

## Minutes

<b>Meeting Title:</b>	Market Advisory Committee ( <b>MAC</b> )
<b>Date:</b>	11 June 2019
<b>Time:</b>	09:30 AM – 11:30 AM
<b>Location:</b>	Training Room No. 2, Albert Facey House 469 Wellington Street, Perth

<b>Attendees</b>	<b>Class</b>	<b>Comment</b>
Stephen Eliot	Chair	
Matthew Martin	Minister's Appointee – Small-Use Consumer Representative	
Martin Maticka	Australian Energy Market Operator ( <b>AEMO</b> )	
Teresa Smit	System Management	Proxy for Dean Sharafi
Julian Fairhall	Economic Regulation Authority ( <b>ERA</b> ) Observer	Proxy for Sara O'Connor
Andrew Everett	Synergy	
Margaret Pырchla	Network Operator	
Jacinda Papps	Market Generators	
Wendy Ng	Market Generators	
Daniel Kurz	Market Generators	
Andrew Stevens	Market Generators	From 10:15 AM
Patrick Peake	Market Customers	
Geoff Gaston	Market Customers	
Tim McLeod	Market Customers	
Chayan Gunendran	Market Customers	
Peter Huxtable	Contestable Customers	

<b>Apologies</b>	<b>Class</b>	<b>Comment</b>
Dean Sharafi	System Management	
Sara O'Connor	ERA Observer	

<b>Also in attendance</b>	<b>From</b>	<b>Comment</b>
Jenny Laidlaw	RCP Support	Minutes

Kate Ryan	Energy Transformation Implementation Unit (ETIU)	Presenter to 11:00 AM
Aden Barker	ETIU	Presenter to 10:55 AM
Matt Shahnazari	ERA	Presenter
Noel Schubert	ERA	Observer
John Lorenti	Synergy	Observer, to 10:55 AM
Dimitri Lorenzo	Bluewaters Power	Observer
Matthew Bowen	Jackson McDonald	Observer
Scott Davis	Australian Energy Council	Observer
Erin Stone	Point Economics	Observer
Kei Sukmadjaja	Western Power	Observer
Dean Frost	Western Power	Observer
Richard Cheng	RCP Support	Observer
Natalie Robins	RCP Support	Observer
Sandra Ng Wing Lit	RCP Support	Observer

Item	Subject	Action
1	<p><b>Welcome</b></p> <p>The Chair opened the meeting at 9:30 AM and welcomed members and observers to the 11 June 2019 MAC meeting.</p> <p>The Chair welcomed new MAC members Mr Tim McLeod and Mr Chayan Gunendran.</p> <p>The Chair noted his intention to reverse the order of agenda items 5 (MAC Market Rules Issues List) and 6 (Update on the Energy Reform Strategy), due to the dependence of the former on the latter.</p>	
2	<p><b>Meeting Apologies/Attendance</b></p> <p>The Chair noted the attendance as listed above.</p>	
3	<p><b>Minutes from Previous Meeting</b></p> <p>Draft minutes of the MAC meeting held on 30 April 2019 were circulated on 15 May 2019. The MAC accepted the minutes as a true and accurate record of the meeting.</p> <p><b>Action: RCP Support to publish the minutes of the 30 April 2019 MAC meeting on the Rule Change Panel's (Panel's) website as final.</b></p>	<b>RCP Support</b>

Item	Subject	Action
4	<b>Action Items</b>	
	There were no open action items, and the closed action items were taken as read.	
4(a)	<b>Action Item 4/2019 – Multiple generators on a single line forming the largest single contingency</b>	
	Ms Teresa Smit gave a presentation on the Spinning Reserve implications of multiple generators on a single transmission line. A copy of AEMO's presentation is available on the Panel's website.	
	The following points were discussed:	
	<ul style="list-style-type: none"> <li>• Mr Patrick Peake asked whether the problem was that the two new generators were 'feed in'; and if there was a break between the generators, whether there was enough line capacity for power to go the other way. Ms Smit replied that under the currently proposed configuration a line failure would cause the loss of both generators.</li> <li>• Mrs Jacinda Papps noted that Alinta's modelling indicated the likelihood of NewGen Neerabup and the two new generators running to full capacity at the same time was reasonably low. Ms Smit agreed, noting that AEMO's larger concern was having a high contingency from the two new generators at times when other generators' output levels were low.</li> <li>• Mrs Papps suggested that a similar situation already arose when the two Bluewaters generators were operating on a single line. Ms Smit noted that the Bluewaters scenario only occurred when lines were out of service, but the scenario under discussion would exist under system normal conditions.</li> <li>• In response to a question from Mr Julian Fairhall, Ms Smit confirmed that AEMO had accounted for the load that would also be lost in the event of a network fault on the transmission line.</li> <li>• Ms Smit agreed with Mrs Papps that the Spinning Reserve requirement would be highly variable given the transient nature of the wind farms' output. Ms Smit indicated that to carry the Spinning Reserve requirement for the two new generators would be feasible, but it would be very difficult to carry the Spinning Reserve requirement for the two new generators and NewGen Neerabup.</li> <li>• Mr Peake noted that the market was already incurring very high ancillary service costs, and he would not want any</li> </ul>	

Item	Subject	Action
	<p>additional Spinning Reserve costs to be automatically passed on to other customers and generators.</p>	
	<ul style="list-style-type: none"> <li>Mr Andrew Everett considered a more fundamental issue was that the determination of Spinning Reserve costs was incorrect and probably understating the cost of providing the service. This was because the modelling used to determine margin values (which in turn determine Spinning Reserve payments) assumed that Upwards LFAS providers were also providing Spinning Reserve.</li> </ul>	
	<p>However, neither NewGen Kwinana nor Alinta had Spinning Reserve contracts, so the margin value calculations were understating the level of Spinning Reserve provided by the Balancing Portfolio. Mr Everett considered that if there was going to be a need to call for more Spinning Reserve, the priority should be to ensure that the cost of Spinning Reserve provision is calculated correctly.</p>	
	<ul style="list-style-type: none"> <li>Ms Jenny Laidlaw noted that the Spinning Reserve cost allocation method assumes the largest single contingency is caused by the output of a single generator, consistent with clause 3.10.2 of the Market Rules. Ms Laidlaw noted that in the past (at least until about 2011) there appeared to be general agreement that clause 3.10.2 applied in all but emergency conditions; and that the Technical Rules required Western Power to configure the network in a way that ensured that level of Spinning Reserve was sufficient. However, this no longer appeared to be the case.</li> </ul>	
	<ul style="list-style-type: none"> <li>Mr Everett noted AEMO's proposal that the "directly impacted parties" prepare more detailed analysis of the issue for presentation at the next MAC meeting; and questioned who these parties were. Ms Smit replied that she expected AEMO would undertake the analysis work but would need to rely on information from Rule Participants. Mr Everett requested that Spinning Reserve providers be included in any discussions.</li> </ul>	
	<ul style="list-style-type: none"> <li>Mr Everett reiterated his concern that during times of low system demand there may not be enough plant on-line to provide the required levels of Spinning Reserve.</li> </ul>	
	<ul style="list-style-type: none"> <li>Mr Geoff Gaston supported Mr Peake's views, noting that in recent months Ancillary Service costs had reached \$5/MWh, compared to less than \$1/MWh in the National Electricity Market. Mr Gaston also suggested that because Intermittent Generators have no obligation to the deliver to the market, the market should have no obligation to take their generation or pay them constrained off compensation. Mr Gaston considered that constraining the relevant</li> </ul>	

Item	Subject	Action
	<p>Generator Interim Access (<b>GIA</b>) generators without constrained off compensation would be the lowest cost option in these scenarios.</p> <ul style="list-style-type: none"> <li data-bbox="320 398 1158 577">• There was some discussion about the nature of the physical connections of the new GIA generators, the timing and status of the Mid West Energy Project Southern Section Stage 2 project, and public perceptions about the reasons for increasing energy prices.</li> <li data-bbox="320 600 1158 891">• The Chair recalled that prior to the announcement of the Energy Transformation Strategy (<b>ETS</b>) the Public Utilities Office (<b>PUO</b>) intended to consider the issue as part of the WEM Reform Program. The Chair questioned whether the issue was now a PUO responsibility, an Energy Transformation Implementation Unit (<b>ETIU</b>) responsibility, or something that should be dealt with through the MAC and the creation of a Rule Change Proposal.</li> </ul> <p>Mr Aden Barker noted that while ETIU was dealing with some of the higher order philosophical issues, such as who should be subject to constraints in what circumstances, and whether they ought to receive any compensation when constrained, ETIU's formal scope did not include this specific issue.</p> <p>Ms Laidlaw noted that allowing the connection of multiple large generators on a single line was a material change, which was not made by the MAC or any specific Market Participant. Ms Laidlaw questioned who was responsible for considering the obvious implications of this change, such as how Spinning Reserve procurement and cost allocation were affected.</p> <p>Mr Barker noted that ETIU was working on the quantities of services such as Spinning Reserve that are likely to be required going forward and how they will be procured from the market. Mr Barker expected ancillary services would be the main subject of the next two Market Design and Operation Working Group (<b>MDOWG</b>) meetings, which were planned for late June and early July 2019.</p> <p>Ms Kate Ryan noted that the longer-term redesign of Spinning Reserve and other essential system services was part of ETIU's remit. Mr Everett acknowledged that this longer-term work was being undertaken but noted AEMO had an existing responsibility to model the SWIS and determine the margin values. Mr Everett questioned how the scenarios under discussion were going to be incorporated into the next margin values determination.</p>	

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	<ul style="list-style-type: none"> <li>Mr Peake questioned how the current situation had developed and whether participants with new generators were aware that they may be suddenly run back or asked to make large contributions to Spinning Reserve costs. Mr Martin Maticka noted there were two issues: whether Synergy was correctly compensated for its provision of Spinning Reserve, and the larger issue of how the costs of dealing with the scenarios under discussion would be allocated.</li> </ul> <p>Mr Gaston considered the issues could not wait until 2022 and needed to be addressed before the new generators came on-line. Mr Gaston suggested that allowing System Management to constrain the generators without compensation in the relevant circumstances should form part of the solution.</p>	
	<ul style="list-style-type: none"> <li>Ms Wendy Ng asked how frequently the generators were likely to cause the largest contingency. Ms Smit replied that although further modelling was needed AEMO expected this would happen more often than AEMO would like.</li> </ul>	
	<ul style="list-style-type: none"> <li>There was some discussion about whether a MAC workshop should be held to discuss potential solutions; and about who should take responsibility for the issue going forward. Mr Matthew Martin considered that having a workshop would help to formulate the options, after which a way forward could be determined. Mr Maticka suggested that a workshop may help to narrow the list of feasible short-term options.</li> </ul> <p>The Chair asked whether any other options existed apart from the three listed in slide 7 of the presentation. Ms Laidlaw noted that another option would be to constrain the two GIA generators down under their Network Control Service Contracts.</p>	
	<ul style="list-style-type: none"> <li>Mr Maticka questioned whether the potential network reinforcement work shown in slide 9 of the presentation could be completed before 2022. Mrs Papps considered that network reinforcement should not be removed from the list of options because Western Power was considering the project. After some discussion it was agreed that network reinforcement is not a solution to the problem in the short term, but should not be rejected as a longer-term solution.</li> </ul>	
	<ul style="list-style-type: none"> <li>There was some discussion about the four identified options and what the scope of a MAC workshop would be. Mr Peake asked, in respect of the first option (to modify the causer pays principles for Spinning Reserve costs), whether it would be physically possible to provide the high levels of</li> </ul>	

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	<p>Spinning Reserve contemplated. Ms Smit considered that System Management would be able to increase the Spinning Reserve levels in some periods but would still need to curtail generation in other periods. Mr Maticka considered that the criteria for curtailing generation in these situations would need to be specified.</p> <ul style="list-style-type: none"> <li>• Mr Gunendran asked whether the fourth option (to curtail GIA generators under their Network Control Service Contracts) would be the lowest cost option in the short term. Ms Laidlaw replied that while this would be the lowest cost option for other Market Participants, it may not be a palatable option for the relevant Market Generators, depending on the frequency of their curtailment.</li> <li>• Mrs Papps suggested that the next step should be for AEMO to undertake its additional modelling. Ms Smit noted that the modelling would take 1-2 months and might not provide the nuances of information required to select the best option. There was general agreement that while further modelling could provide an indication of how often the situation might occur, it was already clear that the situation will occur from time to time.</li> <li>• There was further discussion about what next steps should be taken. Mr Martin noted that the PUO did not currently have resources to develop a solution to the issue, given the recent transfer of resources to ETIU. Mr Barker noted that ETIU also had no available resources. Mr Maticka considered that the choice of option was a policy decision, and that AEMO could provide technical expertise but not policy direction or proposals.</li> <li>• The MAC agreed to wait on the results of AEMO's modelling to gain an understanding of the scale of the issue, and to discuss next steps at the next MAC meeting.</li> </ul>	AEMO
	<p><b>Action: AEMO to conduct further modelling to assess how often the connection of multiple generators on a single North Country line will increase the size of the largest contingency beyond the output of any single generator and report back to the MAC with the results.</b></p>	
5	<p><b>Update on the Network and Market Reform Program</b></p> <p>Ms Ryan provided an update on the ETS. 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"> <li>• In response to a question from Ms Ng, Ms Ryan confirmed that ETIU intended to have the necessary Market Rule</li> </ul>	

Item	Subject	Action
	<p>changes for the Foundation Regulatory Frameworks workstream published in the Gazette by mid-2020. The changes would not be progressed through the Rule Change Panel.</p>	
	<ul style="list-style-type: none"> <li>Mr Gunendran asked whether affordability was the primary objective of the reforms. Ms Ryan replied that all the objectives were important, and security and reliability were at times maybe more important than affordability.</li> </ul>	
	<p>Mr Gunendran asked whether the ERA would have a role in assessing the effects of the changes on affordability. Ms Ryan replied that this was not at present being contemplated. It was ETIU's job as a policy advisor to consider the costs and benefits of the reforms and recommend changes where the benefits outweighed the costs. Ms Ryan noted that a formal cost/benefit exercise would be undertaken for the Foundation Regulatory Frameworks changes, and the Whole of System Plan work was aimed at finding a least cost path forward for the SWIS.</p>	
	<ul style="list-style-type: none"> <li>In response to a question from Mr Andrew Stevens, Ms Ryan explained that Western Power had a fundamental role to play in both the development and implementation of the reforms; and had been included in the Program Implementation Coordination Group. There was some discussion about the need to balance competing network, security, reliability and market considerations in the Whole of System Plan and other ETS reforms.</li> </ul>	
	<ul style="list-style-type: none"> <li>Ms Ryan and Mr Barker confirmed that a constrained network access regime was scheduled to be implemented on 1 October 2022, at the same time as the new security constrained economic dispatch arrangements.</li> </ul>	
	<ul style="list-style-type: none"> <li>In response to a question from Ms Ng, Ms Ryan advised that ETIU intended to email stakeholders about ETS publications and events, so that stakeholders would not need to monitor the Treasury website for updates. The current administration arrangements for the MDOWG and Power System Operation Working Group (<b>PSOWG</b>) would continue.</li> </ul>	
	<p>ETIU intends to use monthly newsletters, which will be published on its website and emailed to ETIU's distribution list, to provide information on the other workstreams and whole-of-program information. Stakeholders could request to be added to the distribution list, which was based on the previous PUO distribution list, by sending a request to one of the email addresses listed in the slide pack.</p>	



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	<ul style="list-style-type: none"> <li data-bbox="320 271 1157 595">• Ms Ng requested an update on the adoption of constrained network access. Ms Ryan noted that the Minister and Mr Steve Edwell recently confirmed that constrained network access would be implemented. ETIU was working with the Minister and Western Power on implementation options for constrained network access. While recently there had been little public engagement on the matter, ETIU hoped to start re-engaging with stakeholders within the next two months.</li> <li data-bbox="320 622 1157 909">• In response to a question from Mr Everett, Mr Barker confirmed that Sapere would still be undertaking a cost-benefit analysis of the proposed market and network access reforms. ETIU also intended to provide quantitative analysis when it brought proposals to the MDOWG and PSOWG, although this analysis will not necessarily be complete at the time due to interactions with other aspects of the market design.</li> <li data-bbox="320 936 1157 1261">• Mr Martin noted that work on the Reserve Capacity Mechanism (<b>RCM</b>) pricing reforms has not been transferred to ETIU because it is nearly complete. The PUO's legal advisors have prepared a final draft of the amending rules and the PUO was working with AEMO on a few issues to make sure that the rules work as intended. The PUO hoped to hold a workshop within the next couple of weeks before the amendments are finalised and sent to the Minister to be made.</li> </ul>	
	<p data-bbox="373 1288 1157 1503">Mr Martin confirmed that the rule changes would not be made before 1 July 2019. Mr Maticka noted that AEMO was assuming the certification window for the 2019 Reserve Capacity Cycle would close on 1 July 2019 as scheduled. Mr Maticka recommended that Market Participants submit their certification applications as soon as possible.</p>	
	<p data-bbox="373 1529 1157 1632">In response to a question from Ms Laidlaw, Mr Martin advised that the PUO was currently in discussions about when the new pricing arrangements would come into effect.</p>	
	<ul style="list-style-type: none"> <li data-bbox="320 1659 1157 1874">• The Chair noted that the Terms of Reference for the MDOWG and PSOWG required changes to reflect the ETS and the transfer of responsibilities from the PUO to ETIU. The Chair offered to draft amendments to the two documents for consideration by ETIU, before circulating the drafts to the MAC for approval out of session.</li> </ul>	
	<p data-bbox="373 1901 1157 1957">Mr Barker noted that ETIU would chair the MDOWG in future while AEMO would continue to chair the PSOWG.</p>	

Item	Subject	Action
	<ul style="list-style-type: none"> <li>Mr Barker advised that ETIU planned to attend the PUO's RCM pricing reform workshop to discuss some additional changes to the Market Rules. Mr Barker had previously flagged the PUO's difficulties in obtaining the data needed for modelling to demonstrate the benefits of reform. ETIU was therefore proposing changes to the Market Rules to allow the Coordinator of Energy to access information from AEMO.</li> </ul>	
	<p>The intention at this stage was for that change to be linked specifically to the work of ETIU and the Energy Transformation Taskforce (<b>ETT</b>), including the Whole of System Planning and Distributed Energy Resources workstreams as well as the Foundation Regulatory Frameworks workstream. The powers would be limited to the duration of the ETT.</p>	
	<p>ETIU also proposed to implement an additional Market Rule to reinstate the Minister's temporary rule-making powers (which expired in 2018) for the duration of the ETT. This would allow the Minister to make rule changes more efficiently than by repealing and replacing the entire Market Rules.</p>	
	<p>ETIU also intends to remove the requirement for the Minister's amending rules to be published in the Gazette, to avoid some of the costs and risks associated with the current process.</p>	
	<ul style="list-style-type: none"> <li>Mr Barker noted that ancillary services would be the subject of the next two MDOWG meetings, which were planned for the end of June and the start of July 2019. The first meeting would consider the technical segmentation of the services, which is a function of the requirements of the system and the capability of individual generators, with an economic lens applied. The second meeting would focus on how the services would be acquired and how service costs would be allocated.</li> </ul>	
	<ul style="list-style-type: none"> <li>Mr Barker noted that ETIU would provide stakeholders with dates for the two MDOWG meetings by mid-week, along with dates for upcoming meetings and some of the specific topics to be covered in those meetings. ETIU planned to circulate papers to attendees five working days before each meeting; and intended that the meetings, along with any discussions that stakeholders want to have either before or after those meetings, would be ETIU's primary method of consultation on the reforms.</li> </ul>	
	<p>While ETIU would be open to follow-up discussions after MDOWG and PSOWG meetings, it expected that advice</p>	

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	<p>and recommendations would be taken to the ETT shortly after the MDOWG and PSOWG meetings. Following consideration by the ETT an information paper will be published explaining what has been decided and the rationale for the decision. The decisions should not be a surprise to anyone because the options will have been previously discussed at a working group meeting.</p>	
	<ul style="list-style-type: none"> <li>• Ms Ng noted the ETT could make a decision on an issue despite Market Participants expressing a different view at a working group meeting. Mr Barker replied that it will be incumbent on ETIU to ensure it faithfully represents the views of stakeholders and explains the reasons if it recommends a different option; and that different stakeholders may at times hold contending views.</li> <li>• Mr Barker noted that the next PSOWG meeting would be held before the end of June 2019 and would cover a range of matters including the technical rules change management processes, the regulatory framework for power system security and reliability standards, where the various standards will be located, and related issues of change management, monitoring and governance. The meeting would also cover the governance framework for the development of constraints information.</li> </ul>	
	<p>Most of these matters will be considered at an ETT meeting in July 2019, except for ancillary services.</p>	
	<ul style="list-style-type: none"> <li>• Mr Peake asked whether the working groups would be working to the ETS objectives or the Wholesale Market Objectives. Mr Barker replied that proposals needed to be consistent with both sets of objectives, and that ETIU would also consider the six guiding design principles that were presented at the first MDOWG meeting on 12 March 2019.</li> </ul>	
	<p><b>Action: RCP Support to consult with ETIU on changes to the Terms of Reference for the MDOWG and PSOWG to reflect the ETS and the transfer of responsibilities from the PUO to ETIU, and then circulate revised drafts to the MAC for out of session review and approval.</b></p>	<b>RCP Support</b>

**6 MAC Market Rules Issues List (Issues List)**

The Chair noted that 10 of the issues in table 4 (Issues on Hold) of the Issues List referred to the WEM Reform Program. After some discussion, the MAC agreed to leave the 10 issues (listed below) on hold until mid-2020, when the regulatory changes for the Foundation Regulatory Frameworks workstream were expected to have been made:

Item	Subject	Action
	<ul style="list-style-type: none"> <li>• issue 7 (Improved definition of the quantity of LFAS (a) required and (b) dispatched);</li> <li>• issue 10 (Review of participant and facility classes);</li> <li>• issue 11 (Whole of system planning oversight);</li> <li>• issue 12 (Review of institutional responsibilities in the Market Rules);</li> <li>• issue 18 (Spinning Reserve procurement process);</li> <li>• issue 19 (margin values evaluation process);</li> <li>• issue 28 (Appropriate rule changes to allow for battery storage);</li> <li>• issue 42 (Ancillary Services approvals process);</li> <li>• issue 53 (problems with the provisions relating to generator models implemented by the Minister on 30 June 2017); and</li> <li>• issue 54 (Review of Protected Provisions in the market Rules).</li> </ul>	
	<p>The MAC agreed with the Chair's suggestion that issues 27 and 54 should be merged because both relate to a review of Protected Provisions.</p>	
	<p>The Chair sought the views of MAC members on what preliminary urgency rating should be assigned to issue 55 (conflict between the current and proposed Relevant Level Methodology and the early and conditional certification of new Intermittent Generators). The MAC agreed with Mr Maticka's suggestion that a Low urgency rating be assigned to the issue.</p>	
<b>7</b>	<b>AEMO Procedure Change Working Group (APCWG) Update</b>	
	<p>Mr Maticka noted that AEMO received no submissions on the Procedure Change Proposals relating to the Power System Operation Procedure: Dispatch and the changes resulting from Rule Change Proposal RC_2014_06: Removal of Resource Plans and Dispatchable Loads. The submission periods for the Procedure Change Proposals closed on 6 June 2019.</p>	
	<p>Mr Maticka also noted that AEMO intended to publish several Procedure Change Reports during June 2019.</p>	
	<p>The MAC noted the update on AEMO's Market Procedures.</p>	
<b>8(a)</b>	<b>Overview of Rule Change Proposals</b>	
	<p>The Chair noted that RCP Support held a drafting review workshop on 10 June 2019 for Rule Change Proposal RC_2013_15: Outage Planning Phase 2 – Outage Process Refinements. The Chair thanked meeting attendees for their</p>	

Item	Subject	Action
	<p>input and noted the second submission period for RC_2013_15 closes on 28 June 2019.</p> <p>Mr Martin advised that on 10 June 2019 the Minister approved the Amending Rules for Rule Change Proposal RC_2015_01: Removal of Market Operation Market Procedures.</p> <p>The Chair noted that RCP Support proposed to hold a workshop in late June 2019 to discuss Rule Change Proposal RC_2017_02: Implementation of 30-Minute Balancing Gate Closure. The Chair asked MAC members whether they were happy with this timing given the other workshops and meetings scheduled for late June and early July. MAC members raised no concerns about the scheduling of the proposed workshop in late June 2019.</p>	
	<p>The Chair also noted that:</p> <ul style="list-style-type: none"> <li>• the Amending Rules for Rule Change Proposal RC_2017_06: Reduction of the prudential exposure in the Reserve Capacity Mechanism commenced on 1 June 2019;</li> <li>• the Panel had sought clarification from Enel X on its Rule Change Proposal submitted on 29 April 2019 regarding changes to the Relevant Demand calculation; and was waiting on Enel X's response before deciding whether to progress that Rule Change Proposal; and</li> <li>• Amending Rules for three Rule Change Proposals (RC_2014_06: Removal of Resource Plans and Dispatchable Loads, RC_2014_07: Omnibus Rule Change, and RC_2018_07: Removal of constrained off compensation for Outages of network equipment) were due to commence on 1 July 2019.</li> </ul>	
	<p>The MAC noted the overview of Rule Change Proposals.</p>	
<b>9</b>	<p><b>Relevant Level Method – Rule Change Proposal Presentation to the MAC</b></p>	
	<p>Dr Matt Shahnazari provided an update to the MAC on the ERA's work to develop a Rule Change Proposal for changes to the Relevant Level Methodology. A copy of the ERA's presentation is available in the meeting papers.</p>	
<b>10</b>	<p><b>General Business</b></p>	
	<p><u>Annual Stakeholder Satisfaction Survey</u></p>	
	<p>The Chair noted that the Panel will be conducting its annual stakeholder satisfaction survey between 28 June 2019 and 15 July 2019. The anonymous online survey will contain eight questions and include fields to allow stakeholders to provide</p>	

Item	Subject	Action
	<p>additional comments. The results of the survey will be reported in the Panel's Activities Report for the 2018/19 Financial Year.</p> <p>The Chair encouraged all stakeholders to participate in the survey.</p>	
	<p><u>Reserve Capacity Testing Issues</u></p>	
	<p>The Chair noted that Mr Peake had raised several issues around Reserve Capacity Testing for discussion by the MAC and potential inclusion in the Issues List. RCP Support circulated the list of issues to MAC members on 5 June 2019.</p> <p>Due to a lack of time the MAC agreed to defer discussion of the issues until the next MAC meeting.</p>	
	<p><u>Reserve Capacity Certification Issues</u></p>	
	<p>Ms Ng noted that certification for the 2022/23 Capacity Year (the first Capacity Year under the new constrained network access regime) was scheduled to occur in 2020. Ms Ng requested that the agenda for the next MAC meeting include a discussion of the certification process and information requirements for that Reserve Capacity Cycle.</p>	
	<p>Ms Ng suggested the discussion should also consider whether the current certification requirements were still appropriate for future Reserve Capacity Cycles. As an example, Ms Ng questioned whether the current requirement for some generators to maintain fuel for 14 hours onsite was still appropriate.</p>	
	<p>Mr Stevens suggested that the 2020 Reserve Capacity Cycle timeframes should be extended well in advance if there was not going to be enough information available within the default timeframes. This would reduce uncertainty and prevent last minute extensions of the certification timeframes.</p>	
	<p>Mr Peake noted that extending the timeframes for certification and the assignment of Capacity Credits was hard for retailers because of the uncertainty it created regarding Reserve Capacity Prices. Mr Stevens considered that delays were difficult for all Market Participants, but worse if the timeframes were extended at the last minute.</p>	
	<p>There was some discussion whether the RCM pricing reforms would apply for the 2019 Reserve Capacity Cycle. Mr Maticka recommended that Market Participants ensure their applications for certification were submitted by the 1 July 2019 deadline.</p>	
	<p><b>Action: RCP Support to include a discussion of the issues raised by Perth Energy regarding Reserve Capacity Testing on the agenda for the 30 July 2019 MAC meeting.</b></p>	<p><b>RCP Support</b></p>

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<b>Item</b>	<b>Subject</b>	<b>Action</b>
	<b>Action: RCP Support to include a discussion about certification timeframes, requirements and processes for the 2020 Reserve Capacity Cycle on the agenda for the 30 July 2019 MAC meeting.</b>	<b>RCP Support</b>

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**The meeting closed at 11:30 AM.**