

Independent Market Operator

Market Advisory Committee

Minutes of Meeting No. 7

Location:	ERIU Conference Room Level 8, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date:	Wednesday 10 October 2007
Time:	Commencing at 2.00pm to 4.20pm

Attendees		
Anne Nolan	Chair, IMO	At 2.30 pm
Kristian Myhre	Alinta	
Robert Püllella	Economic Regulation Authority	
Arian Lowe	Economic Regulation Authority	
Dora Guzeleva	IMO	
Ryan Matzelle	IMO	Minutes
Matthew Martin	Office of Energy	Proxy for Jason Banks
David Lyne	Newmont	
Ky Cao	Perth Energy	
Jenny Conroy	Synergy	Proxy for Tony Perrin
Ken Brown	System Management	
Mark Lewis	Transalta	
Andrew Everett	Verve Energy	
Peter Mattner	Western Power	
Apologies		
Peter Huxtable	Water Corporation	
Tony Perrin	Synergy	
Jason Banks	Office of Energy	

Item	Subject	Action
1.	<p>WELCOME AND APOLOGIES/ATTENDANCE</p> <p>Noted apologies from Peter Huxtable, Tony Perrin and Jason Banks.</p> <p>The Chair opened the meeting and welcomed members to the seventh meeting of the Market Advisory Committee.</p>	
2.	<p>MINUTES OF LAST MAC MEETING</p> <p>The Minutes of MAC Meeting No. 6 held on 12 September 2007 were circulated prior to this meeting.</p> <p>Members adopted the Minutes of Meeting No. 6 as a true and correct record.</p>	
3.	<p>MARKET RULE CHANGES IN PROGRESS</p> <ul style="list-style-type: none"> <p>• INTERMITTENT GENERATOR RESOURCE PLAN EXEMPTION, RC_2007_10</p> <p>MAC members were invited to express their views on this proposed rule change, which was discussed at a previous MAC meeting.</p> <p>MAC supported the change. No member expressed concerns with the proposed rule change.</p> <p>• RELEASE OF STEM SUBMISSION INFORMATION, RC_2007_13</p> <p>MAC members were invited to express their views on this proposed rule change, which was discussed at a previous MAC meeting.</p> <p>Newmont questioned why the data was kept for 12 months. It was explained that this was so all existing participants and new participants had access to 12 months STEM submission information.</p> <p>MAC supported the change. No member expressed concerns with the rule change proposed.</p> <p>• AMENDMENT TO BUSINESS DAY CONVENTION, RC_2007_17</p> <p>MAC members were invited to express their views on this proposed rule change, which was discussed at a previous MAC meeting.</p> <p>Newmont expressed a preference that the definition in the glossary be amended instead and the new clause 9.1.5 be deleted.</p> <p>MAC supported the rule change proposal subject to the IMO amending it as proposed and recirculating the amendments to MAC for review.</p> <p>• RESERVE CAPACITY TESTING PAYMENTS, RC_2007_18</p> <p>MAC members were invited to express their views on this proposed rule change, which was discussed at a previous MAC meeting.</p> 	<p>IMO</p>

	<p>MAC supported the change. No member expressed concerns with the proposed rule change.</p> <ul style="list-style-type: none"> • NON TEMPERATURE DEPENDANT LOADS TIMELINES, RC_2007_19 <p>MAC members were invited to express their views on this proposed rule change, which was discussed at a previous MAC meeting.</p> <p>MAC supported the change. No member expressed concerns with the proposed rule change.</p> <p>Other issues relating to Non Temperature Dependant Loads will be discussed at the Working Group workshop on Thursday 11 October.</p> <ul style="list-style-type: none"> • CORRECTION OF REFERENCES AND MINOR DRAFTING ERRORS, RC_2007_20 <p>MAC members were invited to express their views on this proposed rule change.</p> <p>MAC supported the change. No member expressed concerns with the proposed rule change.</p>	
<p>4.</p>	<p>POTENTIAL MARKET RULE CHANGE PROPOSALS</p> <ul style="list-style-type: none"> • STEM NOTIFICATION OF PLANT AVAILABILITY <p>A proposal by Verve Energy to amend the rules to clarify that the data provided by System Management for settlement purposes should reflect the Planned Outage position before the STEM Submission has been circulated for consideration by MAC.</p> <p>System Management agreed with the proposal but was concerned about the need to resend outage data. System Management believes that it already sends the IMO the necessary data once and is concerned that resending it may create unnecessary risk for System Management. The IMO tabled an alternative proposal for changes to clause 4.12.6 that are expected to achieve the same result. This alternative proposal will require changes to the IMO's systems and the IMO will seek quotations for implementing the system changes.</p> <p>The IMO provided the draft change to the wording in the Rule Change proposal to Verve Energy. Verve Energy is to review and amend its proposal before submitting this as a formal Rule Change Proposal to the IMO.</p> <ul style="list-style-type: none"> • MAXIMUM RESERVE CAPACITY PRICE METHODOLOGY AND REVIEW <p>A proposal by the IMO to amend the rules to allow the outcomes of a review conducted under clauses 4.16.3 and 4.16.4 to be reflected when determining the Maximum Reserve Capacity Price has been circulated for consideration by MAC. The IMO has also requested MAC to consider whether this proposal should be Fast Tracked.</p>	<p>VERVE ENERGY</p>

	MAC's consideration.	
5.	<p>RESERVE CAPACITY PRICING</p> <p>Perth Energy has requested MAC to appoint a Working Group to review the Reserve Capacity pricing mechanism, in Market Rule 4.29.1, determining the final price of a Capacity Credit following IMO's confirmation of a surplus capacity situation.</p> <p>Perth Energy also indicated that the various ratios used in calculating IRCRs should also be re-examined.</p> <p>The IMO supported the working group being convened by a Market Participant. IMO will still be involved in and provide assistance to the working group.</p> <p>Perth Energy is to chair a MAC working group "IRCR Working Group" and will finalise its membership. It will also develop the Terms of Reference for the Working Group before its first meeting.</p>	PERTH ENERGY
6.	<p>OTHER BUSINESS</p> <p>MAC members were invited to express their views on a late change to the Rule Change Proposal titled Reserve Capacity Refund, RC_2007_08, which was circulated by the IMO before the meeting.</p> <p>This change was to address Alinta's concern that all refund multipliers should be equal to or greater than one. This would ensure that a generator with a forced outage will be exposed to refunds at least equal to the amount of Capacity Credits it is paid for the period of the forced outage, regardless of when the outage occurs.</p> <p>MAC expressed a concern that this Rule Change Proposal had been through a lengthy consultation process and agreed upon through a working group and that this new proposal amendment has come through at the last minute. Some MAC members did not consider that the change was "minor" but were concerned that it may impact significantly on their business.</p> <p>MAC agreed that the Rule Change Proposal should be implemented with its original drafting i.e. the additional change should not be incorporated.</p>	
7.	<p>NEXT MEETING</p> <p>The next meeting is scheduled for 14 November 2007.</p>	
8.	<p>CLOSED</p> <p>The Chair declared the meeting closed at 4.20 pm.</p>	