

Independent Market Operator

Demand Side Management Working Group

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**Minutes – 17<sup>th</sup> March 2008**

<b>Meeting No.</b>	4
<b>Location:</b>	ERIU Conference Room Level 8, Governor Stirling Tower, 197 St Georges Terrace, Perth
<b>Date:</b>	Monday 17 <sup>th</sup> March 2008
<b>Time:</b>	Commencing at 1.00pm to 3.00pm (WDST)

<b>Members</b>		
Patrick Peake	IMO (Chair)	
Shona Guilfoyle	Alinta	
Sumeet Kaur	Verve Energy	
Pablo Campillos	Energy Response	
Matthew Martin	Office of Energy	
Dora Guzeleva	IMO	
Harry Street	IMO	

<b>Apologies</b>		
Ronny Garg	Synergy	
Robert Pullella	ERA	
Shane Cremin	Griffin Energy	

Item	Subject	Action
1.	<p><b>WELCOME AND APOLOGIES / ATTENDANCE</b></p> <p>The Chair opened the meeting at 1:10pm and welcomed members to the fourth Demand Side Management Working Group meeting.</p> <p>Apologies were received from Ronny Garg, Robert Pullella and Shane Cremin.</p>	Chair
2.	<p><b>PRE MARKET RULE CHANGE DISCUSSION PAPER</b></p> <p>A Demand Side Management Pre Market Rule Change Discussion Paper has been circulated prior to the meeting and workgroup members are invited to discuss the contents of this paper.</p> <p>1.2.2 Dispatch Groups</p> <p>Members agreed to what is stated in the Pre Market Rule Change Discussion Paper.</p> <p>1.2.3 Demonstration that Curtailable Load can respond to a Dispatch Instruction</p> <p>The proposed "<i>Procedure for Verification Test</i>" states that, "<i>the verification is successful if a material reduction in demand is identified from the Curtailable Load Meter</i>". It was discussed that the meaning for "<i>material</i>" be defined. It was suggested that this "<i>material</i>" reduction measurement could either be a MW value or a percentage reduction of a load's capacity credits. An example of a possible wording could be an "<i>XX % reduction in a load's capacity credits</i>". A reduction of 10% was proposed as being appropriate.</p> <p>1.2.6 Real Time Notification of DSM Availability</p> <p>It was discussed that System Management would come up with their DSM capacity information requirements that would be provided on each Scheduling Day for the relevant Trading Day.</p> <p>1.2.7 Reporting of Activation</p> <p>Members agreed to what is stated, the Market Participant who has registered the loads would advise the IMO of which loads had been activated. The IMO would determine the actual reduction using meter data.</p> <p>1.2.8 Outage Planning</p> <p>Members agreed to what is stated in the Pre Market Rule Change Discussion Paper.</p> <p>1.2.9 Reserve Capacity Determination</p> <p>Where a Market Participant nominates that the Certification of a Curtailable Load is to be determined on the basis of the Stipulated Default Load, the Market Procedure states that the level of Certification is to be based on historic load data. The Procedure does not define this further</p>	

	<p>and it was suggested that the IMO determine the maximum demand for eight consecutive intervals during each month. The level of Certification of a Curtailable Load would be equal to the median metered consumption of the load during the highest eight consecutive Trading Intervals over the preceding twelve month period.</p> <p>A fair measure needs to be developed for loads that do not have interval metered consumption for twelve months.</p> <p>1.2.10 Reserve Capacity Refunds</p> <p>Members agreed to the principle stated in the Pre Market Rule Change Discussion Paper. The wording needs to be modified to reflect partial failure to respond.</p> <p>1.2.11 Performance Test</p> <p>If a generation Facility has not demonstrated that it can operate at a level equal to its Capacity Credits the Market Rules provide for the IMO to undertake a test. If the Facility subsequently fails this test a second test is undertaken. Failure in both tests results in the number of assigned Capacity Credits being reduced.</p> <p>It was agreed that a parallel process, as set out in the Pre Market Discussion Paper, be adopted for Curtailable Loads. It was discussed that the Curtailable Load could have the option of reducing its capacity credits after the first test if they know they are unable to meet their obligations on the second test. It was also noted that a request for a reduction in a loads capacity credits imposes a financial disincentive to do so.</p> <p>1.3 Potential Implications of Proposed Changes</p> <p>Members discussed the establishment of another class of DSM which would provide DSM on a “reasonable endeavours” basis and participants would not receive Capacity Credits. Members suggested that the current DSM arrangements are sufficient for now and that another class of DSM may impose additional costs on the system, which could outweigh the introduction of another class of DSM providers.</p>	
<p><b>4.</b></p>	<p><b>CLOSE</b></p> <p>The Chair declared the meeting closed at 2:15pm and thanked everyone for their input. The next DSM Working Group Meeting is scheduled for <b>2pm – 4pm, Wednesday 2<sup>nd</sup> April 2008.</b></p>	<p><b>Chair</b></p>