

Minutes

Meeting Title:	Market Advisory Committee (MAC)
Date:	26 November 2019
Time:	9:30 AM – 11:35 AM
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	
Sara O'Connor	Economic Regulation Authority (ERA) Observer	
Andrew Everett	Synergy	
Shane Duryea	Network Operator	Proxy for Margaret Pyrchla
William Street	Market Generators	Proxy for Jacinda Papps
Wendy Ng	Market Generators	
Daniel Kurz	Market Generators	
Patrick Peake	Market Customers	
Geoff Gaston	Market Customers	
Tim McLeod	Market Customers	
Chayan Gunendran	Market Customers	
Peter Huxtable	Contestable Customers	

Apologies	Class	Comment
Margaret Pyrchla	Network Operator	
Jacinda Papps	Market Generators	
Andrew Stevens	Market Generators	

Also in Attendance	From	Comment
Aden Barker	Energy Transformation Implementation Unit (ETIU)	Presenter to 10:55 AM
Jenny Laidlaw	RCP Support	Minutes
Noel Schubert	ERA	Observer
Kei Sukmadjaja	Western Power	Observer
Nicole Markham	AEMO	Observer
Dimitri Lorenzo	Bluewaters Power	Observer
Jo-Anne Chan	Synergy	Observer
Erin Stone		Observer
Ian Porter	Sustainable Energy Now	Observer
Laura Koziol	RCP Support	Observer
Natalie Robins	RCP Support	Observer
Sandra Ng Wing Lit	RCP Support	Observer

Item	Subject	Action
1	Welcome The Chair opened the meeting at 9:30 AM and welcomed members and observers to the 26 November 2019 MAC meeting.	
2	Meeting Apologies/Attendance The Chair noted the attendance as listed above.	
3(a)	Minutes of Meeting 2019_10_15 Draft minutes of the MAC meeting held on 15 October 2019 were circulated on 29 October 2019. The MAC accepted the minutes as a true and accurate record of the meeting. Action: RCP Support to publish the minutes of the 15 October 2019 MAC meeting on the Rule Change Panel's (Panel's) website as final.	RCP Support
3(b)	Minutes of Workshop 2019_10_18 re RC_2017_02 Draft minutes of the MAC workshop held on 18 October 2019 to discuss Rule Change Proposal: Implementation of 30-Minute Balancing Gate Closure (RC_2017_02) were circulated on 1 November 2019. The Chair noted that a revised draft showing suggested tracked changes on page 9 was distributed in the meeting papers. Subject to these changes, the MAC accepted the minutes as a true and accurate record of the workshop.	

Item	Subject	Action
	Action: RCP Support to publish the minutes of the 18 October 2019 MAC workshop on Rule Change Proposal: Implementation of 30-Minute Balancing Gate Closure (RC_2017_02) on the Panel's website as final.	RCP Support
3(c)	Minutes of Workshop 2019_10_25 re RC_2014_03	
	Draft minutes of the MAC workshop held on 25 October 2019 to discuss Rule Change Proposal: Administrative Improvements to the Outage Process (RC_2014_03) were circulated on 11 November 2019. The MAC accepted the minutes as a true and accurate record of the workshop.	
	Action: RCP Support to publish the minutes of the 25 October 2019 MAC workshop on Rule Change Proposal: Administrative Improvements to the Outage Process (RC_2014_03) on the Panel's website as final.	RCP Support
4	Action Items	
	The closed action items were taken as read.	
	Action 19/2019: Ms Sara O'Connor was uncertain whether the conflict between the Relevant Level Methodology and the early and conditional certification of Intermittent Generators would be addressed by the ERA's Rule Change Proposal or by the Minister as part of changes to the allocation of Capacity Credits to support constrained network access. The ERA intended to hold a workshop with ETIU and AEMO to discuss the proposed changes and report back to the MAC once a decision was reached.	
	Action 22/2019: The Chair noted that this action item would be discussed under agenda item 8(b).	
5	MAC Market Rules Issues List (Issues List) Update	
	The MAC noted the recent updates to the Issues List.	
	The MAC conducted its annual review of the Issues List and agreed to the following actions:	
	<ul style="list-style-type: none"> • Issue 31 (LFAS Report): Close the issue, based on advice from Mr Andrew Everett that AEMO no longer requires Synergy to provide it with the relevant information. • Issue 45 (Transfer of responsibility for setting document retention requirements) and Issue 46 (Transfer of responsibility for setting confidentiality statuses): Ms O'Connor agreed to raise the issues within the ERA and report back to the MAC on whether the ERA considered it should take on these functions. 	

Item	Subject	Action
	<ul style="list-style-type: none"> Issue 53 (TES Recalculation): Close the issue following the submission of Rule Change Proposal: Administrative Improvements to Settlement (RC_2019_04). Remove “Review of roles in the market” from the list of preliminary reviews in Table 3. Update the notes for the preliminary review “The Reserve Capacity Mechanism (excluding the pricing mechanism)” to clarify that the preliminary discussion should address outstanding customer-side issues. Issue 22 (Prepayments and Credit Limits): Keep the issue on hold pending the completion of AEMO’s Reduction of Prudential Exposure 2 project (scheduled for Q2 in 2020). Issue 27/54 (Review of Protected Provisions): Mr Matthew Martin agreed to work with RCP Support to develop principles for identifying which rules should be Protected Provisions. Issue 50 (Minimum STEM Price): Close the issue following the submission of Rule Change Proposal: Amending the Minimum STEM Price definition and determination (RC_2019_05). Issue 53 (Provisions relating to generator models): Mr Dean Sharafi agreed to provide an update to the MAC on the arrangements for generator performance models proposed by the Foundation Regulatory Frameworks work stream. 	
	<p>Action: The ERA to advise the MAC on whether the ERA considered it should be assigned responsibility under the Market Rules for setting document retention requirements and confidentiality statuses.</p>	ERA
	<p>Action: RCP Support and Energy Policy WA (EPWA) to develop principles for identifying which rules should be Protected Provisions for presentation and discussion by the MAC.</p>	RCP Support/ EPWA
	<p>Action: AEMO to provide an update to the MAC on the arrangements for generator performance models proposed by the Foundation Regulatory Frameworks work stream.</p>	AEMO
6	<p>Update on the Energy Transformation Strategy (ETS)</p> <p>Mr Aden Barker provided the following updates on the ETS.</p> <ul style="list-style-type: none"> ETIU was nearing completion of its one-on-one meetings on the Capacity Credits rights proposal, and intended to submit a detailed design to the Energy Transformation Taskforce (Taskforce) for approval in late January 2020. ETIU 	

Item	Subject	Action
	intended to provide an update on the Capacity Credits rights proposal at the 17 December 2019 meeting of the Transformation Design and Operation Working Group.	
	<ul style="list-style-type: none"> The Taskforce was on track for submission of the Distributed Energy Resources (DER) Roadmap to the Minister in December 2019, following extensive consultation that included one-on-one meetings and workshops. The public release of the Assumptions and Methodology for the Whole of System Plan (WOSP) was scheduled for early December 2019. Mr Barker expected that an update on initial findings of the modelling would be provided to the MAC in the first quarter of 2020. Nine papers had been released to date for the Delivering the Future Power System work stream, with two further papers due for release. 	
	The first paper was an information paper confirming previous discussions and decisions on frequency operating standards and the treatment of islands. ETIU intended to implement these decisions in the Market Rules in the New Year.	
	The second paper was a more detailed information paper on Technical Rules change management. The paper would be accompanied by draft amendments to the Market Rules and Electricity Network Access Code 2004 (Access Code), for stakeholder comment prior to the formal Ministerial consultation period on the Access Code changes sometime in the New Year.	
	<ul style="list-style-type: none"> ETIU intended to hold a workshop on 11 December 2019 to review the draft Amending Rules for the governance framework for constraint equations. ETIU planned to release the draft Amending Rules and an explanatory memorandum in early December for formal consultation until the end of January 2020. The Taskforce was meeting just before Christmas to consider decisions on Essential System Services (ESS) Scheduling and Dispatch, along with various market settlement matters including the implementation of five-minute settlement, uplift payments and ESS settlement. ETIU expected that the associated information papers would be published during the following week. 	
	The following points were discussed:	
	<ul style="list-style-type: none"> In response to a question from Mr Chayan Gunendran, Mr Barker advised that there will be an element of locationality in the initial allocation of Capacity Credits, in 	

Item	Subject	Action
	that it will be based on modelling that takes network constraints into account.	
	<ul style="list-style-type: none"> <li data-bbox="320 360 1158 577">• Mr Gunendran noted that from a customer’s viewpoint 55 percent of costs were network-related, and asked whether the Taskforce would be considering whole of system cost and not just focus on generation costs. Mr Barker replied that this was being considered across all work streams. <li data-bbox="320 600 1158 779">• Mr Ian Porter asked whether the submissions to the Minister for the DER Roadmap and the WOSP would be made public. Mr Barker replied that the Taskforce would follow the usual processes for advice to the Minister, and that ultimately the WOSP would be what the Minister approved. <li data-bbox="320 801 1158 1019">• In response to a question from Mr Porter, Mr Barker explained that modelling for the WOSP had already commenced, and that the intent was to publish the WOSP assumptions and methodology, except for those assumptions that cannot be disclosed because they are confidential. <li data-bbox="320 1041 1158 1406">• In response to a question from Mr Patrick Peake, Mr Barker confirmed that work on the new dispatch engine was running to schedule, although the timeframes continued to be extremely tight. Mr Barker noted that ETIU was seeking to include as much detail as possible in the information papers, and to issue draft rule packages as early as possible. However, Mr Barker warned that to remain on track for a 1 October 2022 implementation, the consultation periods for the draft rule packages might be shorter than ideal. <li data-bbox="320 1429 1158 1720">• Mr Daniel Kurz noted that Market Participants would need as much time as possible to build their systems. Mr Barker replied that he was keen to meet with Market Participants to discuss their timing issues; and noted that extending the consultation periods for either high-level principles or rule drafting would delay the provision of a complete market design that Market Participants could use for their system development. <li data-bbox="320 1742 1158 1957">• Mr William Street asked when a set of constraint equations that could be used for the purposes of a market trial would become available. Mr Sharafi replied that Western Power would provide limit equations to AEMO, and AEMO would use the limit equations to develop the required constraint equations. AEMO was in the process of recruiting staff to 	

Item	Subject	Action
	<p>undertake the work, which would begin once the recruitment process was complete.</p> <p>Mr Barker noted that constraint equations were also required for the purposes of Capacity Credit allocation, although they might not be exactly the same as those that will be used for dispatch. Market Participants would be able to seek more information about the constraint equations used for Capacity Credit allocation from the ETIU staff working on the Capacity Credit rights proposal.</p>	
	<ul style="list-style-type: none"> Mr Geoff Gaston asked what checks and balances would exist for the limit advice provided by Western Power and the constraint equations developed by AEMO. Mr Barker provided a brief summary of the arrangements proposed in the recent information paper on constraints governance; and noted that ETIU was considering how it might audit or provide some due diligence around the initial set of constraint equations. 	
7	AEMO Procedure Change Working Group (APCWG) Update	
	<p>Mr Sharafi noted that the next meeting of the APCWG was scheduled for 12 December 2019 and would deal with changes to the Power System Operation Procedure: Facility Outages arising from Rule Change Proposal: Outage Planning Phase 2 – Outage Process Refinements (RC_2013_15).</p> <p>The MAC noted the update on AEMO’s Market Procedures.</p>	
8(a)	Overview of Rule Change Proposals	
	<p>The MAC noted the overview of Rule Change Proposals (Overview).</p> <p>The Chair noted a new table in the Overview, which listed the expected activities of the Panel until the next MAC meeting. The MAC agreed that RCP Support should continue to provide this table in the Overview.</p>	
8(b)	North Country Spinning Reserve Issue	
	<p><u>Update on North Country Connection Arrangements</u></p> <p>The Chair noted that during the last few MAC presentations on the North Country Spinning Reserve issue there was some confusion about when NewGen Neerabup and the new Generator Interim Access (GIA) generators (Yandin and Warradarge) will form a single contingency. RCP Support met with Western Power after the last MAC meeting to seek clarity on the question.</p>	

Item	Subject	Action
	<p>Ms Jenny Laidlaw gave an overview of the relevant North Country connection arrangements. Ms Laidlaw noted that Neerabup Terminal was usually connected to the 132 kV network by a 132 kV transformer. NewGen Neerabup would only be part of the same contingency as Yandin and Warradarge when the connection to the 132 kV network was not in operation. This could occur if:</p>	
	<ul style="list-style-type: none"> • the 132 kV transformer was out of service due to a Planned or Forced Outage; • the connection needed to be open to comply with network limits created by an outage of another item of network equipment; or • the connection needed to be open under certain rare, extreme peak conditions to avoid overloading the 132 kV network. 	
	<p>The following points were discussed:</p>	
	<ul style="list-style-type: none"> • Ms Laidlaw noted that AEMO raised a question about the Capacity Credit implications of the Spinning Reserve issue at the 15 October 2019 MAC meeting. RCP Support's understanding was that the allocation of Capacity Credits would only be affected if the generators could not run concurrently during the peak demand periods contemplated by the Reserve Capacity Mechanism. • Mr Street questioned how often the 132 kV transformer was out of service, and how likely it would be for the transformer to be subject to an outage at the time of a one-in-ten year peak demand event. Ms Wendy Ng noted that events of this type had never affected the operation of NewGen Neerabup. Ms Laidlaw clarified that the Capacity Credit-related concerns only applied to situations where all the relevant network equipment was available for service, but the 132 kV connection needed to be open to avoid overloading the 132 kV network. • After some discussion, Mr Shane Duryea and Mr Noel Schubert agreed that opening the connection between Neerabup Terminal and the 132 kV network to avoid overloading the latter during a peak load period would not constitute an outage. • Ms Laidlaw questioned whether, in a scenario where demand was at a one-in-ten year peak level and all network equipment was available for service, all of the relevant generators with Capacity Credits (including NewGen Neerabup, Yandin, Warradarge, Pinjar, Emu Downs and all other North Country Intermittent Generators) could generate 	

Item	Subject	Action
	<p>to their Capacity Credit level without creating a security issue; and if so whether this would require opening the connection between Neerabup Terminal and the 132 kV network.</p> <p>Mr Martin Maticka offered to investigate the question in consultation with Western Power and report back to the MAC with the answer. Ms Laidlaw noted that the issue had potential implications for the ETS Capacity Credit rights proposal.</p>	
	<p><u>RCP Support update and rules interpretation</u></p>	
	<p>The Chair noted that RCP Support had attended the following meetings on the North Country Spinning Reserve issue since the 15 October 2019 MAC meeting:</p>	
	<ul style="list-style-type: none"> • A meeting on 31 October 2019 with Western Power to discuss the network configuration in the North Country. During this meeting, Western Power indicated that although other examples existed of generators sharing a single line contingency under system normal conditions, none of these were likely to form the largest single contingency in the SWIS. • A meeting on 13 November 2019, organised by AEMO and attended by AEMO, RCP Support, Western Power, Bright Energy, Alinta and ERM Power, where AEMO provided a briefing on some operational matters, and held a discussion on the potential Rule Change Proposals. At this meeting, RCP Support raised some questions about Western Power's obligations under clause 2.2.1(d) of the Technical Rules, and the impact of these on the Spinning Reserve issue. • A meeting on 19 November 2019, organised by AEMO and attended by AEMO, RCP Support and EPWA, to discuss some open design questions relating to the proposed rule changes. At this meeting, RCP Support reiterated its questions about the impact of clause 2.2.1(d) of the Technical Rules. • A meeting on 25 October 2019 with Western Power to discuss Western Power's interpretation of clause 2.2.1(d). 	
	<p>The Chair noted that at the 31 October 2019 and 13 November 2019 meetings, AEMO and Western Power advised that AEMO will provide Western Power with a maximum contingency MW size number in real time, and Western Power will use the GIA tool to ensure that Yandin and Warradarge do not generate at a level that causes a single contingency exceeding this size. RCP Support reviewed the relevant</p>	

Item	Subject	Action
	<p>Technical Rules and Market Rules, and based on its interpretation had asked how Western Power interprets its obligations.</p> <p>The Chair advised that RCP Support’s interpretation was that if Yandin and Warradarge are connected as proposed, the new connections will be compliant with the Technical Rules if Western Power ensures that their combined output, plus NewGen Neerabup’s output when it is part of the same contingency, does not exceed the standard for Spinning Reserve prescribed in clause 3.10.2 of the Market Rules. Clause 2.2.1(d) of the Technical Rules appeared to place this obligation on Western Power, irrespective of whether AEMO can support a higher Spinning Reserve requirement.</p> <p>The Chair considered that the requirement in the Technical Rules appeared to exist not just to support power system security, but also to avoid excessive Spinning Reserve costs which would eventually be borne by consumers. The ERA added this clause to the initial Technical Rules, which the Chair considered supported the view that it existed to avoid inefficient levels of Spinning Reserve.</p> <p>The Chair suggested that the Market Rules were drafted on the assumption that the requirement in clause 2.2.1(d) of the Technical is met. For example, the full runway Spinning Reserve cost allocation method appeared to be based on this assumption, as was the allowance for the maximum capacity of the largest generating unit (rather than the largest contingency) in the Planning Criterion.</p> <p>The Chair was unaware of any cost-benefit analysis to justify removal of the obligation in clause 2.2.1(d) of the Technical Rules, or to increase the Spinning Reserve standard in clause 3.10.2 of the Market Rules.</p> <p>The Chair noted that Western Power and AEMO appeared to be proposing an arrangement that would allow Western Power to continue to meet its obligations under clause 2.2.1(d) by taking the maximum contingency number provided by AEMO and using the GIA tool to ensure the new wind farms do not create a single contingency that exceeded this size.</p> <p>However, it appeared that AEMO intended to supply Western Power with the size of the largest contingency it was expecting, except where it could not enable enough Spinning Reserve to support a contingency of that size, in which case it would provide the size of the contingency that it could support. RCP Support was not clear how this would ensure that Western Power continued to comply with the Technical Rules.</p>	

Item	Subject	Action
	<p>The Chair considered that if RCP Support’s interpretation was correct and Western Power constrained the output of Yandin and Warradarge to ensure its compliance with the Technical Rules, then any Rule Change Proposal would likely need to focus on whether increasing the Spinning Reserve standard in clause 3.10.2 to accommodate the new generators would better achieve the Wholesale Market Objectives; and if so, what consequential changes should be made to other features in the Market Rules, such as the Spinning Reserve cost allocation rules, and what transitional arrangements might be needed.</p> <p>The Chair considered that the issue was fairly urgent because AEMO’s margin value submission for the 2020/21 financial year was due in four days, with the ERA’s final decision due by 31 March 2020.</p> <p>Mr Duryea considered it was fairly disappointing that RCP Support had taken what he considered was a very bureaucratic interpretation of the Technical Rules. Mr Duryea considered that in the worst case this interpretation would prevent the connection of renewable energy to the network, or the connection of renewable generators that were bigger than the largest coal-fired generator.</p> <p>Ms Laidlaw noted that a Rule Change Proposal could be used to increase the Spinning Reserve standard if it was inefficiently low (e.g. if the energy savings arising from an increase in the standard outweighed the likely increase in Spinning Reserve costs).</p> <p>The Chair considered that the alternative interpretation was that there was no limit on Spinning Reserve, which could result in greatly increased costs for consumers. Mr Everett added that it may not always be possible to meet a materially increased Spinning Reserve requirement, particularly in times of very low system demand.</p> <p>Mr Duryea questioned the way forward on the issue. Mr Barker considered the issue would be largely resolved by the new market arrangements, so the question was what the impact of the issue would be over the intervening period. Noting there had been no cost-benefit analysis, Mr Barker questioned whether it would be beneficial to the market as a whole to have a higher Spinning Reserve requirement (given that it might only need to be in place for a certain period) versus curtailing zero marginal cost energy. Accepting the current agreement that had been worked out in terms of the interpretation of the rules, it remained an open question as to what the actual impact of that was on the market as a whole.</p>	

Item	Subject	Action
	<p>Mr Schubert suggested that modelling be undertaken to determine the most efficient outcome. Mr Schubert noted that the preliminary indication from the recent margin values modelling was that the benefit of the lower-cost energy would be much greater than the increase in Spinning Reserve costs.</p> <p>Mr Porter suggested that storage should be used to reduce Spinning Reserve costs. Mr Duryea considered that the immediate problem related to the period before the implementation of new market arrangements that would facilitate the introduction of new technologies such as storage.</p> <p>Mr Barker considered that the new market would incentivise investment in new technologies like storage if it was appropriate. Mr Barker reiterated that the focus was on the next 18 months, noting that a cost-benefit analysis would need to be conducted with some rigour. If warranted by the cost-benefit analysis, the rule changes would then need to be developed and made, which could potentially involve the use of the Minister's rule making powers for the purposes of expediency.</p> <p>Mr Street asked who should undertake the cost-benefit analysis. Mr Barker questioned who was in the best position to undertake the analysis (i.e. who had access to the necessary data). Mr Schubert suggested that the margin values model developed by EY could be applicable to a cost-benefit analysis. Ms O'Connor did not consider herself in a position to comment on EY's modelling until AEMO made its margin values submission to the ERA.</p> <p>Mr Maticka indicated that the margin values model was very complex, and while AEMO could investigate its use for a cost-benefit analysis the work would be difficult, incur additional costs, and could easily take until February 2020 or longer. Mr Maticka also noted that the model was developed for a specific purpose and questioned whether it was the best model to use for the cost-benefit analysis.</p> <p>Mr Street advised that based on Alinta's preliminary calculations the value of lost energy would be about four or five times the likely increase in Spinning Reserve costs, with a likely net benefit in the order of \$10 million per year.</p> <p>There was some discussion about whether using a dynamic tool to determine the optimal level of Spinning Reserve in real time would eliminate the need for any more general limits on the Spinning Reserve requirement. Ms Laidlaw suggested that while the tool might select the most efficient option from those available at the time, if those options were restricted by network infrastructure limitations the outcome could still be inefficient.</p>	

Item	Subject	Action
	<p>Mr Street noted that if the 132 kV transformer was in operation, the new wind farms would create a maximum contingency of 390 MW, which was only 60 MW greater than the size of the largest generator. Mr Sharafi noted that the largest single contingency at night was currently much less than 330 MW.</p>	
	<p>Ms Laidlaw considered that given Mr Street's comments it might be in Alinta's interest to submit a Rule Change Proposal to increase the standard. There was some discussion about what should be included in such a Rule Change Proposal. The Chair suggested that a Rule Change Proposal would need to address changes to the Spinning Reserve standard, the Spinning Reserve cost allocation methodology and any transitional requirements.</p>	
	<p>Mr Sharafi advised that AEMO still proposed to develop a Rule Change Proposal to implement AEMO's Options 2(a) and 2(b), if the MAC wanted these options to proceed. Mr Maticka noted that Options 2(a) and 2(b) did not include changes to increase the Spinning Reserve standard. There was further discussion about the Spinning Reserve standard and Western Power's obligations under clause 2.2.1(d) of the Technical Rules.</p>	
	<p>Mr Peake asked whether, if a causer-pays approach was applied to the new wind farms, both would be treated equally or whether the additional costs would be allocated to the second generator connected.</p>	
	<p>Mr Barker asked whether the MAC's request to AEMO to develop a Rule Change Proposal included changes to increase the Spinning Reserve standard. Mr Maticka expressed concern about the time and effort needed for a cost-benefit analysis to support a change to the standard.</p>	
	<p>Ms Laidlaw suggested that AEMO might not be obliged to undertake a full cost-benefit analysis since the Panel would probably need to carry out its own independent analysis of the changes.</p>	
	<p>Mr Maticka advised that AEMO would need to consider whether it was able to extend the Rule Change Proposal to include a change to the Spinning Reserve standard, and would report back to the MAC as soon as possible. The Chair noted that this would allow other interested parties, such as Alinta or Bright Energy, to decide whether they wished to develop a Rule Change Proposal if AEMO could not.</p>	
	<p>Mr Daniel Kurz expressed sympathy for the generators affected by the Spinning Reserve issue, noting the significant impact on Bluewaters of the five-year delay of reforms to the Spinning Reserve cost allocation method.</p>	

Item	Subject	Action
	<p>Action: AEMO, in consultation with Western Power, to investigate and report back to the MAC on whether, in a scenario where demand was at a one-in-ten year peak level and all network equipment was available for service, all generators with Capacity Credits (including NewGen Neerabup, Yandin, Warradarge, Pinjar, Emu Downs and all other North Country Intermittent Generators) could generate to their Capacity Credit level without creating a security issue; and if so whether this would require opening the connection between Neerabup Terminal and the 132 kV network.</p>	AEMO
	<p>Action: AEMO to advise the MAC on whether it could include changes to the Spinning Reserve standard to accommodate the output of Yandin and Warradarge in a Rule Change Proposal to implement AEMO's Options 2(a) and 2(b).</p>	AEMO
8(c)	<p>Market Participant Fee calculation manifest error</p> <p>The Chair noted that AEMO had identified what it considered to be a manifest error in the calculation of Market Participant Fees under clause 9.13.1 of the Market Rules. The clause as drafted required AEMO to pay Market Participant Fees to Market Customers for Loads instead of charging them.</p> <p>In response to a question from Mr Peter Huxtable, Mr Maticka confirmed that AEMO was compliant with the intent of the rules and charged the fee to Market Customers.</p> <p>The MAC agreed that the problem was a manifest error in the Market Rules. The MAC asked the Panel to develop a Rule Change Proposal to correct the error and progress it as quickly as possible under the Fast Track Rule Change Process, provided this did not adversely affect the progression of other high-urgency Rule Change Proposals.</p>	
8(d)	<p>Data and IT Procedure Options</p> <p>Mr Maticka gave a presentation on potential changes to clause 2.36.5 of the Market Rules, which requires AEMO to document the data and IT interface requirements, including security standards required for Market Participants to operate in the Wholesale Electricity Market (WEM), in the relevant procedure to which the system pertains. A copy of AEMO's presentation is available in the meeting papers.</p> <p>The following points were discussed:</p> <ul style="list-style-type: none"> • Mr Maticka questioned whether Market Participants obtained any value from the current Market Procedure: Data 	

Item	Subject	Action
	<p>and IT Interface Requirements. Mr Kurz considered that if the procedure's upkeep costs were low it should be retained, as it provided a point of reference for Market Participants and was useful to justify their IT capital expenditure.</p> <p>Mr Kurz agreed with Mr Maticka that an obligation to repeat the relevant information in each Market Procedure was not warranted.</p> <ul style="list-style-type: none"> • Ms Laidlaw suggested that a single Market Procedure could be useful if it contained basic information such as a high level overview of AEMO's WEM systems, a summary of the available IT documentation and where to find it, details of the change management process used for IT documentation not contained in Market Procedures, and details of the processes used to manage system outages and software upgrades. • The MAC agreed that AEMO should maintain a single Market Procedure with updated content of value to Market Participants (option 1 in AEMO's presentation). Mr Maticka asked Ms Laidlaw to send him her suggestions for the content of the Market Procedure. Ms Laidlaw agreed and proposed to seek additional suggestions from MAC members. • The MAC expressed general support for AEMO to develop a Rule Change Proposal to implement the preferred option 1. 	
	<p>Action: RCP Support to prepare a list of suggested topics for inclusion in a Market Procedure to replace the Market Procedure: Data and IT Interface Requirements, and to circulate the list to the MAC for comment and additional suggestions.</p>	RCP Support
9	General Business	
	<p><u>MAC Call for Nominations 2020</u></p> <p>The Chair noted that the Panel would shortly publish a call for nominations to fill four positions that will be vacated early in 2020. The members whose appointments were ending were Market Generator representatives Andrew Stevens and Daniel Kurz, and Market Customer representatives Tim McLeod and Chayan Gunendran. The Chair thanked these members for their contribution to the MAC and invited them to re-nominate for their positions.</p>	

Item	Subject	Action
	<u>Issues receiving emails from RCP Support</u>	
	<p>The Chair noted that a few MAC members appeared to have had some issues with receiving emails from RCP Support, and asked members to notify RCP Support of any further issues they experience.</p> <p>In response to a question from Mr Peake, attendees expressed no concerns about visible email addresses in MAC communications issued by RCP Support.</p>	

The meeting closed at 11:35 AM.