Factors are determined based on contemporary information. Ms Laidlaw confirmed that Loss Factors are provided to the IMO by 1 June each year based on historical information for the year ending the previous 31 March. For example, the Loss Factors applicable from 1 July 2012 were calculating using historical information for the period from 1 April 2011 to 31 March 2012.</li> <li>• In response to questions from Mr MacLean and the Chair, Ms Laidlaw confirmed that an individual Loss Factor will be determined for a Load with peak consumption greater than 1000 kVA if it is more than 10 km from its substation, and that in these cases the Market Participant is not required to pay for the determination.</li> <li>• Mr MacLean clarified that Synergy has to pay for all loss factor determinations that they request. Ms Laidlaw confirmed that the IMO was proposing to reflect in the Market Rules the requirements currently outlined in the Market Procedure and noted that to calculate an individual Loss Factor for each load between 1000 kVA and 7000 kVA peak consumption would be inefficient.</li> <li>• Mr Tan queried whether there is a set cost of determining a Loss Factor for a connection point or whether it varies depending on the connection point. Mr Matt Veryard confirmed that it costs between \$1500 and \$2000 for Western Power to determine an individual Loss Factor.</li> <li>• Ms Laidlaw noted that the IMO had not yet undertaken an impact assessment of the changes. However, the changes would result in a likely increase to the Loss Factor for the Notional Wholesale Meter which would result in a reduction in its IRCR allocation. Mr Cremin stated that prior to formal submission of PRC_2012_07 it would be advisable to undertake the impact assessment to allow the MAC to make an informed decision on the proposed changes. Mr Gaston agreed, stating that the impact on the TDL and NTDL ratios would also be valuable.</li> <li>• Mr Gaston questioned if the proposed changes would impact on the Statement of Opportunities (SOO). Mr Gibbney and Mr MacLean stated that the impact would likely be negligible.</li> </ul> <p><i>Action Point: The IMO to undertake a preliminary impact assessment of PRC_2012_07, including considering the impact of the proposed changes on the Statement of Opportunities, and present back the results to the MAC.</i></p> <ul style="list-style-type: none"> <li>• Mr Cremin questioned how long the IMO had been aware of the</li> </ul>	<p><b>IMO</b></p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------

	<p>issues relating to the discrepancies between the practice adopted in determining the Loss Factors and the Market Rules. Mr Cremin expressed concerned that the IMO's decision to adopt the requirements and process outlined in the Market Procedure rather than the Market Rules. In response, the Chair noted that the IMO had been trying to progress known issues between IMO practice and the Market Rules as capacity has been available.</p> <ul style="list-style-type: none"> <li>• Ms Laidlaw noted that the IMO intended to present the proposed revised Market Procedure for Loss Factors to the IMO Procedure Change and Development Working Group for discussion.</li> <li>• Mr Gaston queried whether there had been any thought as to whether Synergy would remain being the only Market Customer supplying the Notional Wholesale Meter. Ms Laidlaw confirmed that the settlement arrangements in the Market Rules did not contemplate more than one Notional Wholesale Meter. The Chair stated that much wider changes to other regulatory instruments would be required to accommodate such a change in practice.</li> <li>• Mr Gaston stated a preference that when preparing revised drafting the IMO maintain "[Blanks]" in the rule book to indicate historical changes. Ms Laidlaw responded that a balance of history and ease of reading was required when modifying the Market Rules and that the IMO considered which drafting approach would be appropriate on a case by case basis.</li> <li>• In response to a query from Mr MacLean with regard to the definition of an "interval meter", Ms Laidlaw confirmed that the definition from the Metering Code had been adopted.</li> </ul>	
5d	<p><b>PRC_2012_15: 4 MONTH COMMISSIONING TEST WINDOW FOR NEW GENERATING SYSTEMS</b></p> <p>Mr George Sproule presented an overview of the IMO's Pre Rule Change Proposal: Four month Commissioning Test Period for new generating systems (PRC_2012_15).</p> <p>In response to a query from Mr MacLean, Ms Fiona Edmonds clarified that the original four month window for new generating systems had been implemented to restrict the timeframe under which late commissioning generators would be exempt from UDAP and DDAP.</p> <p>The MAC agreed for the IMO to progress PRC_2012_15.</p> <p><i>Action Point: The IMO to submit PRC_2012_15 into the formal rule change process.</i></p>	IMO
6a	<p><b>CP_2012_03: DISPATCH TOLERANCE RANGES</b></p> <p>Mr Ben Williams presented an overview of the IMO's Concept Paper on a number of identified issues relating to the dispatch Tolerance Ranges. Mr Williams noted that the IMO had identified the issue relating to the Settlement Range (Issue 1) during its current process of working through the Balancing Market outcomes since 1 July 2012.</p> <p>The following points were raised during the MAC's discussion:</p> <p><u>Issue 1: Settlement Tolerance Range</u></p> <ul style="list-style-type: none"> <li>• Mr Gaston queried whether the IMO's proposed solution would</li> </ul>	

	<p>fix the identified issue, noting that the settlement system should account for System Management having dispatched the Facility so as to avoid this issue occurring frequently. The Chair agreed that the proposed solution would not entirely fix the issue.. The Chair also noted that from December onwards System Management would provide the IMO with details of when they issued an instruction to a Facility (i.e. constrained on/off a Facility).</p> <ul style="list-style-type: none"> <li>• Mr Gaston noted that there was a large financial impact to Market Customers as a result of the identified issues and questioned whether any rule change could be retrospectively applied (i.e. from 1 July 2012) given the large wealth transfer that was occurring. The Chair confirmed that the IMO does not retrospectively apply rule changes. Mr MacLean noted that in his opinion the Market Rules do not specifically restrict the IMO from retrospectively applying rule changes, though noting that should the IMO decide to retrospectively apply any changes to the rules to fix this identified issue it would likely set a precedent for rule changes in the future.</li> <li>• Mr Williams noted that previously the Rules Development Implementation Working Group (RDIWG) has discussed only paying the Balancing Price where a Facility is not issued a instruction to vary its output by System Management. Mr Williams also noted that the IMO was currently working with System Management to ensure that all Non-Scheduled Generators had a Tolerance Range to apply.</li> <li>• Mr MacLean questioned whether there was any appetite to completely remove the concept of Tolerance Ranges and Facility Tolerance Ranges. Mr Williams noted that this would require the removal of the concept of Constrained On/Off Compensation. Mr MacLean suggested that the Balancing Price could just be used where a Dispatch Instruction was issued. Mr Tan noted that removal of the dispatch tolerances would likely result in large levels of non-compliance in the market.</li> <li>• The Chair noted that the IMO was currently working through the behaviour of a couple of Market Participants since the commencement of the Balancing Market. The outcomes of the IMO's investigation were unlikely to result in any retrospective changes to the settlement outcomes occurring. Discussion ensued around the LFAS Market outcomes. In particular the following points were raised: <ul style="list-style-type: none"> <li>○ Mr MacLean queried whether LFAS provided by Verve Energy was being paid for twice. Ms Laidlaw confirmed that this was not the case as the new margin values that applied from 1 July 2012 had been adjusted to remove compensation for LFAS.</li> <li>○ The Chair noted that currently only Verve Energy is providing LFAS and queried System Management to provide guidance on when others are likely to be allowed to enter the LFAS Market. Mr Kelloway noted that System Management was anticipating greater participation in the LFAS Market from 5 December 2012</li> </ul> </li> </ul>	
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--



	<p>and stated that the delay in the ability of Independent Power Producers (IPPs) to provide LFAS was due to issues relating to AGC services. The Chair stated that from 5 December all Facilities that wish to participate in the LFAS Market would be able to do so. Mr Kelloway confirmed this would be the case.</p> <p><i>Action Point: System Management to provide an update to the MAC on its progress in enabling IPP Facilities to participate in the LFAS Market from 5 December 2012 onwards.</i></p> <ul style="list-style-type: none"> <li>Mr MacLean queried an apparent discrepancy between the 60 MW LFAS requirement in the SOO and the 90 MW LFAS quantity being used for the settlement of LFAS capacity costs. Mr MacLean questioned whether the Market Rules allowed the larger quantity to be used for settlement.</li> </ul>	<b>SM</b>
	<p><i>Action Point: The IMO to provide an update to the MAC on the requirements under the Market Rules for the determination of the LFAS quantity used to calculate LFAS Capacity Costs.</i></p> <ul style="list-style-type: none"> <li>The Chair queried whether MAC members were comfortable with the IMO progressing its proposed solution to Issue 1. Mr Gaston noted that the IMO needed to look at the options for only paying Constrained On/Off Compensation where a “flag” indicating that a Facility has been dispatched out of merit by System Management is present. Mr Williams noted that there was a potential problem with this approach in that System Management may not always be aware that it was dispatching a Facility out of merit.</li> </ul> <p><u><i>Issue 2: Tolerance Range for Verve Energy Balancing Portfolio</i></u></p> <ul style="list-style-type: none"> <li>Mr MacLean noted that he considered it a good idea to be using the same tolerance for the Verve Energy Balancing Portfolio.</li> <li>Mr Everett queried whether it would be an issue that Verve Energy bids for the portfolio at the portfolio ramp rate. Mr Williams agreed that the IMO would need to confirm whether this would be an issue.</li> </ul>	<b>IMO</b>
	<p><i>Action Point: The IMO to confirm if Verve Energy bidding at a portfolio ramp rate has any implications to its proposed solution to create a Tolerance Range for the Verve Energy Balancing Portfolio (CP_2012_03).</i></p> <ul style="list-style-type: none"> <li>Mr Kelloway noted that using the summation of all the Facilities operating in the Verve Energy Balancing Portfolio to determine the tolerance to apply in each Trading Interval may have an impact on dispatch security and dispatch outcome.</li> <li>Mr Everett stated that the tolerance for the portfolio would become very large under the IMO's proposed solution. Verve Energy would only receive Constrained On/Off Compensation if the tranche was greater than the tolerance which seems unreasonable.</li> </ul> <p><i>Action Point: The IMO, System Management and Verve Energy to meet to discuss to options for determining a Verve Energy Balancing Portfolio</i></p>	<b>IMO</b>
		<b>IMO/SM/ Verve Energy</b>

	<p><i>tolerance.</i></p> <ul style="list-style-type: none"> <li>The Chair noted that the IMO would progress its solution to Issue 1 (and Issue 3) separately to Issue 2.</li> </ul> <p><u>Issue 3: Clarification of obligations relating to dispatch</u></p> <ul style="list-style-type: none"> <li>Mr Williams noted that the proposed changes were to correct an oversight in the Amending Rules resulting from RC_2011_10. The MAC agreed for the IMO to correct the relevant clauses of the Market Rules relating to this issue.</li> </ul>	
<b>7a.</b>	<p><b>MARKET PROCEDURE CHANGE OVERVIEW</b></p> <p>Ms Frame informed the MAC that an IMO Procedure Change and Development Working Group meeting had been held on 14 August 2012. The IMO intended to hold another meeting in November 2012 to discuss the proposed revised Market Procedures for Prudential Requirements and Determining Loss Factors.</p> <p>The MAC noted the overview of recent and upcoming procedure changes.</p>	
<b>8a.</b>	<p><b>WORKING GROUP OVERVIEW</b></p> <p>The MAC noted the Working Group overview.</p>	
<b>8b.</b>	<p><b>RCMWG UPDATE</b></p> <p>Ms Frame noted that the Reserve Capacity Mechanism Working Group (RCMWG) would be meeting on 13 September 2012 to discuss the work undertaken to date with respect to the dynamic refunds and IRCR work streams.</p>	
<b>9.</b>	<p><b>GENERAL BUSINESS</b></p> <p>Mr Tan noted a recent incident where Tesla had not been provided with sufficient notice of a Planned Outage of the distribution network. While this did not have a financial impact on Tesla (due to the Amending Rules from the Rule Change Proposal: Consequential Outage Definition (RC_2012_04)), Tesla did discover that as a non-active Balancing participant it must adjust its Balancing Submission immediately to adhere to the requirements outlined in the Market Rules. Mr Tan also noted a concern with the instructions for non-active Balancing Participants being contained on the IMO's market webpage. In particular Mr Tan noted that the instructions had changed recently (in relation to whether a Market Participant can adjust its Balancing Submission downwards to reflect an outage). The Chair expressed concern that the IMO web site being updated with a new process and impacted Market Participants not being informed.</p> <p>Mr Williams responded that in this case the changes to the web site had been made to reflect the Market Rules obligations. In particular Mr Williams noted that the Market Rules required all Market Participants to update their Balancing submissions to reflect outages and that the revision will always be downwards to reflect the outage. This is because the Facility will not be available (fully or partially) and the Balancing Merit Order will need to adjust to reflect this.</p>	

	<i>Action Point: The IMO to provide an update to the MAC on its proposed revised governance arrangements for updating the Market Web Site where the changes impact operationally on Market Participants.</i>	<b>IMO</b>
<b>CLOSED:</b> The Chair declared the meeting closed at 4.00 pm.		