

## Independent Market Operator IMO Procedure Change and Development Working Group

### Minutes

<b>Meeting No.</b>	10
<b>Location:</b>	IMO Boardroom Level 3, 197 St Georges Terrace, Perth
<b>Date:</b>	Thursday 26 May 2011
<b>Time:</b>	Commencing at 3.00pm – 5.00pm

Attendees		
Alasdair Macdonald	Independent Market Operator (IMO)	Chair
Fiona Edmonds	IMO	IMO/Presenter
Steve Gould	Landfill Gas & Power (LGP)	Industry Representative
Adam Lourey	Alinta	Industry Representative
Michael Frost	Perth Energy	Industry Representative
John Rhodes	Synergy	Synergy
Additional Attendees		
John Nguyen	IMO	Presenter
Monica Tedeschi	IMO	Presenter
Zoë Davies	IMO	Minutes
William Street	IMO	Observer
Jenny Laidlaw	IMO	Observer
Pablo Campillos	EnerNOC	DSM Representative
Geoff Downs	Water Corporation	DSM Representative
Matt Schultz	Energy Response	DSM Representative
Rob Rohrlach	Energy Response	DSM Representative
Katrina Burns	Energy Response	DSM Representative
Camille Kirk	Premier Power	Observer
Apologies		
Grace Tan	System Management	System Management
Andrew Everett	Verve Energy	Verve Energy

Item	Subject	Action
1.	<p><b>WELCOME AND APOLOGIES / ATTENDANCE</b></p> <p>The Chair opened the 10<sup>th</sup> meeting of the IMO Procedure Change and Development Working Group (Working Group) at 3:05pm.</p> <p>The Chair welcomed the DSM representatives in attendance and noted apologies received from Andrew Everett and Grace Tan</p>	

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	prior to the meeting.	
2.	<p><b>MINUTES OF PREVIOUS MEETING</b></p> <p>The minutes from Meeting 9 of the Working Group, held on 28 March 2011, were circulated for comment in April 2011.</p> <p>The minutes were accepted by Working Group members as a true and accurate record of the previous meeting.</p> <p><i>Action Point: The IMO to publish the minutes of Meeting No.9 on the website as final.</i></p>	IMO
3.	<p><b>ACTIONS ARISING</b></p> <p>The Chair invited Ms Fiona Edmonds to give an update on the Action Points. The following points were noted:</p> <ul style="list-style-type: none"> <li>• <b>Item 119:</b> The IMO update to the Market Procedure for Prudential Requirements is still underway. The IMO will outline the amendments in the Procedure Change Proposal when formally submitted.</li> <li>• <b>Item 121:</b> The proposed amendments to the Market Procedure for undertaking LT PASA and conducting a review of the planning criterion and forecasting processes is still underway. The IMO will outline the amendments in the Procedure Change Proposal when formally submitted.</li> <li>• <b>Item 126:</b> The proposed amendments to the Reserve Capacity Security Market Procedure will be formally submitted subject to the decision of the IMO Board on the Rule Change Proposal: Reserve Capacity Security (RC_2010_12).</li> </ul>	
4.	<p><b>REVISED MARKET PROCEDURE FOR THE PRE-REGISTRATION OF DEMAND SIDE PROGRAMMES AND THE ASSOCIATION OF CURTAILABLE LOAD, INTERRUPTIBLE LOADS AND NON DISPATCHABLE LOADS (PC_2011_03)</b></p> <p>The Chair invited Ms Edmonds to provide an overview of the revised transitional Market Procedure. Ms Edmonds explained that subsequent to formal submission into the Procedure Change Process the IMO had identified a number of issues with the proposed new Market Procedure. In particular as a Demand Side Programme (DSP) is not currently a registered facility the proposed process would not have worked in practice. In addition, issues were identified with the naming convention for DSPs and a number of opportunities highlighted for simplifying the process for Market Customers during the transition period..</p> <p>Ms Edmonds explained that the first step of the amended Market Procedure was for the IMO to develop a transition plan for each Market Customer which outlines DSP facility name (s) to which the Market Customers Capacity Credits currently belonging to DSM assets will transfer at 8.00 AM on 1 October 2011. The next step in the process is the option for Market Customers to pre-register a DSP. Ms Edmonds noted that if a Market Customer's DSM assets have capacity obligations applying on 1 October then a DSP must be pre-registered or else capacity refunds will apply in accordance with clause 4.12.7 of the Market Rules. The</p>	

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	<p data-bbox="362 149 1166 212">final step in the process is to apply to associate loads with a pre-registered DSP facility.</p> <p data-bbox="362 243 1166 558">Ms Edmonds confirmed that Market Participants would be involved along every step of the process and would be able to discuss their transition plan and any requirements directly with the IMO. Ms Edmonds noted that if Market Customers pre-register a DSP during this transitional phase, it will become a registered DSP on 1 October 2011. Within 20 business days of registration, the Market Customer will need to undertake a Verification Test. As such Market Customers should only be pre-registering DSPs where they will have capacity obligations applying as on 1 October 2011.</p> <p data-bbox="362 590 1166 747">Mr Rob Rohrlach questioned whether the new DSP facilities would have different names to those DSPs which are currently certified. Ms Edmonds confirmed that they would have new names and that Market Customers would be informed of the new names by the IMO.</p> <p data-bbox="362 779 1166 1062">Ms Monica Tedeschi presented details of how the IMO will develop a transitional plan for each relevant Market Customer. The transitional plan will represent a default position and will detail any alternative options that the Market Customer may adopt along with any Reserve Capacity Security requirements. Mr Rohrlach questioned what would happen if a Market Customers Capacity Credits would be changing from year to year. Ms Jenny Laidlaw explained that this would be taken into account in the transition plan.</p> <p data-bbox="362 1094 1166 1724">Mr Matt Schultz questioned whether pre-registering a DSP facility would require a reshuffling of the existing Reserve Capacity Securities. Ms Tedeschi confirmed that where a Market Customers Reserve Capacity Security is currently held as a deed and they restructure their current portfolio structure they would need to provide new deeds, as necessary. Where a Market Customer does not restructure its portfolio (i.e, adopts the default transitional option provided by the IMO) there would most likely not be any need to replacement its Reserve Capacity Security. Ms Tedeschi noted that where Market Customers accepted the default option presented in their transitional plans, there would be no implications for held security but where Market Customers wanted to split facilities, that would attract security changes. Ms Tedeschi confirmed that the provision of new deeds would represent a legal transfer and not involve a changed amount of Reserve Capacity Security needing to be provided to the IMO. Any replacement Reserve Capacity Security would need to be provided to the IMO by 1 October 2011 in accordance with the process outlined in the Market Procedure for Reserve Capacity Security.</p> <p data-bbox="362 1755 1166 1881">Mr Pablo Campillos questioned whether normal registration fees would apply to pre-register a DSP. Ms Edmonds replied that no fees would apply to pre-registration of a DSP prior to 1 October 2011.</p> <p data-bbox="362 1913 1166 1971">Mr Schultz noted that where a Market Customer hold Capacity Credits for a Curtailable Load or Demand Side Programme for</p>	

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	<p>the 2012/13 there would be no need to do anything other than accept the default position in the transitional plan. Ms Edmonds agreed.</p> <p>Mr Campillos clarified that after 1 October 2011 Curtailable Loads would no longer be a Facility Class and any Capacity Credits allocated to Curtailable Loads would be transferred to the new DSP facility names developed by the IMO. Ms Edmonds confirmed this was the case.</p> <p>Mr Schultz questioned why a Reserve Capacity Security would need to be split if the Market Customer has already shown that they can meet the required level. Ms Edmonds responded that Market Customers will not have a Reserve Capacity Security if they have already proved their ability to perform to the level of certification. Ms Tedeschi confirmed that it is only where a new facility with a Reserve Capacity Security is merged with an existing one that a new Reserve Capacity Security needs to be provided to cover the overall merged Demand Side Programme (similar to if an existing facility undertakes an upgrade).</p> <p>Mr John Rhodes questioned whether Market Customers who have capacity obligations in 2011/2012 should ensure they have pre-registered a DSP. Ms Edmonds confirmed that they should and that any Market Customers with Reserve Capacity Obligations later than 2011/2012 could wait and register a facility at a later point in accordance with the normal registration processes. Ms Tedeschi confirmed that in those cases, only a name change would be required.</p> <p>Mr John Nguyen outlined the data that would be required from Market Participants applying to pre-register DSPs and associate loads and gave an overview of the forms that would be provided to assist with the process of submitting the data.</p> <p>Mr Rohrlach questioned when the pre-registration form would be available. Mr Nguyen confirmed it would be made available on the IMO Web Page but would also be provided to Working Group members for their further consideration. Mr Rhodes asked whether Market Customers filled out the template and if that satisfied all the information requirements. Mr Nguyen confirmed that the template, when completed, would fulfil all data requirements for pre-registration. Mr Rohrlach asked whether the template would be hard-copy or electronic. Mr Nguyen replied that the IMO had not finalised details yet but it was likely Market Customers would be required to provide a scanned copy to the IMO.</p> <p>Mr Schultz questioned whether Market Customers will have to do this for existing Demand Side Programmes and Curtailable Loads as well. Mr Nguyen confirmed that this would be the case.</p> <p>Mr Schultz questioned if Market Customers would have to provide single line diagrams for Demand Side Programmes. Discussion ensued.</p> <p><i>Action Point: The IMO, Energy Response, EnerNOC and System Management to meet out of session to determine the</i></p>	<p><b>IMO &amp;</b></p>

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	<p><i>requirements for single line diagrams for Demand Side Programmes.</i></p> <p>Mr Rohrlach questioned the need for the provision of information on the minimum load of any Associated Loads. Ms Laidlaw and Ms Edmonds confirmed that minimum load information was required to calculate Facility Reserve Capacity Deficit Refunds for DSPs during each Trading Interval where a DSP does not have sufficient Loads associated with it to meet its capacity obligations.</p> <p>Mr Rhodes asked whether System Management were involved in the creation of DSPs. Ms Edmonds confirmed that System Management's role through the pre-registration process would be consistent with its current role in registering new facilities,</p> <p>Mr Rohrlach questioned whether there would be a WEMS interface in place during the interim period. Mr William Street replied that there would be and that it would be available to test from mid July and would go live in September or October. Mr Street confirmed that most fields were replicated as per the application forms.</p> <p>Mr Rhodes noted that on the application to associate a load Market Customers have to list a NMI. Mr Rhodes questioned whether on the form the NMI and the connection point were the same thing. Mr Nguyen confirmed that this was the case and agreed to make this clearer.</p> <p><i>Action Point: The IMO to refine the Application to Associate a Load form to clarify that the NMI and the connection point are the same thing.</i></p> <p>Ms Edmonds noted that the Market Procedure for Facility Registration, De-Registration and Facility Transfer would need to be updated for consistency with any Amending Rules resulting from the Rule Change Proposal: Demand Side Programmes and Curtailable Loads (RC_2010_29) prior to 1 October 2011.</p> <p>The Chair noted that the revised Market Procedure was out for informal consultation until Friday 10 June 2011 and that any informal submissions received during this period along with the discussion at today's meeting would be taken into account by the IMO in determining whether to approve the further amendments.</p>	<p><b>Members</b></p> <p><b>IMO</b></p>
7	<p><b>GENERAL BUSINESS</b></p> <p>No general business was recorded at the meeting.</p>	
8	<p><b>NEXT MEETING</b></p> <p>The next Working Group meeting is to be advised.</p>	
9	<p><b>CLOSED</b></p> <p>The Chair thanked all members for attending and declared the meeting closed at 4:00pm.</p>	