



INDEPENDENT  
MARKET  
OPERATOR

## Market Advisory Committee

### Minutes

<b>Meeting No.</b>	71
<b>Location</b>	IMO Board Room Level 17, 197 St Georges Terrace, Perth
<b>Date</b>	Wednesday 14 May 2014
<b>Time</b>	2:30 PM – 5:30 PM

<b>Attendees</b>	<b>Class</b>	<b>Comment</b>
Allan Dawson	Chair	
Kate Ryan	Compulsory – IMO	
Dean Sharafi	Compulsory – System Management	Proxy
Matthew Cronin	Compulsory – Western Power	Proxy
Will Bargmann	Compulsory – Synergy	
Shane Cremin	Discretionary – Generator	
Andrew Stevens	Discretionary – Generator	
Andrew Sutherland	Discretionary – Generator	
Michael Zammit	Discretionary – Customer	
Steve Gould	Discretionary – Customer	
Geoff Gaston	Discretionary – Customer	
Peter Huxtable	Discretionary – Contestable Customer Representative	
Simon Middleton	Minister's Appointee – Observer	
Elizabeth Walters	Economic Regulation Authority (ERA) – Observer	
<b>Apologies</b>	<b>From</b>	<b>Comment</b>
Phil Kelloway	Compulsory – System Management	
Shane Duryea	Compulsory – Western Power	
<b>Also in attendance</b>	<b>From</b>	<b>Comment</b>
Matthew Pember	System Management	Observer
Dean Frost	Western Power	Observer (2:30 PM – 3:30 PM)
Shibli Khan	ERA	Observer
Paul Hynch	Public Utilities Office	Observer

Jacinda Papps	Synergy	Observer
Richard Wilson	EnerNOC	Observer
Erin Stone	IMO	Presenter
Jenny Laidlaw	IMO	Presenter
Bryn Garrod	IMO	Presenter
Greg Ruthven	IMO	Observer
George Sproule	IMO	Observer
Courtney Roberts	IMO	Observer
Aditi Varma	IMO	Observer
Anne-Marie Foo	IMO	Observer
Laura Koziol	IMO	Observer and Minutes

Item	Subject	Action
1.	<p><b>WELCOME</b></p> <p>The Chair opened the meeting at 2:30 PM and welcomed incoming members to the 71st meeting of the Market Advisory Committee (MAC).</p>	
2.	<p><b>MEETING APOLOGIES / ATTENDANCE</b></p> <p>The following <b>apologies</b> were received:</p> <ul style="list-style-type: none"> <li>• Shane Duryea (Compulsory – Network Operator)</li> <li>• Phil Kelloway (Compulsory – System Management)</li> </ul> <p>The following <b>proxies</b> were noted:</p> <ul style="list-style-type: none"> <li>• Dean Sharafi for Phil Kelloway (Compulsory – System Management)</li> <li>• Matthew Cronin for Shane Duryea (Compulsory – Network Operator)</li> </ul> <p>The following <b>presenters</b> and <b>observers</b> were noted:</p> <ul style="list-style-type: none"> <li>• Matthew Pember (Observer, System Management)</li> <li>• Dean Frost (Observer, Network Operator)</li> <li>• Shibli Khan (Observer, ERA)</li> <li>• Paul Hynch (Observer, Public Utilities Office)</li> <li>• Jacinda Papps (Observer, Synergy)</li> <li>• Richard Wilson (Observer, EnerNOC)</li> <li>• Erin Stone (Presenter, IMO)</li> <li>• Jenny Laidlaw (Presenter, IMO)</li> <li>• Bryn Garrod (Presenter, IMO)</li> <li>• Greg Ruthven (Observer, IMO)</li> <li>• George Sproule (Observer, IMO)</li> <li>• Courtney Roberts (Observer, IMO)</li> <li>• Aditi Varma (Observer, IMO)</li> <li>• Anne-Marie Foo (Observer, IMO)</li> <li>• Laura Koziol (Observer and Minutes, IMO)</li> </ul>	

3.	<p><b>MINUTES OF PREVIOUS MEETING</b></p> <p>The minutes of MAC Meeting No. 69, held on 19 March 2014, were circulated to members prior to the meeting.</p> <p>The following amendment was agreed:</p> <p><b>Section 13: page 13 of 13</b></p> <p>Dr Gould believed that <del>the</del> one material issue was the conflict of interest between the retailer's incentive to have the Individual Reserve Capacity Requirement as low as possible and the DSM aggregator to have it as high as possible so as not to restrict its Relevant Demand.</p> <p><i>Action Point: The IMO to amend the minutes of Meeting No. 69 to reflect the agreed changes and publish on the Market Web Site as final.</i></p>	IMO
4.	<p><b>ACTIONS ARISING</b></p> <p>The Chair invited Ms Kate Ryan to update the MAC on the current action items. The following points were noted:</p> <ul style="list-style-type: none"> <li>• <b>Item 2:</b> Dr Steve Gould noted that he had met with Western Power to discuss the \$50 million insurance requirement but Western Power had not directly answered the question and instead referred him to published information.</li> </ul> <p>Mr Matthew Cronin stated that Western Power typically negotiates the liability insurance as part of the Electricity Transfer Access Contract as approved in the ERA approved Access Arrangement and noted that the \$50 million figure was a starting point for negotiations. Mr Cronin offered to further discuss the matter separately with Dr Gould.</p> <p>The Chair requested further guidance from Western Power on the appropriate level of insurance coverage for a 160MW open cycle gas turbine, as is used to set the Maximum Reserve Capacity Price. Mr Cronin agreed to provide this advice at a future MAC meeting.</p> <ul style="list-style-type: none"> <li>• <b>Item 3:</b> Ms Ryan noted that the IMO intended to circulate the pre Rule Change Proposal: Outages and the Application of Availability and Constraint Payments to Non Scheduled Generators (PRC_2013_16) to MAC members by the end of the week, giving them a couple of weeks for feedback before formally submitting into the Standard Rule Change Process.</li> </ul> <p>Mr Shane Cremin asked for further engagement with Intermittent Generators prior to the circulation to MAC members.</p> <ul style="list-style-type: none"> <li>• <b>Item 4:</b> Mr Cronin noted that Western Power's preference was to defer the discussion on constrained access to the grid to the Electricity Market Review (Review), noting that he understood that the Review would consider the merits of introducing a constrained grid model.</li> </ul> <p>The Chair raised the concern that the introduction of priorities for dispatch of generators within a Competing Access Group (CAG) may contradict the economic order for dispatch in the Balancing Market and therefore impede System Management's ability to comply with the Balancing Merit Order as is required under the Wholesale Electricity Market Rules (Market Rules).</p>	

	<p>MAC members discussed the issue and raised the following points:</p> <ul style="list-style-type: none"> <li>• Mr Cremin agreed with the Chair's concerns and noted that it was also his understanding that CAGs would be dispatched on a first come, first served basis and System Management would therefore disregard the Balancing Merit Order. However, he considered that there were not many such instances.</li> <li>• Ms Elizabeth Walters noted that the issue is more complex and should therefore be discussed more holistically as part of the Review.</li> <li>• Mr Dean Frost noted that the dispatch of generators within a CAG would not work on a first come, first served basis but instead using a constraint equation dependent on the Facility's contribution towards the constraint. However, Mr Frost affirmed that this could still contradict the Balancing Merit Order.</li> <li>• The Chair observed that an unconstrained grid model only works with a small number of constraints or run-back schemes that only bind infrequently. He questioned how System Management could dispatch generators within a CAG without following the Balancing Merit Order and without declaring a High Risk Operating State.</li> <li>• Mr Frost stated that Western Power planned to present a number of options for dealing with constraints to discuss with the IMO in the next two months and would then be in a position to discuss the options further with MAC members.</li> <li>• Mr Simon Middleton stated that the issue of constraints in the network would be considered as part of the Review. The Chair noted that the MAC could defer further discussion on the issue and reopen as an action item if it was not addressed in the recommendations of the Review.</li> <li>• Ms Jacinda Papps sought clarification from the IMO whether this would defer the pre Rule Change Proposal: PRC_2013_16 as it related to a constrained network model. Ms Ryan clarified that at this stage the IMO would continue working on the pre Rule Change Proposal.</li> <li>• <b>Item 9:</b> Mr Frost stated that the current single points of failure in the network are the Kemerton quad-booster and the Muja bus-tie transformer three, which are both important pieces of equipment and would require some time to repair or replace. Mr Frost noted that there were other single points of failure on the grid but they were relatively quick to repair and would not pose a major risk to the market.</li> <li>• <b>Item 10:</b> Ms Ryan noted that the financial impact of the Muja bus-tie transformer failures had been discussed in the presentation prior to the MAC meeting, thereby closing the action item. The Chair noted that, as agreed at the prior presentation, the IMO would engage with System Management to determine the financial impact of the transformer failures and provide forecast cost estimates based on the outcomes of that discussion.</li> <li>• <b>Item 13:</b> Ms Ryan clarified that the Market Rules allowed up to three business days for System Management to check the quality of the data used to calculate the final Balancing Price. Ms Ryan noted that</li> </ul>	
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	<p>System Management had indicated that it currently needs to revise data between one and three times a month. She added that the IMO is currently investigating how often the final Balancing Price varies from the Provisional Balancing Price and noted that the IMO would circulate the analysis upon completion.</p> <ul style="list-style-type: none"> <li>• <b>Item 16:</b> Ms Ryan noted that, having discussed the item with Mr Geoff Gaston, the item regarding the licensing of DSM aggregators would be closed, and added that it may be considered as part of the Review.</li> </ul> <p><i>Action Points:</i></p> <ul style="list-style-type: none"> <li>• <i>Western Power to provide advice on the appropriate level of insurance coverage for the purposes of determining the Maximum Reserve Capacity Price.</i></li> <li>• <i>The IMO to seek further feedback from Intermittent Generators and then circulate PRC_2013_16 to MAC members for feedback (existing Action Item 3 of 2014).</i></li> <li>• <i>The IMO to engage with System Management to determine the financial impact of the transformer failures and provide forecast cost estimates based on the outcomes of that discussion.</i></li> <li>• <i>The IMO to circulate analysis of the variance between the Provisional Balancing Price and the final Balancing Price to MAC members.</i></li> </ul>	<p><b>Western Power</b></p> <p><b>IMO</b></p> <p><b>IMO / SM</b></p> <p><b>IMO</b></p>
<p><b>5a.</b></p>	<p><b>MARKET RULE CHANGE OVERVIEW</b></p> <p>Ms Ryan informed the MAC that the Minister had extended the timeline for the two Rule Change Proposals currently awaiting approval. The Chair clarified that these Rule Change Proposals were Incentives to Improve Availability of Scheduled Generators (RC_2013_09) and Harmonisation of Supply-Side and Demand-Side Capacity Resources (RC_2013_10).</p> <p>Ms Ryan also referred members to the summary of other Rule Change Proposals currently underway.</p> <p>Mr Middleton clarified that the Minister would prefer to avoid simultaneous processes and noted that in cases where Rule Change Proposals and the Review overlapped, the Review should address the issue with any necessary amendments to the Market Rules to be determined after the recommendations of the Review are understood. Mr Middleton indicated that he would meet with the IMO shortly to discuss how this applies to specific rule changes.</p>	
<p><b>5b.</b></p>	<p><b>PRC_2014_01: IMPROVEMENTS TO THE ENERGY MARKET</b></p> <p>The Chair invited Ms Jenny Laidlaw to present this agenda item. Ms Laidlaw noted that this pre Rule Change Proposal had been presented at the March 2014 MAC meeting and summarised the further amendments made to the proposal since that meeting. Ms Laidlaw informed MAC members that, subject to the MAC discussion, the IMO intended to submit the Rule Change Proposal into the formal process within the next month. She added that the IMO intended to extend the first submission period and other deadlines accordingly because of the size and complexity of the proposal. The extensions would also ensure that the IMO would only make its final decision until after the outcomes of the Review are understood. The Chair noted that the IMO was attempting to balance the resolution of</p>	

current issues that had a commercial impact, with the need to avoid any overlap with or duplication of issues addressed in the Review.

The following key points were discussed.

- Mr Middleton agreed with the Chair that the proposal appeared to be concerned with operational matters and was unlikely to overlap significantly with items considered as part of the Review. He asked whether Resource Plans were required by System Management to perform its functions. Ms Laidlaw replied that it was a non-binding estimate of how Independent Power Producers (IPPs) would run their Facilities to meet their Net Contract Position and their own consumption needs, and that System Management had indicated that opening the Balancing Horizon earlier was likely to give a more accurate picture. Mr Gaston observed that, from a Market Participant's perspective, Resource Plans were an unnecessary cost to the market in that they were no longer required but would nevertheless cost Market Participants money in the event of errors or failure of submission.
- Ms Laidlaw noted that the IMO continued to work with System Management on its concerns regarding proposed gate closure times. The Chair added that he and Mr Dean Sharafi had already initiated discussion on any transitional arrangements.
- Mr Andrew Sutherland expressed a concern about compliance with the requirement that a Balancing Submission should reflect cleared LFAS quantities, in particular when circumstances changed overnight. For example, where his Balancing Submission made on the basis of the forecast LFAS Merit Order was outbid or where System Management reduced the LFAS Quantity overnight, he would be unable to comply with the requirement to modify his Balancing Submission. Ms Laidlaw suggested that they discuss these concerns further offline. Ms Laidlaw noted that it would be difficult to achieve a reduction in the LFAS Quantity without allowing System Management to set the quantity as close as possible to the start of the Trading Interval.
- Mr Gaston made an observation related to Net STEM Shortfall refunds. He stated that the proposed amendments placed a new obligation on Market Participants and noted that potential non-compliance with this obligation could be costly. He noted that this posed an unnecessary risk on Market Participants. His view was that participation in the STEM should be optional. Ms Laidlaw replied that changes to the STEM were scheduled for consideration in a different piece of work. Ms Ryan added that previous discussions had concluded that moving Reserve Capacity Obligations from the STEM to the Balancing Market constituted a bigger piece of work which should be considered as part of the redesign of the STEM. Ms Laidlaw also noted that there were differing views as to whether the STEM should be optional for Market Participants. Mr Andrew Stevens agreed with Mr Gaston that Net STEM Shortfall refunds should be removed because Market Participants could bid themselves out of the STEM effectively making it optional, and it was a daily risk for no benefit to the market. Ms Ryan asked if a Standing STEM Submission could be used to mitigate the risk. Mr Stevens conceded that that

was the case and on that basis agreed that no change was needed at this time. Mr Gaston reiterated that his position had not changed.

- Mr Will Bargmann stated Synergy's view on the pre Rule Change Proposal. He supported the IMO's approach of delaying timelines where there was a risk of overlap with the Review. He asked if the IMO intended to produce a cost-benefit analysis to aid Rule Participants with their submissions on the proposal. Ms Ryan replied that estimating costs was one of the aims of the consultation process. Mr Sharafi said that in its entirety, the proposal would cost System Management \$1.3 million to \$1.5 million in capital expenditure and ongoing operating expenditure for an additional controller. Mr Sharafi expressed his appreciation of the IMO ensuring that potential implementation was consistent with the Review. In response to a query from Ms Papps on the IMO's costs for implementation, the Chair replied that the system had been built with flexible functionality to allow transitioning to shorter gate closure. He therefore did not consider the costs to be excessive.
- Mr Bargmann asked whether consideration had been given to System Management's use of the Balancing Market to provide Ancillary Services. The Chair replied that the Ancillary Services Review is addressing issues such as clarifying the definitions of the boundaries of STEM, Balancing, LFAS, Spinning Reserve and other Ancillary Services. Mr Sharafi asked whether the IMO intended to consider the co-optimisation of energy and Ancillary Services if the Review moved in this direction. The Chair replied that this would be a more sophisticated market model than the current one and suggested that it may be natural to include the co-optimisation of transmission network constraints at the same time. He noted that the IMO was not currently working on such a model but would do so if it was a recommendation from the Review.
- Mr Stevens observed that the delay between Synergy's and IPPs' deadlines for making LFAS and Balancing Submissions existed for reasons of market power. He considered that 30 minutes was not sufficient for IPPs to respond to changes in Balancing Submissions for the Balancing Portfolio, which made up the majority of total generation, and that 60 or 90 minutes would be more appropriate. Ms Laidlaw responded that Synergy would remain bound by its short run marginal cost obligations. This meant that material changes to Synergy's offers were likely to be caused by Outages, and the recent improvements to transparency of information around Outages had given Market Participants more time to respond to Outages.
- The Chair noted that the current restriction of four bids per day for Synergy was at Synergy's request. Mr Stevens expressed his opinion that simultaneously removing this restriction and reducing the delay between Synergy's and IPPs' bids would neither protect IPPs from Synergy's market power nor encourage Synergy to move Facilities out of the Balancing Portfolio. Mr Sutherland agreed that the proposal did not appear to provide any incentive for Synergy to break up the Balancing Portfolio. Ms Laidlaw noted that

	<p>Synergy had not yet nominated any Facilities to be Stand Alone Facilities. She observed that imposing earlier deadlines on Synergy would have an effect on the deadline for Market Participants requesting Planned Outages and for System Management finalising the LFAS Quantity. Ms Laidlaw considered that unbundling the Balancing Portfolio should be considered as an issue in itself.</p> <ul style="list-style-type: none"> <li>• The Chair noted that the main reason that IPPs had shorter deadlines was that they did not offer their generation on a portfolio basis. A generation portfolio can absorb technical issues. He observed that Synergy did not currently update its submissions regularly throughout the day. Ms Papps said that Synergy did not have the resources to make regular submissions overnight. Ms Laidlaw queried whether there were any credible situations in which an IPP would suffer as a result of Synergy making submissions as proposed in the pre Rule Change Proposal. Mr Sutherland agreed that it was the existence of the Balancing Portfolio that gave Synergy a competitive advantage, not its submission deadlines.</li> <li>• Mr Stevens asked if Fuel Declarations would still be part of a STEM Submission. Ms Laidlaw replied that they would, as they were still needed by the IMO for compliance purposes, even though they were no longer needed by System Management.</li> <li>• Mr Sharafi asked if it would be easier to break each element of the proposal into a separate Rule Change Proposal. The Chair replied that the various issues were interconnected and that breaking the Rule Change Proposal up would cause problems.</li> <li>• Mr Sutherland asked what the verification processes were around the drafting of the Amending Rules, as most MAC members were unlikely to review these significant amendments in detail. Ms Ryan confirmed that several IMO employees were checking the drafting, including the legal team. In response to a suggestion from Ms Papps, the Chair noted that the IMO would welcome the opportunity to conduct a page-turn review of the proposed drafting with interested stakeholders.</li> <li>• The Chair concluded the discussion by reiterating that the IMO intended to progress the Rule Change Proposal under the proposed extended timeframes. He suggested that the process would be unlikely to be completed until next year at the earliest, when the recommendations of the Review should be known. Ms Papps requested that the first consultation period be arranged not to clash with the Review submission period and the Chair agreed.</li> </ul> <p><i>Action Points:</i></p> <ul style="list-style-type: none"> <li>• <i>The IMO to discuss with Mr Sutherland his concerns about meeting the requirement to make Balancing Submissions reflective of cleared LFAS quantities under the proposed amendments in the Rule Change Proposal: Improvements to the Energy Market (PRC_2014_01).</i></li> <li>• <i>The IMO to arrange a page-turn review either before or during the first submission period.</i></li> </ul>	<p>IMO</p> <p>IMO</p>
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	<ul style="list-style-type: none"> <li>• <i>The IMO to submit the Rule Change Proposal: Improvements to the Energy Market (PRC_2014_01) into the Standard Rule Change Process, extending the timeframes to allow the IMO to consider the outcomes of the Review before publishing a Final Rule Change Report.</i></li> </ul>	<b>IMO</b>
<b>6.</b>	<p><b>DRAFT SCOPE OF WORK: REVIEW OF RELEVANT LEVEL METHODOLOGY</b></p> <p>The Chair invited Ms Laidlaw to present an overview of the proposed scope for the review of the Relevant Level Methodology.</p> <p>The Chair noted that the IMO is required under the Market Rules to commence the review irrespective of the broader Review and was seeking guidance on the proposed scope of work. The Chair also noted that the implementation of any changes would be subject to the outcomes of the broader Review.</p> <p>Ms Ryan clarified that the review of the Relevant Level Methodology was primarily required to set the parameters K and U which are not currently set for future years and cannot wait for the outcomes of the Review.</p>	
<b>7.</b>	<p><b>IMO RULE CHANGE DEVELOPMENT WORKPLAN 2014</b></p> <p>The Chair noted that the workplan was developed to provide the Review team with an overview of the IMO's Market Rule development activities and other activities undertaken as required by the Market Rules. The Chair noted that the workplan had already been discussed.</p>	
<b>8.</b>	<p><b>MARKET PROCEDURES OVERVIEW</b></p> <p>Ms Ryan provided an update on the Market Procedures noting the key status updates were provided in red text in the paper.</p>	
<b>9.</b>	<p><b>WORKING GROUP OVERVIEW AND MEMBERSHIP UPDATES</b></p> <p>Ms Ryan distributed a paper with the Working Group membership updates.</p> <p>The Chair noted the following changes to the MAC Working Groups:</p> <ul style="list-style-type: none"> <li>• Mr Adrian Theseira to replace Mr Brendan Clarke as System Management's representative on the IMO Procedure Change and Development Working Group;</li> <li>• Mr Mike Davidson to replace Mr Phil Kelloway as the Chair of the System Management Power System Operation Procedure (PSOP) Working Group; and</li> <li>• Mr Theseira to replace Mr Neil Hay as System Management's representative on the PSOP Working Group.</li> </ul> <p>The Chair asked the MAC to endorse the proposed changes to the Working Groups. The MAC agreed to endorse the changes.</p>	
<b>10.</b>	<p><b>PRESENTATION: SPINNING RESERVE COST ALLOCATION</b></p> <p>The Chair invited Ms Erin Stone to present the analyses that the IMO had undertaken in response to Bluewaters Power's pre Rule Change Proposal on the allocation of Spinning Reserve Costs discussed at the</p>	

	<p>19 March 2014 MAC meeting. The following key points were discussed:</p> <ul style="list-style-type: none"> <li>• Ms Stone presented a comparison of the financial outcomes of the four options that were considered by the IMO.</li> <li>• MAC members discussed the behavioural change that would also occur if the cost allocation method was to change. Mr Gaston noted that under the runway method of allocation, generators would be more likely to make low cost energy available because the risk of falling into a higher Spinning Reserve 'block' and therefore paying a significant amount more in Spinning Reserve costs would be minimised. Mr Stevens reiterated that the introduction of a runway method would necessarily result in changes to bidding behaviour and affect outcomes in the Balancing Market, but noted that this is almost impossible to model.</li> <li>• There was some discussion with respect to overall efficiency of Spinning Reserve costs. Ms Stone noted that this proposal would not affect the overall cost but instead changed the allocation between participants.</li> <li>• Ms Papps questioned the difficulty of implementing a runway method. The Chair noted that it would be simpler to implement than the current method and would allow for a more dynamic cost allocation. Ms Stone added that the IMO had partially developed the necessary changes when it undertook the analyses.</li> <li>• Mr Stevens noted that the IMO was currently publishing enough information that generators have a good understanding of what is expected to occur in a Trading Interval in the market and can already make reasonably accurate assumptions of Spinning Reserve costs.</li> </ul> <p>The Chair noted that the IMO would continue discussions with Bluewaters Power to progress the proposed amendments.</p> <p><i>Action Point: The IMO to publish the presentation of the analyses of the proposed options for allocating Spinning Reserve Costs.</i></p>	<b>IMO</b>
11.	<p><b>GENERAL BUSINESS</b></p> <p><b>Modification of the STEM Window</b></p> <p>Ms Ryan invited Dr Bryn Garrod to provide a presentation on the possible modifications to the STEM timetable (Action Item 7).</p> <p>Dr Garrod reminded MAC members that Mr Stevens had asked at the previous MAC meeting if it was possible to open the STEM Submission window at 8:00 AM rather than 9:00 AM at minimal cost, given that it was anticipated that the STEM would be redesigned in the future. Dr Garrod noted that this had proven to be a difficult change to make because it would require significant changes to the timeframes for System Management's Outage planning processes. The IMO had consulted further with Mr Stevens on the problems that he was trying to solve.</p> <p>Dr Garrod presented a slide that demonstrated two possible timelines: one with an overlap of the Bilateral and STEM Submission windows and one without.</p> <p>The Chair proposed to give MAC members more time to consider the proposals and discuss them at the next MAC meeting.</p>	

<p>Mr Sutherland asked for more detail on why it was not possible to open the STEM Submission window earlier. Dr Garrod replied that the IMO needed to know what Outages System Management had approved for the next Trading Day, in order to calculate the Facility limits used to validate STEM Submissions. He further noted that opening the STEM Submission window earlier would require changes to System Management’s processes. Ms Laidlaw noted that these processes were complex and that the cost of changing them was likely to greatly outweigh any benefits from changing the timetable.</p>	
<p><i>Action Points:</i></p>	
<ul style="list-style-type: none"> <li>• <i>The IMO to publish the slide demonstrating possible timelines for the Bilateral and STEM Submission processes.</i></li> </ul>	<p><b>IMO</b></p>
<ul style="list-style-type: none"> <li>• <i>The IMO to include an item on the agenda for the next MAC meeting for MAC members to discuss options for modifying the Bilateral and STEM Submission timetables.</i></li> </ul>	<p><b>IMO</b></p>
<p><b>Overview of the recent Ministerial Direction to the IMO</b></p>	
<p>The Chair offered to provide an update on the recent Ministerial Direction regarding the deferral of the 2014 Reserve Capacity Cycle following the MAC meeting.</p>	
<p><b>Issue Paper: Review of the Electricity Industry Customer Transfer Code (Transfer Code)</b></p>	
<p>Ms Ryan noted that the Public Utilities Office (<a href="#">PUO</a>) had recently released an Issues Paper on the Review of the Transfer Code. Ms Ryan highlighted that the review suggested a change from the use Trading Day to ‘day’ which would affect the operation of the market. Ms Stone clarified that the reason for the suggested change was to align the Transfer Code with the Electricity Industry Metering Code. <a href="#">Mr Paul Hynch offered to circulate further information on the Review of the Transfer Code to MAC members.</a></p>	
<p><u><a href="#">Action Point: The PUO to provide information and contact details to MAC members for the Review of the Transfer Code and its submission process.</a></u></p>	<p><b><u>PUO</u></b></p>
<p><b>Notification of Network Constraints</b></p>	
<p>Mr Sutherland noted that Market Participants currently do not get any notice about network constraints that will impact their output apart from the Dispatch Instruction System Management issues at the time. He noted that this compromised a Market Participant’s bidding behaviour in the Balancing Market. The Chair asked if it would be possible for System Management to inform Market Participants about such an event in a notice prior to the Dispatch Instruction being issued.</p>	
<p>Mr Sharafi agreed to investigate the issue and noted that System Management would circulate a proposal to the MAC as soon as possible.</p>	
<p><i>Action Point: System Management to investigate the process for Out of Merit dispatch events and circulate a proposal to inform affected Market Participants about these events prior to the Dispatch Instruction being issued.</i></p>	<p><b>SM</b></p>
<p><b>CLOSED:</b> The Chair declared the meeting closed at 5:30 PM.</p>	