

Independent Market Operator
Energy Price Limits Working Group

Minutes – 31st January 2008

Meeting No.	2
Location:	IMO Boardroom Level 22, The Forrest Centre, 221 St Georges Terrace, Perth
Date:	Thursday 31 st January 2008
Time:	Commencing at 10.00am to 11.30am (WDST)

Members		
Dora Guzeleva	IMO (Chair)	
Kristian Myhre	Alinta Ltd.	Arrived at 10:15 am
Shane Cremin	Griffin Energy	Arrived at 10:15 am
Andrew Sutherland	Transalta	
Andrew Everett	Verve Energy	
Robert Pullella	ERA	
Paul McCarthy	Synergy	
Steve Gould	Landfill Gas & Power	
Brendan Clarke	System Management	Proxy for Phil Kelloway
Chin Koay	IMO	
Harry Street	IMO	

Item	Subject	Action
1.	<p>WELCOME AND APOLOGIES / ATTENDANCE</p> <p>The Chair opened the meeting and welcomed members.</p>	Chair
2.	<p>PRE MARKET RULE CHANGE DISCUSSION PAPER</p> <p>Heat Rate</p> <p>The Working Group agreed that the use of the heat rate at the relevant minimum capacity was acceptable and that the proposed amendment to Market Rule 6.20.7(b)iii should be put forward at the next MAC meeting.</p> <p>Startup Cost</p> <p>The Working Group noted that the startup costs' initial inclusion in the Variable O&M costs in the 2004 determination of the Maximum STEM Price and Alternative Maximum STEM Price was not explicitly provided for under the Market Rules. The Working Group agreed that the proposed amendments to clause 6.20.7(b)ii were acceptable and did not preclude the inclusion of other related costs in the future. The proposed amendments were to be put forward at the next MAC meeting.</p> <p>Maximum Shutdown Price</p> <p>The Working Group agreed that the shut down price should be removed from the Market Rules as participants have the ability to fully recover their costs through their bidding behaviour in the STEM and when instructed by System Management to shutdown. The Working Group agreed that relevant clauses should be deleted from the Market Rules.</p> <p>Commitment Cost Compensation</p> <p>Commitment costs for scheduled generators are covered by the inclusion of startup costs in the Price Limits. However, this is based on certain assumptions regarding average running times. It was discussed that the potential for System Management to call on a generator to startup for only one or two intervals would be unlikely and does not normally occur in the SWIS. The Working Group agreed that without substantial historical data, the minimum amount of time for a generator to run once called upon could not be determined. It was also suggested that a minimum amount of time to run may be restrictive as System Management should not be restricted by the Market Rules regarding its management of the system. It was also noted that a once off payment for being called upon to generate may also be examined once sufficient historical data becomes available. The Working Group recommended that the IMO is to again consider the commitment compensation costs during the 2008 Energy Price Limits Review.</p>	<p>IMO</p> <p>IMO</p> <p>IMO</p> <p>IMO</p>

Item	Subject	Action
3.	CLOSE The Chair declared the meeting closed at 11:00am and thanked all members for their participation as this would expectedly be the last Energy Price Limits Working Group meeting associated with the 2007 Energy Price Limits Review.	Chair
