

Independent Market Operator

**RENEWABLE ENERGY GENERATION WORKING GROUP
WORKSHOP**

Minutes

Meeting	Renewable Energy Generation Working Group
Location:	Office Of Energy
Date:	Friday 25 September 2009
Time:	1:30pm to 4:00pm

Attendees		
Troy Forward	Independent Market Operator (IMO)	Chair
Ian McCullough	IMO	Alternate Chair
Shane Cremin	Griffin	
Steve Gould	Landfill Gas & Power	
Simon Middleton	Synergy	
Matthew Fairclough	Western Power – System Management	
Phil Kelloway	Western Power – System Management	
Tim Bray	Western Power	
Chris Brown	ERA	
Matthew Rosser	Pacific Hydro	
John Vendel	Pacific Hydro	
Rob Rohrlach	Energy Response	
Jason Dignard	Dept. Treasury & Finance	
Taron Brearley	OOE (SEDO)	
Kyle Jackson	AUSRA	

Apologies		
Wendy Ng	Verve Energy	
Bill Truscott	Alinta	
David Murphy	Dept. Premier & Cabinet	
Bill Bowyer	RPV Developments	
Brooke Eddington	OOE (SEDO)	
Tom Pearcy	Western Power	
Mark Headland	Investec	

Item	Subject	Action
1.	<p>Welcome and Apologies / Attendance</p> <p>The Chair opened the workshop at 1:30 pm, welcomed members and thanked them for their attendance at the workshop.</p>	
2.	<p>Comments on Minutes from meeting 5</p> <p>The Chair queried if there were any comments about the last minutes taken.</p> <p>Pacific Hydro asked for clarification in regard to the note in the draft minutes on Work Package outcomes that might be related to Technical Rules and so would be outside the MAC jurisdiction.</p> <p>The minutes are to be modified to note that while the work package would, where appropriate, seek to identify recommendations relating to the Technical Rules, their implementation would be subject to consideration by System Management, Western Power the Office of Energy and the ERA.</p> <p>No further comments were made on the minutes.</p> <p>Action: IMO to correct minutes accordingly and circulate as final.</p>	IMO
3.	<p>Update on Work Package RFTs</p> <p>The Chair reported to the meeting that the MAC, noting previous consultation with the Working Group, had decided that the IMO should progress the RFTs for the Work Packages in consultation with the Office of Energy (OOE) and System Management without further review by the Working Group.</p> <p>Further the IMO and OOE had specifically discussed the approach to Work Package 2 (intermittent capacity credits).</p> <ul style="list-style-type: none"> • It had been agreed that the work completed by the OOE consultant, Senergy Econnect, was not likely to yield a result in relation to a mechanism for the assessment of capacity in the Reserve Capacity Mechanism. • Given the increasing pressure to resolve this issue it was decided to minimise further delay by to going direct to MMA for this work, rather than through open tender. 	

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	<ul style="list-style-type: none"> • MMA’s significant experience in regulatory analysis was considered to make them well placed to manage this assignment. • In regard to the sequencing of Work Packages 1 and 2, it was noted that while WP 2 logically followed WP 1 this should not prevent MMA commencing its work with a view to making any necessary refinements once the results of WP 1 were known. • Similarly the Senergy Econnect work will be available as an input to MMA’s studies. • The objective of the study will be to find a simple yet realistic outcome in terms of capacity assessment. <p>It is planned to have MMA commence its work on WP 2 and to issue the RFT for WP 1 during the week ending 2 October 2009, with the RFT for WP 3 & 4 issued in the following week. It is intended that the RFT’s be issued close together to facilitate bidders offering to undertake all or a combination of WP’s 1, 3 and 4.</p> <p>Initial results from MMA’s work could be available in around six weeks. It is planned to present a draft for consultation before a final report is prepared. It is hoped this will provide a draft rule change, including analysis against the Market Objectives, well before Christmas.</p> <p>WP 3 & 4 will rely on the scenarios developed in WP 1 particularly in relation to the timing of any identified impacts and required responses.</p> <p>Working Group members expressed general agreement with the way forward in respect of accelerating the completion of WP 2.</p> <p>Action:</p> <ul style="list-style-type: none"> • The IMO to provide an updated schedule for the Work Packages indicating the points when the Working Group will be involved. • The IMO to circulate RFTs once finalised. 	IMO
4.	<p>Report from System Management on ROAM Studies</p> <ul style="list-style-type: none"> • System Management noted that ROAM had been engaged to look at load following an overnight dispatch issues associated with increasing intermittent generation to provide a forward look at outcomes from a system operator point of view. • The studies had not considered economics and were operation rather than Market Rules focussed. <ul style="list-style-type: none"> ○ The “must run” designation had been based largely on system security needs. ○ Wind output modelling had used 2007/08 data ○ The study to date assumes no changes to the Market Rules but SM had commissioned further studies based on an assumed marginal cost based dispatch. . • There was general discussion of the presented results including assumptions around growth of minimum load and output variability. 	

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	<ul style="list-style-type: none"> • Pacific Hydro reported experience in the eastern states where there were examples of coal plant increasing its flexibility in response to operational needs, but emphasised the importance of understanding the physical capabilities of plant. • There was concern that the ROAM study suggests that the RET target might not be met and it was agreed that if this is the case it may be appropriate to take the outcomes of Work Package 1 to Government. • The Chair thanked System Management for its presentation and noted that the ROAM work will be made available to feed into the Work Packages if available in time and that it would be important to allow the Working Group the opportunity to respond to report, once finalised. • System Management advised that the studies could be redone based on outputs from the Work Packages and confirmed that final report of the studies will be made available to the Working Group. • The Chair invited Synergy to table the work it had undertaken on wind penetration impacts as mentioned at the MAC. Synergy will advise. <p>Action:</p> <ul style="list-style-type: none"> • System Management to make the final version of the Roam report available to the Working Group. • Synergy to advise if it can provide a copy of its wind penetration studies for use in this Working Group. 	<p>System Management</p> <p>Synergy</p>
<p>5.</p>	<p>Other Business</p> <p>In response to a question of whether new capacity assessment methods might incorporate grandfathering arrangements, the Chair responded that that the high level view was that there was not a strong desire for grandfathering provisions, but that this would be resolved as part of the capacity certification work.</p> <p>Griffin noted the need for OOE involvement in keeping the Minister abreast of ways to manage the impact of rule changes on the market.</p> <p>SEDO noted work and discussion to date did not suggest that any changes are required to the market objectives.</p> <p>Pacific Hydro (JV) queried what mechanisms were available for limiting wind development in the SWIS. There was a brief discussion of appropriate market design limiting wind development to the appropriate level.</p>	
<p>6.</p>	<p>Close of Meeting</p> <p>The Chair thanked members for coming and advised that the next meeting would be scheduled in about one month's time.</p> <p>Meeting was closed at 4:00pm.</p>	