

**Independent Market Operator**

**IMO Procedure Change and Development Working Group**

**Minutes**

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| <b>Meeting No.</b> | 13   |
| <b>Location:</b>   | IMO Board Room<br>Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth |
| <b>Date:</b>       | Tuesday 27 November 2012   |
| <b>Time:</b>       | Commencing at 2:05 pm – 3:30 pm  |

| <b>Attendees</b>   |                      |                           |
|--------------------|----------------------|---------------------------|
| Suzanne Frame      | IMO                  | Chair                     |
| Jenny Laidlaw      | IMO                  | IMO - Presenter           |
| Natasha Cunningham | IMO                  | IMO - Minutes             |
| Steve Gould        | Landfill Gas & Power | Industry Representative   |
| Debra Rizzi        | Alinta               | Industry Representative   |
| Jacinda Papps      | Verve Energy         | Verve Energy              |
| John Rhodes        | Synergy              | Synergy                   |
| Brendan Clarke     | System Management    | System Management (proxy) |
| Matthew Veryard    | Western Power        | Presenter                 |
| Neil Gibbney       | Western Power        | Presenter                 |
| <b>Apologies</b>   |                      |                           |
| John Nguyen        | Perth Energy         | Industry Representative   |
| Grace Tan          | System Management    | System Management         |

| <b>Item</b> | <b>Subject</b>   | <b>Action</b> |
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| <b>1.</b>   | <p><b>WELCOME AND APOLOGIES / ATTENDANCE</b></p> <p>The Chair opened the 13th meeting of the IMO Procedure Change and Development Working Group (Working Group) at 2:05 pm.</p> <p>The Chair noted apologies from Mr John Nguyen and Ms Grace Tan.</p> |               |
| <b>2.</b>   | <p><b>MINUTES OF PREVIOUS MEETING</b></p> <p>The minutes from Meeting 12 of the Working Group, held on 14 August 2012, were accepted by Working Group members as a true and accurate record of the meeting.</p>  |               |

| Item | Subject  | Action |
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| 3.   | <p><b>ACTIONS ARISING</b></p> <p>The actions arising were complete with the following exceptions.</p> <p><b>Items 121, 122 &amp; 123:</b> Ms Jacinda Papps suggested that these action items be closed as they had been on the agenda for a long time and were likely to no longer be relevant, particularly given the current reviews of the Planning Criterion and SWIS Forecasting Process. Working Group members agreed that the action items should be closed.</p> <p><i>Action Point: The IMO to close Action Items 121, 122 and 123.</i></p>  | IMO    |
| 4.   | <p><b>PC_2012_09: MARKET PROCEDURE FOR DETERMINING LOSS FACTORS</b></p> <p>The Working Group discussed the IMO's proposed amendments to the Market Procedure for Determining Loss Factors. The following changes and actions were agreed.</p> <ul style="list-style-type: none"> <li>• Step 1.3.1: Include "of the Market Rules" after "clauses 2.9.6, 2.9.7 and 2.9.8".</li> <li>• Table 1 Terminologies and Definitions: Incorporate a definition for "Total Losses" in the table.</li> <li>• General: Consider options to avoid referring to explicit IMO email addresses (e.g. <a href="mailto:Operations@imowa.com.au">Operations@imowa.com.au</a>) in the Market Procedure, to avoid the need for a Procedure Change if the address is modified.</li> <li>• Steps 2.1.1 and 2.1.2: Revise the language from "as soon as practicable but in any event before the information must be used in any calculations under the Market Rules" to improve clarity and coherence.</li> <li>• Step 2.2.2(c): Determine what (if any) Market information (e.g. Standing Data, Standing STEM Submissions) a Market Participant might need to update to reflect changes to their Facilities' Loss Factors, and update this step accordingly.</li> <li>• Step 2.3.1 Revise the language from "as soon as practicable but in any event before a Required Connection Point is assigned to the new Loss Factor Class" to improve clarity and coherence.</li> <li>• Step 2.4.5: <ul style="list-style-type: none"> <li>i) Replace "The IMO may, as it sees fit..." with "The IMO may, with the agreement of the relevant Market Participant...".</li> <li>ii) Consider including an obligation on the IMO to provide the Market Participant with an indication of the costs of an audit and obtain the Market Participant's agreement before proceeding with that audit.</li> </ul> </li> <li>• Step 3.1.3(b): Review the Bi-directional Reference Services</li> </ul> |        |

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|      | <p>in this and other Reference Service lists in the Procedure, to ensure that they align with the Reference Services listed in Western Power's approved 2013-2017 access arrangement AA3 (if available).</p> <ul style="list-style-type: none"> <li>• Steps 3.1.3(b)(i), 3.2.1(d) and 3.2.3(d): Consider defining this list of Reference Services in one place and using a defined term to refer to it in these steps.</li> <li>• Step 3.1.3(c): Replace "...must be assigned to the TLF Class prescribed in step 3.1.1(d)..." with "...must be assigned to the Transmission Urban Average TLF Class prescribed in step 3.1.1(d)..."</li> <li>• Step 3.2.3(f)-(j): Consider condensing these particular steps to improve clarity and coherence.</li> <li>• Step 4.1.11: Consider rewording the introductory statements in both sentences to avoid repetition.</li> <li>• Section 5: <ul style="list-style-type: none"> <li>i) Retain step 5.1.1, but clarify that the requirement applies only to Network Operators that are required to provide Loss Factors to the IMO for Required Connection Points.</li> <li>ii) Retain the first sentence of step 5.1.2 and allow for the IMO to undertake a review/audit of a Network Operator's models, internal procedures and business processes for calculating Loss Factors. Consider whether any further amendments to the proposed Amending Rules in the Rule Change Proposal: Loss Factor Determination (RC_2012_07) are required to support this.</li> <li>iii) Incorporate a requirement whereby if a Network Operator wishes to make a material change to its internal processes, models or software tools then it must advise the IMO of the proposed changes and of the potential impacts. The Network Operator may be requested by the IMO to undertake a parallel run using historical data to demonstrate that the changes have no adverse impacts.</li> <li>iv) Include a provision allowing a Market Participant to seek further information from the IMO about the processes, procedures and methodologies used in the calculation of Loss Factors. The IMO (with the assistance of the relevant Network Operator(s)) should be required to make reasonable endeavours to satisfy the participant's request, for example by facilitating a meeting with the Network Operator or providing further documentation.</li> </ul> </li> </ul> <p>Working Group members agreed that the IMO should aim to submit PC_2012_09 into the formal Procedure Change Process at the same time as it publishes the Draft Rule Change Report for RC_2012_07.</p> <p><i>Action Point: The IMO to distribute a draft of Section 5 of the Market Procedure for Determining Loss Factors (covering documentation and general review requirements) to Working</i></p> | <p style="text-align: right;"><b>IMO</b></p> |

| Item      | Subject  | Action     |
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|           | <p><i>Group members early in January 2013 for out of session comment.</i></p> <p><i>Action Point: The IMO to update the Market Procedure for Determining Loss Factors to reflect the amendments agreed to at the 27 November 2012 IMOPWG meeting and any comments received out of session relating to Section 5 (if appropriate).</i></p>  | <b>IMO</b> |
| <b>5.</b> | <p><b>PC_2012_11: MARKET PROCEDURE FOR NOTICES AND COMMUNICATIONS</b></p> <p>The Working Group discussed the IMO's proposed amendments to the Market Procedure for Notices and Communications. The following amendments were agreed.</p> <ul style="list-style-type: none"> <li>• Step 1.1.2: Update the date to reflect the current version of the Market Rules.</li> <li>• Section 1: Review section 1 to ensure its alignment with the IMO's new content standards. For example section 1.5 should be titled "Terminologies and Definitions" and include the standard statements around words and phrases defined in the Market Rules, the Electricity Industry Act and the Regulations.</li> <li>• Section 1.4: Consider how the wording of the section could be improved to clarify that the Procedure is not dependent on any other Market Procedure (although other Market Procedures may be dependent on it),</li> <li>• Section 2.3: Remove the entire content under this step and insert a statement which informs Market Participants that the IMO must publish its contact details including department specific contact details on the Market Web Site and update these details as appropriate.</li> <li>• Update the entire Market Procedure to align with the IMO's formatting standards, for example its standards for time formats and references to clauses in the Market Rules.</li> </ul> <p><i>Action Point: The IMO to update the Market Procedure for Notices and Communications to reflect the amendments agreed to at the 27 November 2012 meeting.</i></p> | <b>IMO</b> |
| <b>6.</b> | <p><b>GENERAL BUSINESS/CLOSE OF MEETING</b></p> <p>No general business was recorded at the meeting.</p> <p>The Chair noted that the details of the next Working Group meeting would be advised at a later date.</p> <p>The Chair thanked all members for attending and declared the meeting closed at 3:30 pm.</p>   |            |