

Minutes

Meeting Title:	Market Advisory Committee (MAC)
Date:	12 September 2018
Time:	12:35 PM – 2:35 PM
Location:	Training Room No. 2, Albert Facey House 469 Wellington Street, Perth

Attendees	Class	Comment
Stephen Eliot	Chair	
Matthew Martin	Minister's Appointee – Small-Use Consumer Representative	
Martin Maticka	Australian Energy Market Operator (AEMO)	
Dean Sharafi	System Management	
Shibli Khan	Economic Regulation Authority (ERA) Observer	Proxy for Sara O'Connor
Will Bargmann	Synergy	
Kei Sukmadjaja	Network Operator	Proxy for Margaret Pyrchla
Jacinda Papps	Market Generators	
Shane Cremin	Market Generators	
Andrew Stevens	Market Generators	From 12:55 PM
Wendy Ng	Market Generators	
Patrick Peake	Market Customers	
Geoff Gaston	Market Customers	
Erin Stone	Market Customers	Proxy for Steve Gould, from 12:50 PM

Apologies	Class	Comment
Sara O'Connor	ERA Observer	
Steve Gould	Market Generators	
Margaret Pyrchla	Network Operator	
Peter Huxtable	Contestable Customers	

Also in attendance	From	Comment
Jenny Laidlaw	RCP Support	Presenter, Minutes
Richard Cheng	RCP Support	Presenter
Rebecca Banks	Kleenheat	Presenter, from 12:45 PM
Julian Fairhall	ERA	Observer, to 2:20 PM
Natalie Robins	ERA	Observer, to 2:20 PM
Denise Ooi	Kleenheat	Observer
Kate Ryan	Public Utilities Office (PUO)	Observer
Matthew Bowen	Jackson McDonald	Observer
Duncan MacKinnon	Australian Energy Council	Observer
Tim McLeod	Amanda Energy	Observer
Oscar Carlberg	Synergy	Observer
Noel Schubert		Observer
Rudi James	Western Power	Observer
Paul Arias	Bluewaters Power	Observer
Laura Koziol	RCP Support	Observer
Greta Khan	RCP Support	Observer

Item	Subject	Action
1	Welcome	
	The Chair opened the meeting at 12:35 PM and welcomed members and observers to the 12 September 2018 MAC meeting.	
2	Meeting Apologies/Attendance	
	The Chair noted the attendance as listed above.	
3	Minutes from Previous Meeting	
	Draft minutes of the MAC meeting held on 8 August 2018 were circulated on 27 August 2018. The Chair noted that the ERA and Ms Erin Stone had suggested changes to the draft minutes. The ERA's suggested changes were shown in the revised draft distributed in the meeting papers. Ms Stone's suggestion was as follows:	

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	<p>Page 13, Section 10, last dot point:</p> <ul style="list-style-type: none"> “...Ms Stone also expressed concerns about the <u>noted the proposed fees did not yet include the potential costs of reform implementation beyond 2018/19 or any the</u> transitional assistance for Generators that was discussed at the PUO’s industry forum on constrained network access reform on 3 August 2018.” <p>Subject to these changes, the MAC accepted the minutes as a true record of the meeting.</p>	
	<p>Action: RCP Support to amend the minutes of the 8 August 2018 meeting to reflect the agreed changes and publish on the Rule Change Panel’s (Panel) website as final.</p>	<p>RCP Support</p>
4	<p>Actions Arising</p> <p>The closed action items were taken as read.</p> <p>Action 19/2017: Open – to be progressed as part of the Wholesale Electricity Market (WEM) Reform Program.</p> <p>Action 33/2017: On hold until early 2019.</p> <p>Action 16/2018: Mr Martin Maticka advised that AEMO was scheduled to begin discussions with Market Participants on the proposed Outstanding Amount-related Market Procedure changes in the third quarter of 2018. In response to a question from Mr Geoff Gaston, Mr Maticka clarified that AEMO’s Reduction of Prudential Exposure Working Group was focussed on the IT system changes for implementation of RC_2017_06 (Reduction of the prudential exposure in the Reserve Capacity Mechanism). The MAC agreed that this item can be closed.</p> <p>Action 17/2018: The Chair noted that a request for interest in a MAC workshop for RC_2013_15 (Outage Planning Phase 2 – Outage Process Refinements) was circulated on 3 September 2018. The workshop was to be held on 17 September 2018. The MAC agreed that this item can be closed.</p> <p>Action 19/2018: Mr Maticka advised that about \$1 million of the \$3.6 million additional expenditure on rule changes reported in AEMO’s third supplementary AR4 submission related to the proposed changes to the Outstanding Amount calculation and not to Rule Change Proposals. Further expenditure on the Outstanding Amount calculation would be included in AEMO’s AR5 submission. The MAC agreed that this item can be closed.</p> <p>Action 20/2018: Mr Maticka noted that AEMO used a five-year depreciation period for any item with an expected asset life of five years or more. AEMO accelerated the depreciation of an item over</p>	

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	its expected asset life if this was shorter than five years. The MAC agreed that this item can be closed.	
5	MAC Market Rules Issues List Update	
	<p>The Chair noted the inclusion of a new Table 3 in the MAC Market Rules Issues List (Issues List). The new table lists the scheduled preliminary reviews and the broader issues associated with each review.</p> <p>In response to a question from Mr Will Bargmann, Ms Jenny Laidlaw clarified that issues will be removed from the Potential Rule Change Proposals list once a Pre-Rule Change Proposal addressing the issue is presented to the MAC.</p> <p>The Chair sought the views of the MAC on the preliminary urgency ratings for Potential Rule Change Proposals 45 (transfer of responsibility for setting document retention requirements) and 46 (transfer of responsibility for setting confidentiality statuses). The MAC recommended assigning a Low urgency rating to these two issues.</p> <p>The MAC agreed to remove Broader Issue 29 (regarding the need for greater clarity on the respective roles and responsibilities for each regulatory body) from the Issues List, on the basis that this is a PUO policy issue rather than a MAC-related issue.</p> <p>The Chair sought the MAC's views on how RCP Support should prioritise work on the preliminary discussions listed in Table 3 of the Issues List against work on Rule Change Proposals. The Chair noted that the next scheduled preliminary discussion would be on behind-the-meter issues, and is likely to have significant consequences for Market Participants. However, it will be a material piece of work to frame the issues for discussion, and the Chair questioned whether RCP Support should divert resources to these tasks or focus on the progression of Rule Change Proposals.</p> <p>Mr Maticka questioned the statutory role of the Panel in undertaking supplementary investigations. The Chair agreed that the Panel does not have a role to undertake broader market reviews, although the MAC does have a role in advising the Panel on the development of the market. The Chair noted that this limits how much the MAC can do in respect of the broader issues covered in the preliminary discussions.</p> <p>Mr Dean Sharafi considered that while RCP Support's primary role was to consider Rule Change Proposals, a gap still existed in the market's governance arrangements, and someone should have responsibility for looking at how the market should evolve.</p> <p>Mrs Jacinda Papps asked whether the recent work undertaken by AEMO and the Energy Networks Association (ENA) on behind-the-</p>	

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	<p>meter issues could be leveraged. There was some discussion about the significance of the behind-the-meter issues, how these issues could be addressed in a timely manner, and the need for greater coordination of the evolution of the market.</p> <p>Mr Matthew Bowen observed that whatever the MAC decided to progress would impact on the rule change process due to the limited resources available. Mr Bowen also suggested that under the current arrangements the MAC was the best-placed group help coordinate the evolution of the market, even though it did not have a formal legislative role. Mr Bowen considered that if the MAC did not progress the broader reviews then it should not assume the work would be picked up by another party, given the current workloads of the relevant agencies.</p> <p>Mr Matthew Martin noted that policy setting is the responsibility of government, but the PUO's full work program meant it was not likely to be able to work on these issues in the near future.</p> <p>Mr Andrew Stevens suggested that the PUO, AEMO and Western Power form a committee to undertake the required forward planning and advise the market on what policy settings needed to be changed. The market could then progress rule changes consistent with those policy settings. Mr Martin replied that part of the Minister's overarching program of work was to make clearer the various system, reliability standard and network planning responsibilities for the WEM.</p> <p>Mr Sharafi considered that a Rule Change Proposal to give AEMO the function of system planner should be progressed as a priority. Mr Shane Cremin agreed with Mr Stevens that the function should not be allocated solely to AEMO, and suggested that government should have the main responsibility, guided by some other body.</p> <p>Mr Cremin questioned whether a body such as the National Electricity Market's Energy Security Board (ESB) might be used to provide the necessary guidance. Mr Sharafi considered that the WEM was in a better position compared with the NEM in that there was only one government and one network operator involved.</p> <p>Mr Gaston asked whether a MAC Working Group (or similar working group) could be established to develop an issues paper on behind-the-meter issues for government consideration. Ms Laidlaw asked how much effort Market Participants were willing to contribute to the development of such a paper.</p> <p>Mr Cremin asked whether the ERA would be considering the governance structure issues in its annual report to the Minister on the effectiveness of the market. Dr Natalie Robins replied that during its previous review the ERA had consulted on whether an ESB was needed in the WEM, but had received little feedback on the question.</p>	

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	<p>Dr Robins could not comment on whether there would be a focus on the issue in the ERA's next review.</p> <p>Mr Noel Schubert noted that in the past an energy policy and planning bureau existed to perform this function; and considered there was a real gap in not having a body at a higher level than all of the individual stakeholder organisations.</p> <p>The Chair concluded that while there was general MAC agreement that behind-the-meter issues are highly important and RCP Support should progress the preliminary discussion as soon as it can, there was no suggestion that this work should take priority over the progression of Rule Change Proposals. Further, when RCP Support does pick up the behind-the-meter work, it should consider forming a Working Group to assist the development of an issues paper for government consideration.</p>	

6 Update on the Network and Market Reform Program

Mr Martin noted that the PUO was holding an industry forum for the WEM Reform Program on 20 September 2018. The forum would build on previous presentations made to the MAC with regard to the overarching program; and would outline the works being delivered by the program, the proposed development tranches, the responsibilities of the PUO and AEMO, and some of the next steps.

Mr Martin noted there was a need for ongoing industry consultation not just through the MAC but with other stakeholders. Mr Martin advised that details of the forum were available on the PUO's website and asked interested parties to register to attend by the following Monday.

Mr Martin also noted that the PUO had extended the deadline for comments on its consultation paper "Proposed approach to implement constrained network access" until 21 September 2018. The PUO was still working towards the publication of EY's modelling report but the publication date was still uncertain. Mr Martin was also uncertain of the impact, if any, the delay would have on the overall project implementation dates.

Mr Martin noted that stakeholders were invited to register for the new Power System Operation Working Group (**PSOWG**) and Market Design and Operation Working Group (**MDOWG**). The first meeting of the PSOWG was scheduled for the afternoon of 26 September 2018, and would focus on the work being undertaken on the future framework for ancillary services. The date of the first MDOWG was yet to be determined.

Mr Martin advised that Mr Aden Barker of the PUO would start work as Project Director for the WEM Reform Program the following week. Mr Barker's focus would be on the oversight of the reform program,

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	looking at the external stakeholder relationships and making sure that the reform program was proceeding in a coordinated fashion.	
7	AEMO Procedure Change Working Group (APCWG) Update	
	Mr Sharafi noted that no meetings of the APCWG had been held since the last MAC meeting. However, during this period AEMO had undertaken further consultation with Western Power on outages, communication and control protocol requirements and several other matters.	
	The MAC noted the update on AEMO's Market Procedures.	
8(a)	Overview of Rule Change Proposals	
	The MAC noted the overview of Rule Change Proposals.	
	The Chair noted that the second submission period for RC_2014_06 (Removal of Resource Plans and Dispatchable Loads) was currently open, and invited stakeholders to provide their comments on the Draft Rule Change Report.	
	The Chair also noted that AEMO discussed RC_2017_02 (Implementation of 30-Minute Balancing Gate Closure) at its last WA Electricity Consultative Forum meeting on 21 August 2018, and in particular discussed the possibility of moving to a 90-minute Balancing Gate Closure.	
	The Chair noted that technically the discussion had no standing with the Panel, but RCP Support could consider the direction proposed by AEMO if Market Participants wanted. For RCP Support to recommend accepting RC_2017_02 in an amended form, it would need to look at all the options in front of it, which could include a 90-minute gate closure and 60-minute gate closure. However, the last feedback from the MAC indicated that priority should be given to the progression of RC_2014_06, RC_2013_15 and RC_2014_03 (Administrative Improvements to the Outage Process) ahead of RC_2017_02.	
	The following points were discussed regarding RC_2017_02:	
	<ul style="list-style-type: none"> <li data-bbox="320 1628 1222 1839">• Mr Patrick Peake indicated that he supported the change to a 90-minute gate closure if it could be done cheaply. Mr Maticka replied that AEMO's first period submission confirmed this would be the case, and suggested that the proposed amendments could be modified to give AEMO the ability to initially move to 90 minutes and then later potentially move to a tighter window. <li data-bbox="320 1868 1222 1957">• Mr Sharafi reiterated that AEMO could move to a 90-minute gate closure without system changes if that was what the MAC wanted it to do. AEMO could also look at providing forecasts 	

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	<p>with more frequency or in a shorter timeframe than the gate closure.</p> <ul style="list-style-type: none"> <li data-bbox="320 360 1198 573">• Ms Laidlaw noted that the Panel needed to consider the costs and benefits of all the options, which included a change to a 60-minute gate closure. The Panel also needed to consider the issues raised by Synergy about its gate closure times. These were not trivial issues and so there was more work to be done on the proposal regardless of the eventual outcome. <li data-bbox="320 602 1214 887">• Mr Cremin considered that if the move to 90 minutes could be done simply then it should be progressed as quickly as possible. The Chair reiterated that under the Market Rules the Panel would need to form the view that a move to a 90-minute gate closure was a better option than that presented in the Rule Change Proposal, and also better than other alternatives such as a 60-minute gate closure. The Panel could not just decide to implement a 90-minute gate closure because it was easy. <li data-bbox="320 916 1198 1055">• There was some discussion about whether a separate Rule Change Proposal could be used to implement a 90-minute gate closure in the short term without affecting consideration of a shorter gate closure under RC_2017_02. <li data-bbox="320 1084 1198 1368">• Mr Maticka suggested that the Market Rules could be simply amended to reduce the lower limit on Balancing Gate Closure from two hours to 30 minutes. This would allow AEMO to implement a 90-minute gate closure in the short term, and then be able to reduce the gate closure further at its discretion. Mr Stevens agreed this would be a simple rule change. Mr Gaston agreed but considered the upper limit (currently six hours) should also be reduced. <li data-bbox="320 1397 1214 1682">• Mr Gaston noted that AEMO's alternative proposal did not address Synergy's concerns about its gate closure times. Mr Maticka replied that AEMO was neutral on this matter. Mr Bargmann indicated that Synergy would continue to raise its concerns in submissions on RC_2017_02 and any alternative proposal. There was some discussion about how Synergy's gate closure times should be affected by a change to Balancing Gate Closure. <li data-bbox="320 1711 1198 1771">• There was some discussion about who might take responsibility for developing any alternative Rule Change Proposal. <li data-bbox="320 1800 1182 1973">• The Chair noted that RCP Support would continue to progress the open Rule Change Proposals using the previously agreed prioritisation. If an alternative Rule Change Proposal was submitted then it would be assigned an urgency rating and prioritised in accordance with the Panel's framework for Rule 	

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	Change Proposal prioritisation and scheduling (prioritisation framework).	
8(b)	Update on Outage Rule Change Proposals (RC_2013_15 and RC_2014_03)	
	Ms Laidlaw confirmed that the proposed workshop for RC_2013_15 was scheduled for Monday 17 September 2018.	
	Ms Laidlaw advised that the slides for the workshop, which would be circulated in advance, would be used as a guide for the discussion rather than as a formal presentation. To save time, Ms Laidlaw asked stakeholders attending the workshop to review the Rule Change Proposal in advance due to the number and complexity of issues covered in the proposal.	
	Ms Laidlaw noted that AEMO was yet to advise when it could make resources available to consider the IT implementation options for RC_2014_03. AEMO had however contacted Western Power about exploring options to do minor work on the System Management Market Information Technology System (SMMITS) to support the implementation of RC_2013_15 before the transfer of SMMITS to AEMO as part of the System Management System Transfer project.	
	RCP Support intended to prioritise development of a call for further submissions for RC_2013_15, in the expectation that this would allow AEMO sufficient time to undertake the required investigation of IT options for RC_2014_03.	

9 Roles in the Market

The Chair noted that the MAC, as part of its work on the Issues List, commenced a preliminary review of roles in the market on 9 May 2018. In preparation for the review, MAC members and observers provided details of their issues to RCP Support for collation. The PUO subsequently reviewed these issues and identified those that will be covered by the WEM Reform Program.

Mr Richard Cheng led a review of the remaining issues submitted by MAC members and observers. The issues are listed in Table 1 of the meeting paper for this agenda item.

Issue 1 (responsibility for setting document retention requirements and confidentiality statuses):

- Mr Cheng noted that these had already been included in the Issues List as Potential Rule Change Proposals (issues 44 and 45).

Issue 2 – (Market Procedure for conducting the Long Term PASA (clause 4.5.14)):

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	<ul style="list-style-type: none"> The MAC supported inclusion of the issue in the Issues List as a Potential Rule Change Proposal with an urgency rating of Low. Mrs Papps asked whether the obligation on AEMO under clause 4.5.14 to determine the ERA's process for conducting its reviews was a manifest error in the Market Rules. Ms Laidlaw replied that while the current arrangement might be a manifest error the solution was not manifestly obvious, as several different alternative arrangements were feasible. <p>Mr Maticka asked whether there was any suggestion of who might take the lead in developing Rule Change Proposals for the issues discussed. Ms Laidlaw replied that the original intention of the Issues List was to allow parties to "test the water" on ideas for rule changes, and also to provide an opportunity for parties to work together to develop Rule Change Proposals. However, to date there had been few volunteers offering to develop Rule Change Proposals. Ms Laidlaw noted there was no problem with the issues remaining on the Issues List until such time as a volunteer decided to progress them further.</p> <p>Issues 8 (new roles and functions such as those relating to Distribution System Operation and microgrids), 13 (responsibility for development of a road map for the market), 14 (Western Power role in grid transformation) and 20 (Western Power's role in grid transformation):</p> <ul style="list-style-type: none"> the MAC agreed to delete these issues as they were covered elsewhere in the Issues List and/or fell within the scope of the WEM Reform Program. <p>Issue 9 (whether agencies should be empowered, resourced and required to initiate and pursue any rule change they think proper):</p> <ul style="list-style-type: none"> the MAC agreed to delete the issue. Mr Martin noted that the underlying concern appeared to be about a lack of action to address issues raised in market reviews. Mr Martin considered the PUO had a responsibility to progress certain changes and noted that the ERA can also develop Rule Change Proposals. <p>Issue 16 (agility to respond to market reform drivers):</p> <ul style="list-style-type: none"> the MAC agreed to delete the issue, as there was little support for reducing the minimum consultation period for Procedure Change Proposals below 20 Business Days. 	

10 Constrained Off Payments

The Chair noted that during the previous week Kleenheat representatives met with RCP Support about how to raise their concerns regarding recent high levels of constrained off payments. Following this discussion, Kleenheat acted on RCP Support's

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	<p>suggestion and submitted the letter included in the meeting papers for discussion by the MAC.</p> <p>Ms Laidlaw noted that the issue was not new and the former Independent Market Operator (IMO) had developed a Pre-Rule Change Proposal to prevent unwarranted constrained off payments. The IMO had not progressed the proposal further due to the previous Minister's freeze on the progression of Rule Change Proposals during the Electricity Market Review.</p> <p>Ms Laidlaw suggested that a central question for discussion was what level of compensation was appropriate to be paid to generators that are constrained off under different circumstances, e.g. system normal, in response to a network outage, or to resolve a system security issue; and whether the appropriate level of compensation was different under different circumstances.</p> <p>The Chair invited Ms Rebecca Banks to speak about Kleenheat's concerns. Ms Banks explained that Kleenheat was surprised by the very large constrained off costs in its March 2018 invoice, and was further surprised when its investigations determined the method used to calculate constrained off compensation amounts.</p> <p>Ms Banks described the compensation amounts as a "lotto win" for the generators involved, and considered the calculation method was inconsistent with the Wholesale Market Objectives. In particular, the resulting costs were inefficient and actively discouraged retail competition. Ms Banks considered that there was a very high potential, if the relevant constraints were to apply for a long period of time, for the costs to bankrupt a retailer or, if the payments are passed through, to bankrupt an end-customer.</p> <p>Ms Banks also noted that retailers received very little information or advance warning about these payments. Ms Banks considered that the payments should be able to be predicted by retailers in terms of quantum and certainty well before the amounts appear on a monthly invoice.</p> <p>The Chair invited comments from MAC members and observers on the issues raised by Kleenheat. The following points were discussed.</p> <ul style="list-style-type: none"> • Mr Sharafi agreed with Ms Banks that there was an issue that required resolution, and considered there were many ways to fix the problem. Mr Sharafi did not think it was necessary to determine the solution in the meeting, but did consider that the MAC needed to acknowledge there was an issue and that somebody needed to develop a Rule Change Proposal to resolve it. • In response to a question from Mr Cremin, Ms Laidlaw clarified that under the Market Rules a Non-Scheduled Generator would still receive constrained off compensation for out-of-merit 	

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	<p>dispatch even if it updated its Balancing Submissions to reduce its forecast output quantity. Mr Cremin suggested that this constituted a manifest error because there was clearly no intention to pay Intermittent Generators that are unable to generate due to a network constraint. Mr Gaston considered that the payments were excessive and agreed with Mr Cremin that the current arrangements were a manifest error in the Market Rules.</p>	
	<ul style="list-style-type: none"> • Ms Laidlaw commented that if a generator knew it would be fully curtailed by a network outage for a specific period of time, it was expected to report a Consequential Outage and not participate in the Balancing Market. However, there were often situations in which a generator knew it was likely to be curtailed to some extent over a period, but did not know exactly when, by how much and for how long it would be curtailed. These generators still needed to participate in the Balancing Market, which under the current Market Rules made them eligible to receive constrained off payments. • Mr Cremin considered that it could take a long time to resolve the issue using the rule change process due to the technical nature of the problem, and suggested the MAC consider what other options were available. As an example, Mr Cremin suggested that the ERA might consider whether the very low offer prices that were causing the large payments constituted a market power issue. Dr Robins replied that an ERA compliance investigation into low offer prices would not provide a quick solution to the problem, as the investigation would require assessment of matters such as good faith bidding, which would be a lengthy process to ensure it was done properly. Dr Robins considered that there were probably other, quicker ways to address the issue. • Ms Laidlaw noted that the payments were usually caused by System Management placing a constraint on an Intermittent Generator in the Real-Time Dispatch Engine because of a network outage. Ms Laidlaw questioned whether in these circumstances, where none of the generators involved had firm network access rights, the appropriate level of compensation that consumers should pay to a generator was an amount based on their short run marginal cost or zero. 	
	<p>Mr Cremin considered that any compensation in these circumstances should be covered by the commercial agreement between the generator and Western Power, not the market. Mr Stevens noted that Market Participants could protect themselves from the commercial impacts of being constrained off for extended periods through business interruption insurance. Mr Stevens considered that when Market Participants connected</p>	

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	<p>to the network they accepted that occasionally they would be constrained by a network outage and they would not receive any compensation for this. The current constrained off payments were not appropriate and not the intent of the market.</p>	
	<ul style="list-style-type: none"> <li data-bbox="320 439 1217 539">• There was general agreement to include the issue in the Issues List as a Potential Rule Change Proposal with an urgency rating of High. <li data-bbox="320 562 1217 887">• Ms Stone suggested that the IMO's Pre-Rule Change Proposal: Outages and the Application of Availability and Constraint Payments to Non-Scheduled Generators (PRC_2013_16) could be used as a starting point for the development of a Rule Change Proposal. Ms Laidlaw replied that while this was an option PRC_2013_16 involved extensive changes to AEMO's IT systems, and in the current circumstances it would be quicker and cheaper if an option could be found that avoided the need for IT changes. <li data-bbox="320 909 1217 1234">• Ms Laidlaw asked who would be interested in helping to develop a Rule Change Proposal to address the issue. Mr Bargmann noted that he was advised by Mr Ben Williams that the problem will be addressed in part by an open Rule Change Proposal, i.e. when there is certainty about the duration of outages and a Non-Scheduled Generator is required to nominate down to zero. Ms Laidlaw replied that RCP Support would be interested in discussing the matter with Mr Williams; and Mr Bargmann agreed to facilitate this discussion. <li data-bbox="320 1256 1217 1514">• Mr Cremin suggested that the relevant generators could do the right thing during network outages and not bid at -\$1000/MWh. Mr Bargmann replied that Synergy had in fact changed its behaviour with respect to one of its solar farms for precisely that reason, increasing its offer price on the basis that -\$1000/MWh was gouging and inconsistent with the Wholesale Market Objectives. <li data-bbox="320 1536 1217 1637">• In response to a question from Mr Sharafi, Mr Bargmann advised that Synergy would consider developing a Rule Change Proposal to address the issue. <li data-bbox="320 1659 1217 1805">• Mr Martin asked whether a rule change would create implementation issues. Ms Laidlaw considered it possible that a simple option could be found that did not require any IT system changes. <li data-bbox="320 1827 1217 2009">• Ms Laidlaw suggested that details of monthly constrained on and off payments should be published in the interests of transparency, and asked what restrictions if any existed to prevent the publication of this information. Mr Maticka agreed to report back to the MAC on what information could be published 	

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	<p>under the Market Rules. There was some discussion about the need to report the payments by individual generator, but general agreement that at least the monthly totals should be made available to Market Participants.</p> <ul style="list-style-type: none"> <li data-bbox="320 439 1214 757">• Ms Banks reiterated her concern that retailers received no warning of upcoming constraint payments before receiving the relevant invoice from AEMO. Mr Maticka offered to investigate and report back to the MAC on what information could be provided to Market Participants early to allow them to predict the size of, and budget for, their constraint payment obligations. There was some discussion about how quickly the information needed to estimate constraint payment amounts could be made available. <li data-bbox="320 786 1190 1037">• Mr Shibli Khan observed that if Western Power was to pay constrained off compensation then the payments would still be funded by the public. There was further discussion about whether any compensation should be provided to a Market Participant by either Western Power or the market when a generator was dispatched down out-of-merit due to a network outage. <li data-bbox="320 1066 1190 1238">• In response to a question from Mr Sharafi, Mr Bargmann clarified that the only action he could commit to at the time was to facilitate a discussion with RCP Support and Mr Williams about the extent to which the issue would be resolved by Rule Change Proposals that are currently under development. <li data-bbox="320 1267 1214 1518">• The Chair agreed to a request from Mr Gaston to update the MAC once the planned discussion between Synergy and RCP Support had taken place. Ms Laidlaw considered that depending on the outcomes of the discussions with Synergy it might be helpful for RCP Support to organise a workshop with interested stakeholders to discuss the options for the development of a Rule Change Proposal. 	
	<p>Action: Synergy to facilitate a discussion between RCP Support and Synergy representatives, including Mr Ben Williams, regarding Mr Williams' views on the extent to which the issue raised by Kleenheat at the 9 September 2018 MAC meeting regarding excessive constrained off payments will be resolved by Rule Change Proposals that are currently under development.</p>	Synergy
	<p>Action: AEMO to provide clarification to the MAC on what information AEMO is permitted to publish regarding constrained on and constrained off payment amounts under the Market Rules.</p>	AEMO

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	<p>Action: AEMO to investigate and report back to the MAC on what information could be provided to Market Participants early to allow them to predict the size of, and budget for, their constraint payment obligations.</p>	AEMO
	<p>Action: RCP Support to provide an update to MAC members and observers on the outcomes of the proposed discussion between RCP Support and Synergy about the constrained off payment issue raised by Kleenheat at the 9 September 2018 MAC meeting.</p>	RCP Support
11	<p>RCP Support KPIs</p> <p>The MAC noted the update on RCP Support’s performance against its KPIs and the results of its stakeholder satisfaction survey for 2017/18.</p> <p>The Chair noted that the survey results indicated general satisfaction with the quality of the rule change and consultation processes, but concerns about the timeliness of RCP Support’s processes. The Chair noted that RCP Support was in the process of engaging some additional resources, which would be used to help clear the backlog of Rule Change Proposals and enable the team to be much more responsive on Rule Change Proposals as they are submitted, and also to ensure it was capable of engaging fully with the WEM Reform Program.</p> <p>The Chair also noted that, based on some comments received, there still appeared to be some confusion about how the Panel’s prioritisation framework worked. The Panel intended to conduct a review of the prioritisation framework during 2018/19 and would consult with the MAC and the Gas Advisory Board as part of that review. The intention was to publish the prioritisation framework on the Panel’s website following the conclusion of this review.</p>	
12	<p>MAC Schedule</p> <p>After some discussion, the MAC agreed that in future MAC meetings should be held every six weeks on a Tuesday morning, starting at 9:30 AM.</p> <p>Action: RCP Support to circulate an updated schedule for MAC meetings for the remainder of 2018/19.</p>	RCP Support

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13	MAC Composition	
	<p>Mr Cheng advised that Mr Simon Middleton resigned from the MAC on 20 August 2018. Mr Middleton's resignation meant that his Market Customer representative position, which was due to expire in February 2019, is now vacant.</p> <p>Mr Cheng explained that the Panel could undertake an appointment process to fill the position or wait until the annual MAC composition review that was scheduled to begin at the end of November 2019. Mr Cheng advised that filling the position early would, assuming the new six-weekly meeting cycle, allow the successful applicant to attend three MAC meetings.</p> <p>The Chair asked whether the MAC wanted RCP Support to run a two-month process to appoint a member for three meetings, or to wait until the next annual MAC composition review. The MAC agreed that the appointment process for Mr Middleton's position should be delayed until the next annual MAC composition review.</p>	
14	General Business	
	<p>The Chair noted that the Panel had requested that he ask MAC members whether there was any interest in the MAC meeting with the Panel itself. The purpose of such a meeting would be to allow MAC members to raise issues directly with the Panel members in an open forum.</p> <p>MAC members did not identify any issues they wished to discuss with the Panel, but indicated they would be happy to attend a meeting with the Panel if one was arranged.</p>	
The meeting closed at 2:35 PM.		