

Minutes of Meeting No. 1

Location:	ERIU Conference Room Level 8, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date:	Wednesday 28 February 2007
Time:	Commencing at 2.00pm to 3.30pm

Attendees		
Anne Nolan	Chair, IMO	
Jason Banks	Office of Energy	Left the meeting at 2.45 pm
Ken Brown	System Management	
Ky Cao	Perth Energy	
Ignatius Chin	Economic Regulation Authority	Observer
Andrew Everett	Verve Energy	
Dora Guzeleva	IMO	
Peter Huxtable	Water Corporation	
Mark Lewis	Transalta	
David Lyne	Newmont	Via telephone. Left the meeting at 2.45 pm
Tony Perrin	Synergy Energy	
Stan Reid	Alinta	
Magnus Stensson	IMO	Minutes

Apologies		
Phil Southwell	Western Power	

Item	Subject	Action
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1. WELCOME AND APOLOGIES/ATTENDANCE

Noted apologies from Phil Southwell.

The Chair opened the meeting and welcomed members to the inaugural meeting. The Chair thanked the members for agreeing to participate. The Constitution of MAC was noted by MAC.

2. THE RULE AND PROCEDURE CHANGE PROCESS

An overview of the Rule and Procedure change processes and MAC's involvement in these processes was circulated in the agenda papers for consideration by members.

The Committee noted the processes, subject to minor amendments. A question arose if MAC should be involved in the preliminary discussion rather than the MAC Working Groups as shown in the overview. It was agreed that the reference to Working Groups in the Rule Change overview should be removed from the chart. MAC can request that Working Groups assist with the analysis if required. MAC input to the IMO is required prior to it publishing its Draft Rule Change Report. A new version of the process map will be circulated.

Magnus

The Committee discussed the definition of significant changes to be considered by MAC, in relation to Fast Track changes and other changes which will be brought forward to MAC for consideration. It was agreed that experience will help define "significance". It was, however, noted that the Market Rules provide guidance on potential Fast Track changes. It was suggested that initially "significant" Market Rule changes are likely to be broadly defined.

The Committee acknowledged that MAC is not a decision making body, but a forum to offer views on changes to the IMO.

It was agreed that MAC will follow the outlined processes for 6 months. Thereafter, based on the experience gained during this time, the Committee will be able to review MAC's procedures and processes with respect to its involvement in the Rule and Procedure change process.

3. PRE MARKET RULE CHANGE DISCUSSIONS

An outline of a process where Rule Participants, including the IMO, discuss proposed changes before submitting a formal change proposal was circulated with the agenda papers for consideration by members.

The Committee supported the process of a Market Participant having informal discussions with the IMO, or with other Participants, before submitting a formal rule change proposal. In particular, Market Participants endorsed discussing potential rule changes with the IMO prior to making a formal rule change submission. It was considered that this would facilitate the efficient development of change proposals which would further advance the achievement of the Market Objectives and enable consolidation of rule changes for administrative ease.

3. cont. The IMO acknowledged that its role in these early discussions was to clarify issues and potentially develop proposals rather than prejudge the merits of Market Rule changes. Market Participants agreed that there were potential advantages in discussing potential rule changes with the Participants early in the process. It was also agreed that Committee members may bring items to MAC for preliminary discussions during regular MAC meetings. It was agreed that Market Participants would decide whether or not to discuss potential rule changes at MAC meetings.

It was also acknowledged that, at any stage, anyone was able under the Market Rules to submit a rule change.

To facilitate a transparent and open market rules process it was agreed that the MAC agenda and all papers would be included on the IMO website (minutes under the constitution of MAC are to be published on the IMO website).

4. MAC WORKING GROUPS AND MEMBERS

A proposal for MAC to establish three Working Groups, including suggested members and Terms of Reference was circulated with the agenda papers for consideration, discussion and approval by members. The Committee noted the proposal and discussed issues around it.

The Committee approved the concept of MAC establishing the three Working Groups.

The Committee discussed the composition of the three groups. Transalta wished to be included in the Reserve Capacity Refund Mechanism Group and removed from the System Management Procedure Change and Development Group, while System Management requested additional members in the Reserve Capacity Refund Mechanism Group and System Management Procedure Change and Development Group.

Concerns were raised regarding the short timelines defined for the Reserve Capacity Refund Mechanism Group, given the scope outlined in the Terms of Reference. It was agreed that the Terms of Reference should focus on the specific Market Rules to be examined by this Group, in order to clarify the scope of work for the Working Group. It was also agreed to include a requirement in the Group's Terms of Reference to refer any other issues the group encounters during its operation back to MAC for consideration.

Magnus

The Committee agreed to provide nominated members of the working groups to the IMO before C.O.B 1 March. Amended Terms of Reference and the nominated members will be circulated to all members.

Magnus

5. OTHER MATTERS

The Committee reiterated that all MAC papers, and MAC Working Group papers submitted to the MAC, shall be publicly available on the IMO web site.

Magnus

Alinta informed of a proposed rule change regarding compensation arrangements for intermittent generators when System Management requests them to decrease their output (see attached handout).

6. NEXT MEETING

It was agreed that monthly meetings would be scheduled on the last Wednesday of the month. A schedule of meeting dates for 2007 will be circulated.

Magnus

The next meeting will be Wednesday 28 March, 2-4 pm. Venue: ERIU Conference Room.

7. CLOSED

The Chair declared the meeting closed at 3.30 pm.
