

Minutes

Meeting Title:	Market Advisory Committee (MAC)
Date:	13 June 2018
Time:	12:35 PM – 3:35 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)	
Mehdi Toufan	System Management	Proxy for Dean Sharafi
Sara O'Connor	Economic Regulation Authority (ERA) Observer	
Will Bargmann	Synergy	
Douglas Thomson	Network Operator	Proxy for Margaret Pyrchla
Jacinda Papps	Market Generators	To 2:25 PM
Shane Cremin	Market Generators	
Andrew Stevens	Market Generators	
Wendy Ng	Market Generators	
Patrick Peake	Market Customers	
Geoff Gaston	Market Customers	
Erin Stone	Market Customers	Proxy for Steve Gould
Peter Huxtable	Contestable Customers	

Apologies	Class	Comment
Dean Sharafi	System Management	
Steve Gould	Market Generators	
Margaret Pyrchla	Network Operator	

Also in attendance	From	Comment
Jenny Laidlaw	RCP Support	Presenter, Minutes
Richard Cheng	RCP Support	Presenter
Adrian Theseira	ERA	Presenter
Aditi Varma	Public Utilities Office (PUO)	Presenter
Stuart Featham	AEMO	Observer
Paul Elliott	AEMO	Observer
Clayton James	AEMO	Observer
Matthew Fairclough	AEMO	Observer
Steven Kruit	PUO	Observer
Thomas Coates	PUO	Observer
Ignatius Chin	Energy Market Consulting associates	Observer
Matthew Bowen	Jackson McDonald	Observer
Ben Williams	Synergy	Observer
Angelina Cox	Synergy	Observer
Noel Schubert		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 13 June 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 9 May 2018 were circulated on 25 May 2018.	
	Mr Patrick Peake considered that if the connection of new Generators increased the largest contingency above the output of the largest single Generator (as anticipated by Mr Dean Sharafi in his presentation to the MAC on 9 May 2018), then the additional Spinning Reserve costs should not be socialised. Mr Peake questioned whether the problem was caused by the way in which the new Generators were connected, and if so, whether those Generators should be liable for the additional Spinning Reserve	

Item	Subject	Action
	<p>costs. Mr Peake suggested that these points should be considered by the Minister's Wholesale Electricity Market (WEM) reform program (WEM Reform Program).</p> <p>Mr Ben Williams asked RCP Support to check whether Mr Sharafi, during the same presentation, had advised that AEMO's current practice was to enable enough Spinning Reserve to cover 70 percent of the largest contingency, even if this was more than 70 percent of the largest Generator's output. Mr Matthew Fairclough confirmed that this was AEMO's current practice.</p> <p>Mr Williams requested, if Mr Sharafi made this statement during the 9 May 2018 meeting, that RCP Support include it in the meeting minutes. Mr Williams considered it was important to note that the problem raised by Mr Sharafi is an existing problem. (Note: RCP Support found no record of Mr Sharafi making this statement on the meeting tapes and therefore has not amended the minutes.)</p> <p>Subject to Mr Williams' request, the minutes were accepted as a true record of the meeting.</p>	
	<p>Action: RCP Support to review the minutes of the 9 May 2018 MAC meeting with respect to Mr Williams' request for clarification, circulate any additional changes for out of session approval, and then publish the minutes on the Rule Change Panel's (Panel's) website as final.</p>	<p>RCP Support</p>

4 Actions Arising

The closed action items were taken as read.

Action 19/2017: Open – to be progressed as part of the WEM Reform Program.

Action 33/2017: On hold until early 2019.

Action 6/2018: The Chair advised that the ERA intended to provide an update on this action item at the 8 August 2018 MAC meeting.

Action 8/2018: To be addressed under agenda item 6(c).

Action 9/2018: To be addressed under agenda item 6(a).

Action 10/2018: Open. Mr Matthew Martin noted that the PUO would explain how it intended to complete the action item under agenda item 6(b).

Action 11/2018: Completed. The Chair noted that the PUO's advice was incorporated into the paper that was to be discussed under agenda item 10(c).

Action 12/2018: Completed. The Chair advised that the feedback provided by stakeholders was to be discussed under agenda item 10(b).

Item	Subject	Action
<p>Action 13/2018: Open. The Chair advised that RCP Support would provide an update under agenda item 10(b).</p>		
5	<p>Update on AEMO's Market Procedures</p>	<p>The MAC noted the update on AEMO's Market Procedures.</p>
<p>6(a), 6(b), 6(c)</p>	<p>Update on the Network and Market Reform Program; Change to Section 1.20 (AEMO Funding); Terms of Reference for MAC Working Groups</p>	<p>Mr Martin noted that the PUO was working through the results of modelling undertaken by Ernst & Young (EY) on the impacts of implementing a constrained network access regime in the WEM. The PUO had found some issues that had delayed the process. The PUO now expected to publish EY's report in July 2018, and to provide a more detailed update at the MAC meeting on 11 July 2018.</p> <p>Mr Martin and Ms Aditi Varma gave an update to the MAC on the WEM Reform Program. A copy of the presentation is available on the Panel's website.</p> <p>The following points were discussed.</p> <ul style="list-style-type: none"> • Ms Varma noted the PUO was currently consulting with the Reserve Capacity Mechanism (RCM) Reference Group on a proposed new pricing curve for the RCM. The PUO was also conducting individual discussions with several Market Participants, and preparing a draft recommendations report for the Minister. The PUO expected to release the draft report in July 2018 for a four-week consultation period before it is finalised for submission to the Minister. • Ms Varma requested that stakeholders send her any feedback they had on the scope of the proposed WEM Reform Program tranches as set out in slides 5 and 6 of the presentation. In particular, Ms Varma sought feedback on what should or should not be included in the tranches, and whether any elements should be moved to another tranche. • In response to a question from Ms Jenny Laidlaw, Ms Varma and Mr Martin clarified that the proposed requirement for members of the Power Systems Operation Working Group (PSOWG) and Market Design and Operation Working Group (MDOWG) to be able to carry out impact analysis related to the provision of mainly qualitative advice about the type and scale of impact of proposed changes on participants. • In response to a question from Ms Wendy Ng, Ms Varma advised that the PUO was not proposing to limit the size of the Working Groups. Mrs Jacinda Papps noted that the power system operation experts in an organisation were not

Item	Subject	Action
	<p>necessarily the people who were highly skilled in assessing rule or procedure changes. Ms Varma agreed and noted that the proposal was to allow up to two representatives from each organisation in each Working Group, and to allow each organisation to change their representatives depending on the subject matter under consideration from meeting to meeting.</p>	
	<ul style="list-style-type: none"> • In response to a question from Ms Laidlaw, Ms Varma advised that AEMO and the PUO would endeavour to circulate meeting papers for the Working Groups between three and five days before each meeting. 	
	<ul style="list-style-type: none"> • The Chair provided an overview of the rules around the formation of MAC Working Groups. The Chair sought MAC members' views on the proposal for the Chair of each Working Group to be delegated the task of accepting and declining nominations in accordance with selection criteria in the Working Group's terms of reference. The MAC raised no concerns with this approach or any other aspects of the proposal. 	
	<ul style="list-style-type: none"> • The MAC agreed that the PUO and AEMO should develop the draft terms of reference for the PSOWG and MDOWG in line with their proposal, and provide the drafts to RCP Support for circulation to the MAC. MAC members agreed to provide their comments within a week of receiving the drafts. 	
	<ul style="list-style-type: none"> • Ms Varma noted the PUO and AEMO proposed to have the Working Groups ready to start work by July 2018. 	
	<ul style="list-style-type: none"> • Mrs Papps asked if more detail about the scope of work for GHD's ancillary services review could be provided to the MAC. Ms Varma replied that the scope of work generally covered the high level issues listed in slide 11 of the PUO's presentation. Ms Varma noted that Working Group members would be able to raise additional issues for discussion with the consultant. 	
	<ul style="list-style-type: none"> • Ms Varma clarified that the first objective of the ancillary services review listed in slide 11 should be to identify the types of ancillary services the WEM requires, not the types of technologies. 	
	<ul style="list-style-type: none"> • Mr Peake asked whether GHD's review covered how ancillary services should be procured. Ms Varma replied that the PUO had asked GHD to provide a direction as to how the different ancillary services should be procured. Mr Martin added that consideration would also be given to how to best transition to the eventual procurement arrangements. 	
	<ul style="list-style-type: none"> • In response to a question from Mrs Papps, Ms Varma advised that the GHD's final report was expected by December 2018. 	
	<ul style="list-style-type: none"> • Mr Williams asked whether recommendations on how to implement new ancillary services markets would be made before 	

Item	Subject	Action
	<p>or after the proposed economic assessment. Ms Varma replied that the PUO envisaged two stages to the process.</p>	
	<ul style="list-style-type: none"> ○ The first step was to determine whether the current ancillary services are adequate, and whether any new types of ancillary services are required. This might lead to rule changes to implement new ancillary services, and may include changes to the registration framework. ○ The second step was to look at the transition to competitive ancillary services markets, which would require some level of cost-benefit assessment to determine transition timing. Mr Clayton James added that it may be possible to make other technical changes and/or develop some of the required technical specifications before a full economic assessment was undertaken. 	
	<ul style="list-style-type: none"> ● In response to a question from Mrs Papps, Ms Varma advised that the PUO has asked GHD to assess other recent studies, including what is being undertaken in the National Electricity Market (NEM), to determine their applicability to the WEM. Mrs Papps noted that some of the currently proposed NEM rule changes may not be suitable for the WEM. 	
	<ul style="list-style-type: none"> ● Mr Noel Schubert noted that usually the WEM had only two Generators providing LFAS, whereas in some small isolated systems all Generators move up and down in proportion to their ability and size. Mr Schubert considered that while there may be commercial implications, this was a technical solution that could be adopted to better accommodate variable renewable generation. 	
	<ul style="list-style-type: none"> ● In response to a question from Mr Andrew Stevens, Mr Mehdi Toufan advised that AEMO had submitted its 2018 Ancillary Services Report to the ERA for review. 	
	<ul style="list-style-type: none"> ● Mr Williams asked whether GHD would be looking at the capability of existing Facilities to provide any new ancillary services that were identified. Mr Williams suggested there may already be enough Facilities to provide the required services, but the appropriate price signals need to be established. Ms Varma replied that this would be considered as part of the GHD review. 	
	<ul style="list-style-type: none"> ● Ms Ng asked whether AEMO was considering changes to the SWIS Operating States. Mr James replied that some of the underlying mechanisms in the WEM, such as the current High Risk and Emergency Operating States, might need to be modified to better support security constrained dispatch. The changes may involve augmentation of the existing Operating States rather than their replacement. 	

Item	Subject	Action
	<p>Mr James noted the intent was not simply to adopt the NEM security and reliability frameworks, but to identify the problems and determine the best solutions.</p>	
	<ul style="list-style-type: none"> • Mr Peake considered that the growth of domestic and commercial solar installations on feed-in tariffs was driving many of the current problems in the WEM. Mr Peake asked whether the WEM Reform Program would look at potential changes to the rules and feed-in tariffs for rooftop solar. Mr Martin replied that these issues did not fall within the scope of the WEM Reform Program, but were being considered by a separate section of the PUO, with which the WEM Reform Program team was working closely. • Ms Varma noted that a consortium of Sapere, Merz Consulting and Robinson Bowmaker Paul has been appointed to assist the PUO with the new security constrained market design. Once the MDOWG is established, the PUO intends to discuss with that Working Group how it will work with the consultants on the market design. • In response to questions from Ms Ng, Mr Martin confirmed that the purpose of the Strategic Consultative Group was to provide advice to the WEM Reform Coordination Committee (Coordination Committee) to inform their considerations, and that the Coordination Committee would not directly interact with the MDOWG and PSOWG. The MAC Working Groups will provide advice to the MAC; the MAC in turn will provide advice to the PUO and AEMO, which will be funnelled by the PUO to the Coordination Committee. • In response to a question from Ms Erin Stone, Mr Martin confirmed that the Coordination Committee would provide oversight of the WEM Reform Program and advice to the PUO and AEMO. • Mr Matthew Bowen asked if similar governance arrangements would apply to the Network Access Program. Mr Martin replied that this was not the PUO's intention. There was some discussion about the need for integration between the Network Access Program and the WEM Reform Program, the potential benefits of extending the scope of the Coordination Committee to cover the Network Access Program, and whether Western Power should be represented on the Coordination Committee. • Mr Martin confirmed that the PUO would publish a draft of the AEMO funding rule changes by 18 June 2018, using a similar process to that employed for the rule changes that abolished the Independent Market Operator (IMO). The consultation period would be one week. 	

Item	Subject	Action
6(d)	<p>Deferral of the 2018 Reserve Capacity Cycle</p> <p>Mr Martin noted that the PUO had provided advice to the Minister regarding extension of timeframes for the 2018 Reserve Capacity Cycle, and was awaiting the Minister’s decision. If the decision was to delay the Reserve Capacity Cycle, then the PUO proposed to circulate draft Amending Rules for a short consultation period using the same mechanism as for the AEMO funding rule changes, before the Amending Rules are made using the Minister’s temporary rule-making powers.</p> <p>Mr Martin explained that the latest timeframes for the Generator Interim Access (GIA) solution mean that the next round of access offers under the GIA solution will not be made by Western Power until the end of 2018, rather than mid-2018 as previous expected. The PUO had received a formal request to consider an extension to the 2018 Reserve Capacity Cycle to help accommodate the access offer delay.</p> <p>In response to a question from Mr Shane Cremin, Mr Martin indicated that the PUO looked at the impact to industry rather than the Wholesale Market Objectives when developing its advice to the Minister.</p>	
7	<p>Update on the Review of the Relevant Level Methodology</p> <p>Ms Sara O’Connor gave an update to the MAC about progress on the ERA’s current review of the Relevant Level Methodology. A copy of the presentation is available on the Panel’s website.</p> <p>Ms O’Connor clarified that the presentation reflected the initial thoughts of the ERA Secretariat, and the ERA was yet to take any formal positions in relation to the review.</p> <p>The following points were discussed.</p> <ul style="list-style-type: none"> • Ms O’Connor noted that the ERA intended to commence its next review of the Benchmark Reserve Capacity Price and Energy Price Limit methodologies in the fourth quarter of 2018. • Mr Williams noted the presentation did not address the fact that Intermittent Generators were not exposed to Capacity Cost Refunds and were not required to undertake Reserve Capacity Tests. Mr Williams considered these advantages should be taken into account when reviewing how Intermittent Generators were certified, to avoid the inequitable treatment of Intermittent Generators and other capacity providers. Ms O’Connor agreed that the ERA should take these factors into consideration in its review. • Mr Schubert noted a suggestion that was made at the stakeholder working group meeting, to refer to the ‘capacity 	

Item	Subject	Action
	<p>certification methodology for Intermittent Generators' instead of the 'Relevant Level Methodology'.</p> <ul style="list-style-type: none"> Ms O'Connor noted that a webpage for the review has been established on the ERA's website and she would arrange for a link to that webpage to be circulated with the draft MAC minutes. (Note: the webpage is https://www.erawa.com.au/electricity/wholesale-electricity-market/methodology-reviews/relevant-level-methodology.) 	
8(a)	Overview of Rule Change Proposals	
	The MAC noted the overview of Rule Change Proposals.	
8(b)	Development of ERA Pre-Rule Change Proposals	
	<p>Mr Adrian Theseira consulted with the MAC regarding the ERA's plan to develop a Rule Change Proposal to address issues relating to data use restrictions and the short run marginal cost (SRMC) investigation process. A copy of the presentation used by Mr Theseira to facilitate the discussion is available in the meeting papers on the Panel's website.</p> <p>The following points were discussed.</p> <ul style="list-style-type: none"> Mr Stevens asked what specific data the ERA needed but did not currently have access to. Mr Theseira replied that outage data was a good example of the problem; currently the ERA only has access to the real time outage data published on AEMO's public website, and cannot see the full version history of Outage records. Mr Theseira noted that while the ERA has powers under section 51 of the <i>Economic Regulation Authority Act 2003</i> to obtain information and documents, it would prefer to access the data it requires under the Market Rules rather than rely on other powers. Mr Stevens considered that while participants may want to understand more clearly what additional information (if any) would become available to the ERA, most would not object to the proposed changes. <p>The MAC supported the ERA's plan to develop a Pre-Rule Change Proposal and present it to the MAC for consideration at a future meeting.</p>	
9	Rule Change Prioritisation	
	<p>The Chair led a discussion about the order of business for progressing the open Rule Change Proposals, and Perth Energy's recent request that the urgency rating of the Rule Change Proposal: Implementation of 30-Minute Balancing Gate Closure (RC_2017_02) be increased from Medium to High.</p>	

Item	Subject	Action
	<p>The Chair noted that the two Rule Change Proposals assigned an order of zero in the meeting paper (Reduction of the prudential exposure in the Reserve Capacity Mechanism (RC_2017_06) and New Notional Wholesale Meter Manifest Error (RC_2018_01)) were nearly complete, with one awaiting Ministerial approval and the other awaiting commencement.</p>	
	<p>The next highest priorities were Removal of Resource Plans and Dispatchable Loads (RC_2014_06), Provision of Network Information to System Management (RC_2014_10), Administrative Improvements to the Outage Processes (RC_2014_03) and Omnibus Rule Change (RC_2014_07). The four proposals were assigned an order of 1 based on a combination of their urgency ratings and their fit with current resource availability. These were followed by Outage Planning Phase 2 – Outage Process Refinements (RC_2013_15) (order 2) and RC_2017_02 (order 3). The Chair suggested it would be preferable to progress the two outage-related Rule Change Proposals close to one another to avoid unnecessary IT costs.</p>	
	<p>The Chair noted that a large amount of work, including a workshop and several MAC presentations, had already been undertaken for RC_2014_03. However, it had since become clear that there are some potential overlaps between the outage-related Rule Change Proposals and the WEM Reform Program, and so RCP Support was questioning what elements of those Rule Change Proposals should be progressed and what should be deferred to the WEM Reform Program.</p>	
	<p>The Chair sought input from AEMO on its ability to progress RC_2014_06, RC_2014_03 and RC_2013_15, before seeking comments from the MAC on the proposed order of business and Perth Energy's request regarding RC_2017_02.</p>	
	<p>The following points were discussed.</p> <ul style="list-style-type: none"> <li data-bbox="320 1507 1214 1760">• Mr Stevens asked how far the outage Rule Change Proposals had progressed. Ms Laidlaw replied that RCP Support was working on a call for further submissions for RC_2014_03 when it was advised by AEMO of the potential conflict. RCP Support was waiting on AEMO to advise what the points of conflicts were and what elements of the proposals would not be practical to progress at this time. <li data-bbox="320 1787 1214 1957">• In response to a question from Ms Ng, the Chair advised that RCP Support was currently working on the Draft Rule Change Report for RC_2014_06, and intended to discuss the proposal with the Panel at its meeting on 21 June 2018. Ms Ng strongly supported the retention of a High priority for RC_2014_06. 	

Item	Subject	Action
	<ul style="list-style-type: none"> Mr Stevens suggested that both RC_2014_06 and the outage Rule Change Proposals should be progressed as soon as possible. Mr Stevens considered that while there may be interactions between the outage Rule Change Proposals and the WEM Reform Program, these did not necessarily constitute conflicts; and the proposals should proceed if they would bring net benefits over the next 2-4 years, even if they were eventually replaced by the Minister's reforms. Mr Martin Maticka noted that RC_2017_06 and RC_2018_01 would require a significant amount of IT work and input from AEMO's operational team. AEMO was very supportive of the removal of Resource Plans, as they were an operational burden for AEMO as well as a problem for Market Participants. AEMO was investigating when it would be able to implement RC_2014_06 without creating resourcing conflicts with the implementations of RC_2017_06 and RC_2018_01. 	
	<p>Mr Maticka noted that a review of outage definitions fell within the scope of the WEM Reform Program. Mr Maticka also noted that AEMO was currently working on a project to transition the remaining Western Power systems used by System Management to AEMO. AEMO expected to complete this project by mid-2019. Until this time, AEMO would need to request Western Power to make any changes to System Management's Market Information Technology System (SMMITS) that are required to implement RC_2014_03 and/or RC_2013_15. This could delay the transition process and result in large additional costs to the market.</p>	
	<p>AEMO intended to talk to Western Power about what it would cost to make the necessary amendments to SMMITS and how that work might affect the transition project.</p>	
	<ul style="list-style-type: none"> Mr Stevens asked whether the outage Rule Change Proposals included changes to Commissioning Test processes. Mr Maticka replied that AEMO needed to undertake further analysis because some elements of the proposals could be easier to progress as they do not require IT changes. However, at this stage AEMO was unable to commit to any time frames associated with the outage Rule Change Proposals. Mr Stevens asked when AEMO would complete its evaluation of the outage Rule Change Proposals. Ms Laidlaw advised that AEMO had committed to provide its evaluation results to RCP Support by 29 June 2018. There was some discussion about the costs and benefits of making the proposed outage changes before the transition of systems from Western Power to AEMO and/or before the 	

Item	Subject	Action
	<p>implementation of the Minister's broader reforms; and about the issues that were delaying the progression of the proposals.</p>	
	<ul style="list-style-type: none"> • Mr Peake gave a brief overview of Perth Energy's request to increase the urgency rating of RC_2017_02 to High. A copy of Perth Energy's submission is available in the meeting papers on the Panel's website. • In response to a question from Mr Peter Huxtable, Ms Laidlaw confirmed that if the outage Rule Change Proposals were deferred then RC_2017_02 would be the next proposal progressed by the Panel, unless another Rule Change Proposal with a High urgency rating was submitted. • Mr Toufan reiterated the comments made in AEMO's first period submission on RC_2017_02 that AEMO would be able to reduce Balancing Gate Closure to 90 minutes using its current systems and processes, but would require major changes (including Facility bidding) to support 60 minutes, and the implementation of co-optimisation to support 30 minutes. • Mr Toufan presented a graph comparing System Management's demand forecasting errors (shown in green for each day of period between 14 May 2018 and 10 June 2018) with the forecasting errors of Intermittent Generators. A copy of the graph is available on the Panel's website. Mr Toufan suggested that gate closure was not the only issue and there was an opportunity to consider how to make Market Participant's forecasts more accurate as well. • Ms Laidlaw noted that RCP Support discussed the technical system barriers to reducing gate closure with AEMO on 11 June 2018; and suggested that the discussion needed to be continued off-line. Ms Laidlaw noted that the Panel would need to understand very clearly the specific technical reasons for the 90 minute limit. • In response to a question from Ms Stone, Mr Toufan advised that the limitations were systems-related and also related to System Management's ability to manage the power system. Ms Stone suggested that options to resolve any technical issues should also be identified and considered. • There was some discussion about when a change to a 90-minute Balancing Gate Closure could be implemented. Mr Fairclough believed that AEMO's submission included implementation timeframes but could not recall the specific details. • The Chair gave an overview of the analyses RCP Support might need to undertake to assess the net benefits of RC_2017_02. Mr Will Bargmann considered that the Chair's comments 	

Item	Subject	Action
	<p>indicated that RC_2017_02 should remain a Medium urgency Rule Change Proposal, on the basis that the net benefits may be large but need more analysis to determine. Mr Bargmann considered that the proposed amendments would introduce a number of inefficiencies that require further analysis.</p>	
	<ul style="list-style-type: none"> • Ms Laidlaw noted that RCP Support would also need to consider what gate closure times should apply to the Balancing Portfolio. Mr Stevens considered that Synergy could choose to bid on an individual Facility basis at any time. Mr Williams disagreed, on the basis of advice provided by AEMO that it would be difficult to remove coal plant from the Balancing Portfolio, if not impossible. • Mr James noted that the Power System Operations workstream of the WEM Reform Program was working on various improvements to demand forecasting, for example providing greater transparency of alternative forecasts and error rates. These enhancements fell within the first tranche of the WEM Reform Program and might provide some benefit in the shorter term. • There was some discussion about the likely impact of the GIA generators on forecast accuracy, the incentives for Intermittent Generators to submit accurate forecasts, and the current inability of Intermittent Generators to update their forecasts after Balancing Gate Closure. Ms Laidlaw noted that one of the open Rule Change Proposals (RC_2014_06) included a change to allow Intermittent Generators to continue to update their Balancing Submission forecasts after Balancing Gate Closure. • The Chair asked for views on whether the urgency rating of RC_2017_02 should be increased to High. After some discussion the Chair clarified that the Panel, following its assessment of RC_2017_02, could decide to accept the Rule Change Proposal, accept the proposal in an amended form (which might involve a 60 or 90 minute gate closure), or reject the proposal. • Mr Stevens considered that the two outage Rule Change Proposals are well progressed and so should be treated as the highest priority after RC_2014_06, provided that interaction issues did not negate the benefits of the proposals. Mr Stevens noted that if the outage Rule Change Proposals could not be progressed then RC_2017_02 would be the next Rule Change Proposal to be progressed in any event. • There was some discussion about the need to consider the Balancing Portfolio's gate closure times as part of RC_2017_02, the role of the Balancing Portfolio in real-time dispatch, the relationship between gate closure and efficient dispatch of the 	

Item	Subject	Action
	<p>Balancing Portfolio, and options to avoid excessive constrained off compensation under a reduced gate closure scenario.</p> <p>The MAC agreed that RC_2014_03 and RC_2013_15 should be assigned the next highest priority after RC_2014_06, subject to clarification of the interactions with the WEM Reform Program; and that RC_2017_02 should retain its current Medium urgency rating.</p>	
10(a)	Update on the MAC Issues List	
	<p>The Chair sought comments on the proposed approach to managing the MAC Market Rules Issues List (Issues List) set out in the meeting paper for this agenda item.</p> <p>Mr Williams suggested that the proposed Issues List update to the MAC should show any changes from the previous MAC meeting to the three sub-lists in red. Ms Laidlaw replied that RCP Support intended to indicate updates to the lists in this way.</p> <p>The MAC supported the proposed approach to managing the Issues List in future.</p> <p>No questions or concerns were raised regarding the content of the Issues List provided in the meeting papers.</p>	
10(b)	MAC Market Rules Issues List - Treatment of Storage in the Wholesale Electricity Market	
	<p>Ms Laidlaw noted that Mr Schubert, Mr Bowen, Western Power, Community Electricity and Synergy provided responses to RCP Support's request for further feedback on the 9 May 2018 MAC discussion paper "Treatment of Storage Facilities in the Wholesale Electricity Market".</p> <p>Ms Laidlaw noted that RCP Support has made some changes to the draft summary in response to the feedback received, including:</p> <ul style="list-style-type: none"> • addition of services that could be provided by a stand-alone storage facility, including inertia, droop response, voltage control, system restart and deferral of network expenditure; • inclusion of a question raised by Mr Cremin during the MAC discussion of the paper on what mechanisms could be used to avoid double counting of large-scale renewable energy certificates arising from the charging and discharging of a storage facility; and • extension of the question "What minimum run times and maximum recharge times would be sufficient to provide a viable Reserve Capacity service?" by appending "How would these align with the current fuel storage requirements for Scheduled Generators?". 	

Item	Subject	Action
	<p>Ms Laidlaw intended to meet with Western Power to clarify some points in its response before RCP Support provided a final version of the paper to the PUO. A copy of the final paper would also be sent to MAC members and observers, and Ms Laidlaw suggested that any further suggestions should be made directly to the PUO.</p> <p>Ms Laidlaw noted that much of the feedback received related to issues that would be considered during the next scheduled MAC discussion of behind-the-meter issues.</p> <p>Ms Stone asked how much time and effort RCP Support was spending on Issues List-related activities such as the preparation of the storage discussion paper. Ms Laidlaw replied that RCP Support spent very little time on these activities compared with its core function of assessing Rule Change Proposals. Ms Laidlaw noted that work on the storage paper was limited to raising questions as opposed to researching potential answers to those questions.</p>	

10(c) MAC Market Rules Issues List – Roles in the Market

Mr Richard Cheng noted that the PUO had confirmed that the WEM Reform Program was addressing 12 of the 20 issues that were raised by the MAC regarding roles and responsibilities under the Market Rules. The MAC agreed for the 12 items to be included in the Issues List as “on hold pending the outcomes of the WEM Reform Program”.

The MAC also agreed to defer discussion of the remaining 8 issues to a future MAC meeting.

11 General Business

Date of Next Meeting

After some discussion it was agreed that the next MAC meeting would be held on the scheduled date of Wednesday 11 July 2018. The Chair noted that he would be overseas on this date and so Ms Laidlaw would chair the meeting.

The meeting closed at 3:35 PM.