

## IMO Procedure Change and Development Working Group Minutes

<b>Meeting No.</b>	17
<b>Location:</b>	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
<b>Date:</b>	1 May 2014
<b>Time:</b>	2.00 - 2.40pm

Attendees	Representing	Comment
Kate Ryan	IMO	Chair
Erin Stone	IMO	
John Nguyen	Perth Energy	
Brendan Clarke	System Management	Arrived 2:10PM
John Rhodes	Synergy	Proxy
Additional Attendees		
Aditi Varma	IMO	Presenter
Tim Middlehurst	IMO	Observer
Laura Koziol	IMO	Observer
Anne-Marie Foo	IMO	Minutes
Apologies		
Fiona Edmonds	Alinta Energy	
Steve Gould	Community Electricity	
Jacinda Papps	Synergy	

Item	Subject	Action
1.	<p><b>WELCOME AND APOLOGIES / ATTENDANCE</b></p> <p>The Chair opened the 17th meeting of the IMO Procedure Change and Development Working Group (IMOPWG) at 2:00 PM.</p> <p>The Chair noted apologies from Dr Steve Gould, Ms Fiona Edmonds and Ms Jacinda Papps.</p> <p>The Chair introduced the new members of the Market Development team, Ms Laura Koziol and Mr Tim Middlehurst and noted that Ms Anne-Marie Foo had joined the team on her graduate rotation.</p>	

2.	<p><b>MINUTES FROM PREVIOUS MEETING</b></p> <p>The Chair noted that the minutes from the last meeting (held on 6 February 2014) had been circulated for comment and subsequently published on the Market Web Site.</p>	
3.	<p><b>ACTIONS ARISING</b></p> <p>All actions arising were complete with the following exceptions:</p> <p><b>Item 138</b> Market Procedure for Notices and Communications: The Chair noted that this action item was still underway but close to finalisation.</p> <p><b>Item 152</b> Market Procedure for Balancing Market Forecasts: The Chair noted that after discussion at the previous meeting, the IMO conducted further investigation into the publication of Non-Scheduled Generators' forecast output and determined that the proposed amendments to step 2.7.1(c) were not required. As a result, the IMO now considered the remaining proposed amendments to be minor and therefore decided to progress this Procedure Change Proposal at a later date after more substantial amendments expected from two other Rule Change Proposals were included in the Market Procedure.</p> <p>The Chair provided the following updates on completed items:</p> <p><b>Item 150</b> Market Procedure for Certification of Reserve Capacity: The Chair noted that the IMO is awaiting Ministerial approval of the Rule Change Proposals: Incentives to Improve Availability of Scheduled Generators (RC_2013_09) and Harmonisation of Supply-Side and Demand-Side Capacity Resources (RC_2013_10) to publish the Procedure Change Report.</p> <p><b>Item 151</b> Market Procedure for Certification of Reserve Capacity: The Chair noted that the IMO is awaiting Ministerial approval of RC_2013_09 to publish the Procedure Change Report.</p> <p><b>Item 153</b> Market Procedure for Declaration of Bilateral Trades and Reserve Capacity Auction: The Chair noted that this procedure commenced on 16 April 2014.</p>	
3.	<p><b>PC 2013_05: MARKET PROCEDURE FOR RESERVE CAPACITY SECURITY</b></p> <p>The Chair invited Ms Aditi Varma to introduce the Market Procedure for Reserve Capacity Security and highlight the proposed amendments. Ms Varma noted that this Market Procedure was proposed to be amended as a result of the Amending Rules in the Rule Change Proposal: Prudential Requirements (RC_2012_23). Ms Varma also provided attendees with flowcharts intended to be included in the Market Procedure.</p> <p>The IMOPWG discussed the proposed amended Market Procedure. The following changes and actions were agreed:</p> <ul style="list-style-type: none"> <li>• Flowchart: The IMO to include the flowcharts in the Market Procedure to provide a visual process summary.</li> <li>• Steps 8.1.1(b) and 8.2.1(b): The IMO to include a cross reference to step 8.4 in relation to determining when a</li> </ul>	

	<p>Facility is in Commercial Operation for the purposes of the Market Rules.</p> <p>Mr John Rhodes questioned whether the statement in the Procedure Change Proposal that the maintenance of the list of entities meeting Acceptable Credit Criteria was removed from this Market Procedure because the head of power clause did not provide for it. Mr Rhodes noted that he did not believe this was the case. Ms Varma undertook to review the head of power clauses and revise as necessary.</p> <p>Mr John Nguyen queried whether a generator would have to provide Reserve Capacity Security if it failed a Reserve Capacity Test, had been assigned reduced capacity credits and had undergone recent operational upgrades to produce more capacity. Ms Varma clarified that it was dependant on whether it was during a capacity year or spanning two capacity years. A new Reserve Capacity Security could be required in the following Reserve Capacity Cycle if the Facility was assigned a higher level of Certified Reserve Capacity on the basis of upgrades to the Facility.</p> <p>Mr Nguyen also sought clarification on whether Reserve Capacity Security was still required for a new Facility that, for example, was certified for 70MW but demonstrated capability of producing 82MW. Ms Varma clarified that Reserve Capacity Security was required only for the quantity of Certified Reserve Capacity assigned to a Facility.</p> <p>Mr Rhodes also questioned whether the phrase “in writing” included email. The Chair clarified that it was included and noted that the standard forms of communications are outlined in the Market Procedure: Notices and Communications.</p> <p><i>Action Points:</i></p> <ul style="list-style-type: none"> <li>• <i>IMOPWG members to provide any further feedback on the flowcharts tabled at the meeting over the two weeks following the meeting; and</i></li> <li>• <i>The IMO to update the Market Procedure for Reserve Capacity Security, taking into account the suggestions made and the amendments agreed to at the 1 May 2014 meeting and to submit the updated Market Procedure into the formal Procedure Change Process.</i></li> </ul>	<p style="text-align: center;"><b>IMOPWG</b></p> <p style="text-align: center;"><b>IMO</b></p>
<p style="text-align: center;"><b>4.</b></p>	<p><b>PC_2014_03: MARKET PROCEDURE FOR DETERMINING THE BENCHMARK RESERVE CAPACITY PRICE</b></p> <p>Ms Varma introduced the Market Procedure for Determining the Benchmark Reserve Capacity Price and highlighted that the majority of the proposed amendments involved replacing the name Maximum Reserve Capacity Price with Benchmark Reserve Capacity Price to support the Rule Change Proposal: Changes to the Reserve Capacity Price and the Dynamic Reserve Capacity Refunds Regime (RC_2013_20).</p> <p>The IMOPWG discussed the IMO’s proposed amendments to the Market Procedure and noted the following changes:</p> <ul style="list-style-type: none"> <li>• Table 1: The IMO to amend the definition of Consumer Price</li> </ul>	

	<p>Index to include "...expenditure by metropolitan Australian households from the eight capital cities".</p> <ul style="list-style-type: none"> <li>• Step 2.1.1(f): Mr Brendan Clarke queried how the IMO formed its opinion of cost effectiveness. The Chair noted the IMO did not propose any change to its current approach of considering the requirement for 14 hours of operation, however this could be revisited in the next five yearly review of the methodology for determining the Maximum (to be renamed Benchmark) Reserve Capacity Price.</li> <li>• Step 2.1.1(f): The IMO to make a minor typographical amendment to change "water receiveal" to "water receipt".</li> </ul> <p>Mr Brendan Clarke questioned the inclusion of various assumptions with respect to the determination of a 'Power Station' and the associated costs used in the determination of the Maximum (to be renamed to Benchmark) Reserve Capacity Price. The Chair noted that these assumptions and costs were best considered as part of the next five yearly review and were therefore not proposed to be amended through this Procedure Change Process.</p> <p><i>Action Point: The IMO to update the Market Procedure for Determining the Benchmark Reserve Capacity Price to reflect the amendments agreed to at the 1 May 2014 meeting and to submit the updated Market Procedure into the formal Procedure Change Process.</i></p>	<b>IMO</b>
<b>7.</b>	<p><b>GENERAL BUSINESS</b></p> <p>Mr Clarke informed the members that Mr Adrian Theseira would be nominated to represent System Management at future IMOPWG meetings. The Chair noted that this change would need to be endorsed at the next Market Advisory Committee (MAC) meeting.</p>	