

Independent Market Operator

Rules Development Implementation Working Group

Minutes

Meeting No.	8
Location:	IMO Board Room Level 3, Governor Stirling Building, 197 St Georges Terrace, Perth
Date:	Tuesday 1 February 2011
Time:	Commencing at 9.30am to 2.00pm

Attendees	
Allan Dawson	IMO (Chair)
Troy Forward	IMO
John Rhodes	Market Customer
Corey Dykstra	Market Customer
Steve Gould	Market Customer
Geoff Gaston	Market Customer
Andrew Everett	Market Generator
Shane Cremin	Market Generator
Andrew Sutherland	Market Generator
Phil Kelloway	System Management (from 9.55am)
Paul Hynch	Office of Energy
Chris Brown	ERA
Jacinda Papps	Minutes
Ben Williams	Presenter
Jim Truesdale	Presenter
Greg Thorpe	Presenter
Douglas Birnie	Observer
Will Street	Observer
Richard Anderson	Observer
Adam Lourey	Observer

Item	Subject	Action
1.	<p>WELCOME AND APOLOGIES / ATTENDANCE</p> <p>The Chair opened the 8th meeting of the Rules Development Implementation Working Group (RDIWG) at 9.30am.</p> <p>The Chair outlined that he had received a request to delay the meeting due to the volume and late circulation of papers. The Chair noted that he had decided to proceed due to the format of the</p>	

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	<p>meeting. The Chair invited the Program Manager to explain the papers and the context for the meeting.</p> <p>The Program Manager noted that the intent of circulating all the papers was simply to provide members with an update on the various streams of work underway exploring the Balancing Market proposal.</p> <p>It was noted that the aim for today's meeting is to go through the Balancing Market design details, stage by stage, in order to explain the proposal and answer questions. The aim for the discussion is to centre in on what elements of the Balancing Market design need further work and/or greater consideration.</p> <p>The Chair noted that the Market Evolution Program (MEP) will be time onerous for RDIWG members in the coming three to four months and recommended members arrange internal teams to work through the detail. Members noted that these will often be teams of just one or two and that this work is additional to core operational work. The IMO committed to providing documentation as early as possible and offered to provide internal briefings as often as required.</p> <p>The Chair noted that the IMO received negative feedback in its stakeholder survey for not taking action on Balancing and refunds sooner and that the IMO is trying to deliver on its stakeholder expectations. In addition, there was an expectation from the survey that the business as usual/operational work would carry on to the same level. The Chair noted that it is on this basis that the IMO has been resourced to undertake the MEP.</p> <p><i>Action Point: The IMO to add an agenda item for the next MAC meeting to discuss the work coming out of the MEP and operational rule changes.</i></p>	IMO
2.	<p>PREVIOUS MEETING'S MINUTES</p> <p>The minutes of RDIWG Meeting No. 7, held on 14 December 2010, were circulated prior to the meeting. Members did not make any requests for change.</p> <p><i>Action Point: The IMO to publish the minutes of Meeting No. on the website as final.</i></p> <p><i>Action Point: The IMO confirm how the 100 MW of Load Following aligns with the requirements modelled in the ROAM report.</i></p>	IMO IMO
3.	<p>BALANCING MARKET PROPOSAL: DESIGN DETAILS</p> <p>Mr Ben Williams presented the Balancing Market proposed design in 12 stages; each of these stages was discussed in detail.</p> <p>The following high level issues/areas for further consideration were identified as needing further reflection and/or discussion:</p> <ul style="list-style-type: none"> • Bilateral Submissions/STEM and Net Contract Positions: Use of STEM and changes to Resource Plans; • Resource Plans: Ramp rates and MW overshoot; • How the proposed Balancing Market and Load Following 	

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	<p>Ancillary Services Market will interact;</p> <ul style="list-style-type: none"> • Verve Energy Portfolio Supply Curve (PSC), the timing of the development of the PSC and the ability for Verve Energy to nominate standalone Facilities; • Market Forecasts: Whether high and low forecasts should be provided and the number and timing of market forecasts; and • Pricing: How constrained on/off payments should be allocated and use of generation data versus sent out data. <p>Additionally, the RDIWG requested that the IMO develop a number of pricing scenarios to present at the next RDIWG meeting.</p> <p><i>Action Point: The IMO to work with Andrew Sutherland to discuss the issue relating to “Use of STEM and changes to Resource Plans”.</i></p> <p><i>Action Point: The IMO to review each of the issues raised and prepare the scenarios requested for the next RDIWG meeting.</i></p> <p><i>Action Point: Members to provide the IMO with additional comments on the Balancing Market proposal by 10 February 2011.</i></p> <p><i>Action Point: The IMO to convert the table on page 23 (of 75) to the energy equivalent Balancing Merit Order and circulate to the RDIWG.</i></p> <p><i>Action Point: The IMO to circulate a word version of the Balancing Market proposal paper to the RDIWG.</i></p>	<p>IMO</p> <p>IMO</p> <p>Members</p> <p>IMO</p> <p>IMO</p>
4.	<p>BALANCING MARKET PROPOSAL: HIGH LEVEL BUSINESS REQUIREMENTS, SYSTEM IMPACTS, INITIAL RULE CHANGE IMPACTS AND PROCESS MAPS</p> <p>It was noted that the additional information presented was for information only.</p>	
5.	<p>UPDATE ON RESERVE CAPACITY REFUNDS</p> <p>It was noted that the IMO is currently undertaking the quantitative analysis that the RDIWG requested, this is to assess the outcomes of the proposed dynamic mechanism using past data. It is anticipated that this information will be presented at the next RDIWG meeting.</p>	
6.	<p>GENERAL BUSINESS</p> <p>The RDIWG discussed the workshop scheduled for 23 February 2011. It was agreed that this was too early for this workshop to be held.</p> <p><i>Action Point: The IMO to postpone the 23 February 2011 workshop.</i></p> <p>A member requested whether a project plan is available.</p> <p><i>Action Point: The IMO to include the project plan in future RDIWG meeting papers.</i></p> <p>The RDIWG discussed what the appropriate level of detail it requires prior to making a recommendation to the MAC. The following was noted:</p>	<p>IMO</p> <p>IMO</p>

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	<ul style="list-style-type: none"> • The RDIWG is getting close to understanding the operational impacts associated with the proposal and more examples/scenarios will assist this understanding. • A member noted that a fundamental design has been settled on and only a small amount of additional detail (specifically around Ancillary Services) is required. • A member noted that the Cost Benefit Analysis would be required prior to making a recommendation to the MAC. In response, it was noted that the work on this has commenced and will be made available as soon as it is ready for circulation. 	
7.	<p>OUTSTANDING ACTION POINTS</p> <p>The RDIWG did not discuss the outstanding action points.</p>	
8.	<p>ADDITIONAL 2011 MEETING DATES</p> <p>The RDIWG noted the proposed additional meeting dates.</p>	
8.	<p>NEXT MEETING</p> <p>Meeting No. 9 will be held on Tuesday 22 February 2011 (9.30am-2.00pm).</p>	
9.	<p>CLOSED: The Chair thanked members for their hard work during the meeting and declared the meeting closed at 1.40pm.</p>	