

## Independent Market Operator

### System Management PSOP Working Group

## Minutes

<b>Meeting:</b>	8/2010
<b>Location:</b>	IMO Board Room Level 3, Governor Stirling Tower, 197 St Georges Terrace, Perth
<b>Date:</b>	Tuesday, 5 October 2010
<b>Time:</b>	Commencing at 3.00pm until 4.20pm

<b>Members in Attendance</b>		
Phil Kelloway	System Management	Chair
Peter Ryan	Griffin Energy	Proxy
Clement Chan	Verve Energy	Proxy
Wesley Medrana	Synergy	
Steve Gould	Landfill Gas & Power (LGP)	
Bill Bowyer	Infigen Energy	Proxy
Debra Rizzi	Alinta	
Michael Frost	Perth Energy	Proxy
Jacinda Papps	Independent Market Operator (IMO)	
Fiona Edmonds	IMO	
Shannon Turner	IMO	Minutes
<b>Also in Attendance</b>		
Grace Tan	System Management	
Neil Hay	System Management	
Gavin White	System Management	
<b>Apologies</b>		
Rene Kuyper	Infigen Energy	Member
Shane Cremin	Griffin Energy	Member

<b>Item</b>	<b>Subject</b>	<b>Action</b>
1.	<p><b>WELCOME</b></p> <p>The Chair opened the System Management Power System Operation Procedure (PSOP) Working Group meeting and welcomed members.</p>	
	<p><b>MEETING APOLOGIES / ATTENDANCE</b></p> <p>Apologies were received from Rene Kuypers (Infigen Energy) and Shane Cremin (Griffin Energy)</p> <p>The following other attendees were noted:</p>	

Item	Subject	Action
	<ul style="list-style-type: none"> <li>• Grace Tan (System Management)</li> <li>• Neil Hay (System Management)</li> <li>• Bill Bowyer (Infigen Energy)</li> <li>• Clement Chan (Verve Energy)</li> <li>• Peter Ryan (Griffin Energy)</li> <li>• Michael Frost (Perth Energy)</li> </ul>	
2.	<p><b>MINUTES OF PREVIOUS MEETING</b></p> <p>The minutes from meeting 7 of the Working Group, held 12 November 2009, were circulated prior to the meeting.</p> <p>The following amendment was agreed:</p> <p><u>Page 3, second dot point</u></p> <ul style="list-style-type: none"> <li>• "System Management however noted that they are naturally <del>uninclined</del> <u>disinclined</u> to issue a Dispatch Instruction".</li> </ul> <p>Mrs Jacinda Papps recommended that, where there are long breaks between working group meetings, the meeting minutes are ratified by email. The Working Group agreed.</p> <p><i>Action Point: When there is a long break between Working Group meetings, the minutes to be ratified by email.</i></p> <p>Subject to the agreed amendment, the Working Group endorsed the minutes as a true and accurate record of the meeting.</p> <p><i>Action Point: The IMO to amend the minutes of meeting 7 to reflect the point raised by the Working Group and publish on the website as final.</i></p>	<p style="text-align: center;"><b>System Management</b></p> <p style="text-align: center;"><b>IMO</b></p>
3.	<p><b>ACTIONS ARISING</b></p> <p>The status of the action arising were noted as follows:</p> <ul style="list-style-type: none"> <li>• The IMO to review if step 11.5.2 of the Dispatch PSOP is required under the Market Rules: The IMO notes that it will review and provide an update to the Working Group at the next meeting.</li> <li>• LGP to provide information regarding System Management's proposed amendments to Pacific Hydro for its reference: Completed.</li> </ul>	
4 & 5.	<p><b>PSOP: Monitoring and Reporting and Discussion Paper: Proposed Tolerance Range</b></p> <p>The Chair suggested combining agenda items 3 and 4 as they were both related. The Working Group agreed.</p> <p>Ms Grace Tan noted that the discussion paper was intended to provide a guide on how System Management has previously</p>	

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	<p>determined tolerance ranges, with the figures presented in the document intended to aid the Working Group's discussion.</p> <p>Mr Neil Hay opened the discussion noting the current informal practice of System Management applying tolerances. Mr Hay noted the the Rule Change Proposal: The use of Tolerance Ranges by System Management (RC_2009_22) will allow System Management to apply two tolerance levels for reporting purposes:</p> <ul style="list-style-type: none"> <li>• a general level (Tolerance Range); and</li> <li>• the individual Facility level (Facility Tolerance Range).</li> </ul> <p>Mr Hay noted that the requirements to setting both the Tolerance Range and Facility Tolerance Range are specified in the Amending Rules resulting from RC_2009_22 which will commence 1 December 2010. Mr Hay noted that System Management was also required to outline further details of the process it intends to follow in determining the Tolerance Range and Facility Tolerance Ranges in the Power System Operation Procedure: Monitoring and Reporting.</p> <p>It was noted that there is already a Tolerance Range in the Market Rules (for settlement purposes).</p> <p>Mrs Papps noted that the Amending Rules will not change Market Participant's compliance obligations. Mr Hay outlined the difference between the accuracy of SCADA data and Meter Data and noted that the application of the tolerances will simply remove its obligation to report non-compliance within certain tolerance levels.</p> <p>Mr Hay noted that its intention was to develop the process for determining tolerances in conjunction with the Working Group prior to submitting the Procedure Change Proposal into the formal process. In particular, Mr Hay noted that System Management wished to seek the views of Working Group members on whether two types of Tolerance Range and Facility Tolerance Range were required; one for the real time output deviations and the second for ex-post deviations. Mr Hay suggested that there should be a wider tolerance for the real-time reporting and suggested 30MW but added this may be too high.</p> <p>Discussion ensued around the issue of ramping and the difficulty in meeting Resource Plans especially around the 9.30pm-10.00pm shoulder time. In particular, Mr Michael Frost noted that the use of Tolerance Ranges appeared to be a common sense approach to the identified technical issues. Mr Hay reiterated that a Market Participant will still be required to meet its Resource Plan and that they will still be subject to UDAP and DDAP. The tolerance will simply mean that System Management will not have to notify a Market Participant each time a deviation from its Resource Plan occurs when it is within the Tolerance or Facility Tolerance Range.</p>	

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	<p>Mr Hay noted that SCADA was not as accurate as meter data and so System Management may otherwise flood Market Participants with instructions to return to their Resource Plans where it might be the case that actual meter data would show they were following Resource Plan.</p> <p>Mr Bill Bowyer suggested that there may be scope of increasing the tolerances during transitional periods. Mr Hay noted that this would require a further change to the Market Rules and was outside the scope of the working group's consideration. Additionally, Mr Hay noted that even if System Management were to apply varied tolerance to transitional periods it would not remove the Market Participant's obligation to comply with its Resource Plan.</p> <p>Dr Steve Gould questioned why System Management couldn't calibrate the SCADA data and the meter data for each Facility and use this instead to determine when a Facility is not compliant with its Resource Plan. Mr Hay responded that this was why they included an individual Facility Tolerance Range which would be annually reviewed. Mr Hay noted that System Management would work with Market Participant's to get their SCADA data as accurate as it can be.</p> <p>A member questioned the obligations to get accurate SCADA data. The Chair noted that he thought that the accuracy requirement was for SCADA data to be within 2 or 3%, however agreed to investigate and report back.</p> <p><i>Action Point: System Management to investigate and confirm the accuracy requirements of SCADA data.</i></p> <p>Mr Hay explained that in addition to making unnecessary calls to Facilities, tolerance levels will also help it prioritise by calling the Facility with the biggest deviation first.</p> <p>Mr Frost questioned what tolerance would apply for new Facilities. Mr Hay responded that new Facilities could be given a two month period during which the accuracy of SCADA data could be identified. Following from this it would be decided whether a Facility Tolerance Range would be required.</p> <p>Mrs Papps questioned how System Management would work out the both the Tolerance Range and any Facility Tolerance Range. In response, Mr Hay noted that they currently had two figures in mind:</p> <ul style="list-style-type: none"> <li>• 10MW – which would equate to the current exemption for a Scheduled Generator to not register as a Market Participant; or</li> <li>• 30MW - this figure may however only beuseful for real-time data. Another smaller value may be required for any ex-post tolerance.</li> </ul> <p>System Management noted the need for consultation on</p>	<p><b>System Management</b></p>

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	<p>whether both a real time and an ex-post tolerance should be applied and requested feedback from Working Group members on this.</p> <p><i>Action Point: Working Group members to provide their views on whether it is appropriate that both a real time and an ex-post Tolerance Range and where applicable Facility Tolerance Range are applied by System Management.</i></p> <p>Ms Debra Rizzi questioned whether System Management would anticipate a change in the behaviour of Market Generators following the implementation of the Amending Rules. Mr Hay noted that no behavioural change was anticipated as the Amending Rules would not remove the requirement for Market Generators to adhere to its Resource Plan.</p> <p>Mr Peter Ryan noted that there are currently tolerances applied to settlements and suggested that these were appropriate due to the manifest disincentives created by UDAP and DDAP penalties. Mr Ryan suggested that the 3% tolerance applied to settlements could also be applied for the purposes of System Management's compliance reporting.</p> <p>Mr Ryan also noted that the issue regarding the accuracy of Meter Data and SCADA data needs to be rectified.</p>	<p><b>Working Group</b></p>
<p><b>6.</b></p>	<p><b>PSOP: Dispatch</b></p> <p>Ms Tan noted that the proposed amendments to the PSOP were to allow System Management to exercise discretion in requesting daily dispatch profiles from Market Participants with facilities smaller than 30MW or that have a Resource Plan equal to zero. This allows System Management's senior controllers to more sufficiently plan Verve plant around IPP's over and under generating about their resource plan. Ms Tan requested IPPs to send their data for each day rather than each block as it was easier to manage and that all IPP's use reasonable endeavours to provide the profiles by 3pm.</p> <p>Mr Bowyer asked if the accuracy of the data was important. Ms Tan replied that System Management was moving towards having further refined data. Mr Bowyer then asked if the data was to include parasitic load and Ms Tan responded that they wanted real-time information and added that the records are a pure informational tool.</p> <p>Mr Ryan noted that Griffin Energy plan the data 12 months ahead and have then been using this to assess how close their output was.</p> <p>Ms Fiona Edmonds suggested that System Management should amend the drafting to specify incidences where directions may be issued by System Management to not provide the dispatch profile information. Ms Edmonds contended that this would ensure that all Market Generators would understand the incidences where System Management may apply this</p>	

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	<p>discretion. Ms Tan agreed to update the drafting to provide further details of incidences where discretion may be exercised by System Management.</p> <p><i>Action Point: System Management to update the proposed amendments to specify incidences where System Management may exercise the discretion to direct a IPP to provide details of their intended dispatch profiles.</i></p>	<p><b>System Management</b></p>
<p><b>7.</b></p>	<p><b>OTHER BUSINESS</b></p> <p>There was no other business.</p>	
<p><b>8.</b></p>	<p><b>NEXT MEETING</b></p> <p>The next meeting will be held 2.30pm - 4.30pm, Thursday 28 October 2010.</p>	<p><b>System Management</b></p>
<p><b>CLOSED</b> The Chair declared the meeting closed at 4.20pm.</p>		