

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

**Minutes**

<b>Meeting No.</b>	16
<b>Location:</b>	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
<b>Date:</b>	6 February 2014
<b>Time:</b>	2.00-3.30pm

<b>Attendees</b>		
Kate Ryan	IMO	Chair
John Nguyen	Perth Energy	
Brendan Clarke	System Management	
Jacinda Papps	Synergy	
Steve Gould	Community Electricity	
Fiona Edmonds	Alinta Energy	
<b>Additional Attendees</b>		
Jenny Laidlaw	IMO	Presenter
Aditi Varma	IMO	Observer
Bryn Garrod	IMO	Observer
Neetika Kapani	IMO	Observer
Greg Ruthven	IMO	Observer
Erin Stone	IMO	Observer
George Sproule	IMO	Minutes
<b>Apologies</b>		
John Rhodes	Synergy	

Item	Subject	Action
1.	<p><b>WELCOME AND APOLOGIES / ATTENDANCE</b></p> <p>The Chair opened the 16th meeting of the IMO Procedure Change and Development Working Group (IMOPWG) at 2:00 pm.</p> <p>The Chair noted apologies from Mr John Rhodes.</p> <p>The Chair also noted that the Minutes from the last meeting (held on 20 September 2013) had been circulated for comment and subsequently published on the IMO website.</p>	

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2.	<p><b>ACTIONS ARISING</b></p> <p>All actions arising were complete with the following exceptions.</p> <p><b>Item 107:</b> The Chair noted that this action item was ongoing in its nature.</p> <p><b>Item 138:</b> The Chair noted that the Market Procedure for Notices and Communications was still with the IMO for a Final Decision.</p>	
3.	<p><b>PC_2013_06: MARKET PROCEDURE FOR CERTIFICATION OF RESERVE CAPACITY</b></p> <p>Ms Jenny Laidlaw introduced the Market Procedure for Certification of Reserve Capacity and highlighted the changes made to it since the IMOPWG last reviewed it. The IMOPWG discussed the IMO's proposed amendments to the Market Procedure. The following changes and actions were agreed.</p> <ul style="list-style-type: none"> <li>• Table 1: The IMO to amend the defined term "Temperature Dependence Curve", so that it can be determined not only by an independent engineering firm but also by what is detailed in the manufacturer's technical specifications.</li> <li>• Step 3.5.2: The IMO to consider whether the order of the listed factors should be amended to provide additional clarity.</li> <li>• Step 3.5.7: The IMO to re-order the list to put the mandatory requirement first.</li> </ul> <p>Ms Jacinda Papps queried whether under step 3.5.4 the IMO could provide notification to applicants more than 15 Business Days in advance of the deadline in step 3.9.1. Mr Greg Ruthven noted that timeframes don't allow the IMO to do this in all cases but that the IMO will always try to provide notification as early as possible.</p> <p>There was considerable discussion regarding how the IMO would assess whether there is sufficient fuel and certainty of fuel supply for a Facility seeking certification of a given quantity of Reserve Capacity. Some concerns were raised that the current drafting (which had removed the 14 hours fuel requirement to reflect the changes proposed in the Rule Change Proposal: Harmonisation of Supply-Side and Demand-Side Capacity Resources (RC_2013_10)) was too vague and introduced uncertainty and regulatory risk.</p> <p>The Chair noted that there was a trade-off between certainty and flexibility in this case and invited suggestions from IMOPWG members. No solution was agreed upon, although the following suggestions and principles were discussed.</p> <ul style="list-style-type: none"> <li>• It was suggested that the fuel requirement threshold could be linked to whether the Facility is available during 'peak periods' (not to be defined further). However, it was concluded that the use of this term may not actually provide greater certainty to Market Participants.</li> <li>• The assessment of fuel is not required to consider the implications of an external disruption to fuel supply, as this scenario is not considered in the Planning Criterion.</li> <li>• The IMO would take into account and should be notified where a Market Participant anticipates a change in the</li> </ul>	

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	<p>operating characteristics of its Facility that may affect its fuel requirements, e.g. a move from base load to peaking operation.</p> <p>The IMO agreed to review section 4.3 to identify whether any further amendments could be made to provide greater certainty to Market Participants without sacrificing flexibility or introducing further uncertainty.</p> <p><i>Action Point: The IMO to update the Market Procedure for Certification of Reserve Capacity, taking into account the suggestions made and the amendments agreed to at the 6 February 2014 Working Group meeting and to submit the updated Market Procedure into the formal Procedure Change Process.</i></p>	<b>IMO</b>
<b>4.</b>	<p><b>PC_2013_09: MARKET PROCEDURE FOR RESERVE CAPACITY PERFORMANCE MONITORING</b></p> <p>Ms Laidlaw introduced the Market Procedure for Reserve Capacity Performance Monitoring and highlighted the changes made to it since the IMOPWG last reviewed it. The IMOPWG discussed the IMO's proposed amendments to the Market Procedure. The following changes and actions were agreed.</p> <ul style="list-style-type: none"> <li>• Step 1.4.2: The IMO to check for any conflict between step 1.4.2 and the Reserve Capacity Performance Improvement Report around the use of the Reserve Capacity Performance Report worksheet template.</li> <li>• Table 1: Remove the defined terms "Reserve Capacity Performance Improvement Report" and "Reserve Capacity Performance Report" as these are proposed to become defined terms in the Market Rules under RC_2013_09.</li> <li>• Table 1: Include the defined term "System Management Market Operations".</li> <li>• Step 2.2.9(a): Amend to clarify that one or more Reserve Capacity Performance Improvement Report may be required.</li> <li>• Step 2.2.19: Relocate the clause reference to the end of the first sentence.</li> <li>• Step 3.2.7: Amend to incorporate reference to "System Management Market Operations".</li> </ul> <p><i>Action Point: The IMO to update the Market Procedure for Reserve Capacity Performance Monitoring to reflect the amendments agreed to at the 6 February 2014 Working Group meeting and to submit the updated Market Procedure into the formal Procedure Change Process.</i></p>	<b>IMO</b>
<b>5.</b>	<p><b>PC_2014_01: MARKET PROCEDURE FOR BALANCING MARKET FORECASTS</b></p> <p>The Chair introduced the Market Procedure for Balancing Market Forecasts as one of the Market Procedures that had been affected as a result of the Amending Rules in the Rule Change Proposal: Market Rule changes arising from the merger of the Electricity Retail Corporation and Electricity Generation Corporation (RC_2013_18). The Chair noted that additionally, the IMO had also updated some steps in the Market Procedure to provide further clarity on references to the Market Rules and</p>	

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	<p>publishing of information.</p> <p>The following step was discussed and action agreed:</p> <ul style="list-style-type: none"> <li>• Step 2.7.1(c): Mrs Jacinda Papps suggested that this step should be worded such that it allows the IMO flexibility to publish the latest forecasts and not unnecessarily constrain the IMO to publishing the forecasts received at 4pm on the Scheduling Day. Mr Brendan Clarke noted that the clause reference in this step did not account for the quantities in the Balancing Portfolio. Additionally, he was concerned that the amendment to this step seemed contrary to the intent of the Market Rules to require for the publication of the latest information. The IMO agreed to check the heads of power clause and the confidentiality status of clause 7.6A of the Market Rules to ensure that the published information is consistent with and is authorised for publication under the Market Rules.</li> </ul> <p><i>Action Point: The IMO to update step 2.7.1(c) of the Market Procedure for Balancing Market Forecasts taking into account suggestions made at the 6 February 2014 IMOPWG meeting and circulate the revised Market Procedure to IMOPWG members for feedback.</i></p>	<b>IMO</b>
<b>6.</b>	<p><b>PC_2014_02: MARKET PROCEDURE FOR DECLARATION OF BILATERAL TRADES AND THE RESERVE CAPACITY AUCTION</b></p> <p>The Chair noted that the Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction had been revised to ensure consistency with the Amending Rules in RC_2013_18. The Chair added that the IMO had also taken the opportunity to make minor editorial amendments to the Market Procedure.</p> <p>The following changes were discussed and agreed:</p> <ul style="list-style-type: none"> <li>• Table 1: The IMO to update the definition for 'Reserve Capacity Facility Status' in Table 1 to match the detail provided in Appendix 1 of the Market Procedure and replace 'in-service' with Commercial Operation which is defined in the Glossary of the Market Rules.</li> <li>• Step 2.1.1: The IMO to account for any extensions under clause 4.1.32 of the Market Rules in this step of the Market Procedure.</li> <li>• Figure 1: The IMO to update the process chart with dates or number of Business Days, where applicable.</li> </ul> <p><i>Action Point: The IMO to update the Market Procedure for Declaration of Bilateral Trades and Reserve Capacity Auction on the basis of feedback provided at the 6 February 2014 IMOPWG meeting and submit it into the formal Procedure Change Process.</i></p>	<b>IMO</b>
<b>7.</b>	<p><b>GENERAL BUSINESS</b></p> <p>Ms Erin Stone informed the members that the IMO was revising the Market Procedure for Reserve Capacity Security to reflect changes arising from the proposed Amending Rules in the Rule Change Proposal: Prudential Requirements (RC_2012_23) and</p>	

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	<p>would be circulating it for feedback in the coming weeks.</p> <p>She also noted that the proposed Amending Rules in the Rule Change Proposal: Changes to the Reserve Capacity Price and the dynamic Reserve Capacity refunds regime (RC_2013_20) may require minor changes to the Market Procedure for Reserve Capacity Testing and the IMO will submit it for feedback during the rule change process.</p>	