



## Minutes

<b>Meeting Title:</b>	Market Advisory Committee (MAC)
<b>Date:</b>	16 March 2023
<b>Time:</b>	9:30am –11:39am
<b>Location:</b>	Energy Policy WA and Microsoft Teams

<b>Attendees</b>	<b>Class</b>	<b>Comment</b>
Sally McMahon	Chair	
Dean Sharafi	Australian Energy Market Operator (AEMO)	
Martin Maticka	AEMO	
Zahra Jabiri	Network Operator	
Genevieve Teo	Synergy	
Noel Schubert	Small-Use Consumer Representative	
Christopher Alexander	Small-Use Consumer Representative	
Geoff Gaston	Market Customer	
Timothy Edwards	Market Generator	
Jacinda Papps	Market Generator	Until 10:35am
Adam Stephen	Market Generator	
Paul Arias	Market Generator	
Peter Huxtable	Contestable Customer	
Noel Ryan	Observer appointed by the Minister	
Rajat Sarawat	Observer appointed by the Economic Regulation Authority (ERA)	

<b>Also in Attendance</b>	<b>From</b>	<b>Comment</b>
Dora Guzeleva	MAC Secretariat	Observer
Laura Koziol	MAC Secretariat	Observer
Shelley Worthington	MAC Secretariat	Observer
Tim Robinson	Robinson Bowmaker Paul ( <b>RBP</b> )	Presenter

<b>Apologies</b>	<b>From</b>	<b>Comment</b>
Patrick Peake	Perth Energy	

Item	Subject	Action
1	<p><b>Welcome</b></p> <p>The Chair opened the meeting at 9:30am with an Acknowledgement of Country.</p> <p>The Chair advised that in her role as AEMC Commissioner, she was asked to sit on the Grattan Institute Energy Reference Group. She noted that this is not a decision making group, but a reference group to test the Grattan Institute’s work program and contribution to the public policy debate in relation to energy.</p> <p>The Chair noted that:</p> <ul style="list-style-type: none"> <li>• MAC members are to participate in the interests of the stakeholder group they represent; and</li> <li>• The MAC must relate its advice to the objectives of the Wholesale Energy Market (WEM).</li> </ul>	
2	<p><b>Meeting Apologies/Attendance</b></p> <p>The Chair noted the attendance and apologies as listed above and that Mrs Papps had advised that she would need to leave the meeting early.</p>	
3	<p><b>Minutes of Meeting 2022_12_13</b></p> <p>The MAC accepted the minutes of the 2 February 2023 meeting as a true and accurate record of the meeting.</p> <p><b>Action: The MAC Secretariat to publish the minutes of the 2 February 2023 MAC meeting on the Coordinator’s Website as final.</b></p>	<p><b>MAC Secretariat</b></p>
4	<p><b>Action Items</b></p> <p><u>Action Item 4/2023</u></p> <p>Mr Sharafi confirmed that Yandin Wind Farm and Badgingarra Wind Farm had been constrained on 30 January 2023.</p> <p>In response to a question from Mr Arias, Ms Guzeleva clarified that:</p> <ul style="list-style-type: none"> <li>• intermittent generators are assigned CRC on the basis of what they could have generated without a curtailment; and</li> <li>• from the 2023 Reserve Capacity Cycle the Network Access Quantity regime will limit a Facility’s Capacity Credits if AEMO’s modelling under the WEM Rules indicates that the Facility will be subject to network constraints during future system peak periods.</li> </ul> <p><u>Action Item 5/2023</u></p> <p>Mr Sharafi noted that AEMO had activated and dispatched supplementary reserve capacity (SRC) on 30 January and 20 February 2023. Mr Sharafi noted that:</p> <ul style="list-style-type: none"> <li>• one facility had been unable to provide the contracted service. A reduction of the SRC contract quantity and refunds have been</li> </ul>	

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applied for that service. As a result AEMO has a total of 73 MW of SRC remaining available or dispatch;

- some facilities responded well but the response was difficult to quantify because of data issues;
- some facilities had difficulties in responding because of the high temperature during the events;
- the notice period of nine hours for some facilities is problematic for AEMO, because the need to dispatch SRC is difficult to predict nine hours ahead and the manual nature of the dispatch process makes a recall cumbersome for AEMO;
- the variations between contracts, in terms of value, was difficult for AEMO to operationalise in the control room; and
- it was the first time AEMO dispatched a commercialised virtual power plant.

In regard to the procurement of SRC, Mr Sharafi noted that

- finalising the contracts for some of the SRC services had been difficult because the relevant facilities needed to connect to different parts of the network, which resulted in an inefficient use of time for AEMO and Western Power; and
- the greatest impediment in the process was the short procurement timeframe.

Mr Sharafi noted that he would raise a possible requirement for SRC for next summer under Agenda Item 9 (General Business).

In response to a question from Mr Arias, Mr Sharafi clarified that during the two events AEMO dispatched not all, but most of, SRC.

Ms Guzeleva noted that EPWA recently published a Consultation Paper on the SRC procurement process. EPWA will submit Amending Rules to the Minister soon. Ms Guzeleva noted:

- the issue of the nine hour notice period for some SRC services has been addressed in the proposed improvements in the Consultation Paper;
- EPWA will commence stage 2 of the SRC Review, which will assess SRC performance including the issues outlined by Mr Sharafi.
- Ms Jabiri noted that Western Power was looking forward to see how the process for procuring SRC can be improved.

**5 Market Development Forward Work Program**

The paper was taken as read.

**6 Update on Working Groups**

**(a) AEMO Procedure Change Working Group (APCWG)**

Mr Maticka noted that the consultation on Procedure Change Proposal AEPC\_2022\_02 has closed. AEMO is now assessing the feedback

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	received and will provide a further update to the MAC when the procedure commences.	

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## **(b) RCM Review Working Group (RCMRWG) Update**

The papers, including the presentation, for agenda item 6(b) were taken as read.

The Chair noted that MAC members are being asked to

- note the minutes from the RCMRWG meetings on 15 December 2022, 1 February and 16 February 2023;
- note the update from the RCMRWG meeting on 1 February, 16 February and 2 March 2023;
- endorse the proposed approach to:
  - the treatment of Demand Side Programmes (DSPs) in the Reserve Capacity Mechanism;
  - the determination of the Individual Reserve Capacity Requirement (IRCR) for the peak capacity product;
  - the determination of the IRCR for the flexible capacity product;
  - the implementation of a penalty for high emissions technologies; and
  - addressing the duration gap.

Ms Guzeleva noted that at the last MAC meeting members:

- indicated that they are comfortable with the proposed approach for determining the capacity value for the fleet of intermittent generators; and
- requested further analysis on the proposed approach for allocating the fleet value to individual intermittent generators.

Ms Guzeleva noted that the requested analysis had been undertaken and that the RCMRWG supports the proposed approach for allocating Certified Reserve Capacity to individual intermittent generators.

Ms Guzeleva advised the MAC that:

- this was the last time that the certification of intermittent generators would be discussed with the MAC;
- the next steps are to publish an Information Paper and a Consultation Paper as soon as practicable;
- a draft of the Consultation Paper is planned to be discussed at the 20 April MAC meeting; and
- the intent is to complete the actual RCM Review by the middle of this year, noting that some very important proposals resulting from the review must be implemented.

Mr Robinson presented the proposals and a summary of the related RCMRWG discussion. The following was discussed:

### DSPs

Mr Robinson noted that the proposal was to use two methods for assigning Certified Reserve Capacity (CRC) to DSPs:

- Method 1: Basing the CRC on historic load – this method would be appropriate for DSPs for which the associated loads

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don't change from year to year and for which past consumption is a good predictor for future consumption;

- Method 2: Having the DSP proponent nominate CRC, accompanied by evidence that sufficient load is associated with the DSP – this method would be appropriate for DSPs aggregating smaller loads that change over the year and for which past consumption is not a good predictor for future consumption.

Mr Robinson noted that the proposed methods for assigning CRC to DSPs work with either static or dynamic baseline. However, a few changes to testing and refunds would be needed if a dynamic baseline was implemented (see slides 8 and 9).

Mr Robinson noted the RCMRWG's two main concerns were:

- that if DSP proponent can just nominate their CRC, this could attract providers that are not genuine (e.g. nominate 100 MW but fail to associate the required loads); and
- the potential cost for AEMO to apply two different certification methods.

Mr Robinson noted that the RCMRWG also raised more general concerns about DSPs and demand side participation, which are out of scope for the RCM Review but should be covered through the Demand Response Review, which would be discussed under agenda item eight.

Mr Robinson noted that:

- DSP providers that are not genuine should be deterred by the requirement to provide capacity security that will be forfeited in addition to any Reserve Capacity Refunds if they fail to associate the required loads; and
- the two methods are similar enough to avoid excessive cost.

In response to a question from Mr Alexander, Mr Robinson clarified that so far there had been no issues with non-genuine DSP providers. However, if an issue would occur, it would represent a risk to system reliability.

- Mr Edwards raised a concern about introducing a dynamic baseline. His experience with DSP providers that operated in jurisdictions using dynamic baselines indicated that dynamic baselines may incentivise providers to increase consumption before the dispatch time. This would result in perverse outcomes for the market and system reliability.

Mr Robinson clarified that:

- from the start of the new market, DSP providers will have to provide AEMO with the expected consumption of their associated loads;
- the dynamic baseline should be based on consumption during historical days and not the intervals leading up to the dispatch; and
- a static baseline is problematic for AEMO because it does not reflect the actual load reduction that AEMO will receive during a dispatch.

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- Mr Huxtable expressed his preference for a static baseline and noted that AEMO could be provided with better visibility of the actual reduction through telemetry such as SCADA feeds.
  - Mr Huxtable considered that loads are paying for consumption during system peak and this should be reflected in their baseline no matter what the actual load reduction was when dispatched outside of system peak.

Ms Guzeleva noted that the proposed treatment of DSPs in the Reserve Capacity Mechanism will be consulted on in the Consultation Paper.

- Ms Teo asked if it would be assessed how DSP participation could be incentivised over IRCR reduction, noting that AEMO can better rely on DSPs than IRCR reduction.

Mr Robinson noted that this question had been discussed extensively with the RCMRWG and that the main reasons why participants may prioritise IRCR reduction over participating as a DSP are that:

- the current static baseline disincentivises to provide load reduction through a DSP; and
- the Non-Temperature Dependent Load (NTDL) multipliers applied to the IRCR further increase the benefit of IRCR reduction against the capacity payments a DSP can receive.

Ms Guzeleva added that to reduce IRCR, consumers needed to target load reduction during 12 intervals while DSPs can be dispatched for up to 200 intervals. Ms Guzeleva noted that stakeholders capable of registering a DSP indicated that this incentivises reducing the IRCR over registering as a DSP.

- Mr Arias noted he was not convinced that signing up DSPs provided more benefit than loads reacting to the IRCR.
- Mrs Papps noted that she was not convinced that the changes to the treatment of DSPs provide enough benefit to warrant delaying other more complex reforms that are needed to be implemented by AEMO.
- Mr Arias agreed with Mrs Papps and considered that the outcome of the recent SRC procurement process indicated that there are not many loads willing to participate as DSPs.

Ms Guzeleva noted that the SRC procurement process was undertaken over a very short period of time making it difficult for aggregators to participate. Therefore SRC did not provide a good indication for the DSP capacity that could be secured.

- Mr Schubert considered that there are hundreds of MW of useful potential DSP capacity in the SWIS that could be attracted if the right incentives were provided.

Ms Guzeleva noted that there was an open Rule Change Proposal that would require addressing the treatment of DSPs.

The Chair noted that the MAC was asked to endorse the proposed changes to the treatment of DSPs for further consultation.

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- Mr Huxtable endorsed publishing the proposal for consultation.
  - Mr Schubert considered that if an operator of an industrial load incurred costs to increase the loads capability to reduce consumption compared to its historical consumption, the load should be certified for the additional capability.

In response to a question from Mr Schubert, Ms Guzeleva clarified that individual participants would not be allowed to choose between a static and dynamic baseline as that would increase implementation costs.

- Mr Gaston questioned why Reserve Capacity Refunds are paid to generators and not to customers if customers have paid for the capacity. Mr Gaston noted that this should be revisited at some point.
- Mr Stephen questioned the need to require DSPs to provide capacity security that can be drawn on in addition to the refund of capacity payments.

Mr Robinson noted the rationale for including the reserve capacity security was to disincentive non-genuine DSPs. This is because losing the capacity payments is not a sufficient threat for DSPs. Unlike a generation Facility, a DSP's business case does not rely on capacity payments and it requires less capital investment to participate.

In response to a question from the Chair, Ms Guzeleva noted that the current rules are already different for generators and DSPs and that Generators have to schedule outages with AEMO. EPWA had discussed the issue of penalties with potential DSP providers and they understand the need for financial consequences for non-performance.

Ms Guzeleva noted that if a DSP does not respond this poses a risk to system reliability. However, the proposed approach will be further consulted on.

The Chair noted that the MAC endorsed the proposed treatment of DSPs for further consultation noting that assessing the issues that have been raised and identified will be part of the consultation process. Mr Peake had provided his endorsement via email prior to the meeting.

### IRCR

Mr Robinson presented the proposed method for selecting the intervals to determine the IRCR (slide 15).

In response to questions from Mr Stephen and Mr Edwards, Mr Robinson clarified that, for the purpose of determining the IRCR intervals, any demand reduction through dispatch of SRC or DSPs will have to be added back to the demand.

- All MAC members except for Mr Edwards supported the proposal.
- Mrs Papps and Mr Peake had provided their support via email.
- Mr Edwards expressed concerns that the proposal could select IRCR intervals from as little as three days and he considered that days where SRC is dispatched could not be included in the IRCR intervals.

Item	Subject	Action
	<ul style="list-style-type: none"> <li>Mr Schubert considered that it should be investigated how the IRCR response from customers may shift the IRCR intervals.</li> </ul> <p>Ms Guzeleva considered that shifting the peak would achieve the objective of the IRCR.</p> <p><u>CRC for intermittent generation</u></p> <p>Mr Robinson presented the analysis of the proposed method for allocating CRC to intermittent generators. Mr Robinson noted that the analysis indicated that the proposed method:</p> <ul style="list-style-type: none"> <li>provides no obvious distortions;</li> <li>it less volatile than the delta method; and</li> <li>result in the year to year changes are influenced by both the fleet ELCC and Facility performance.</li> </ul> <p>Ms Guzeleva summarised Mrs Papps' comments which had been provided via email noting that Mrs Papps:</p> <ul style="list-style-type: none"> <li>broadly supported the proposal; and</li> <li>considered that the proposed method should be implemented as soon as possible to address the increasing issues with the current Relevant Level Methodology. The implementation should not be held up by the increasing list of reforms being implemented under this review.</li> </ul> <p>Ms Guzeleva noted that the capacity value of the fleet of intermittent generators is the basis for the allocation of CRC to individual intermittent generators and will change from year to year.</p> <p>Ms Guzeleva emphasized that the CRC values presented on slide 29 are just an illustration of how the proposed allocation method works.</p> <p>The Chair noted that MAC members endorsed the proposed method for assigning CRC to intermittent generators to be included as a decision in the information paper.</p> <p><u>Penalties on high emission technologies</u></p> <p>Mr Robinson presented a summary of the RCMRWG discussion about the implementation of a penalty for high emission technologies, the resulting final proposal and the outcomes of the relevant analysis.</p> <p>The proposal is to apply emission thresholds for Facilities seeking to be certified in the RCM, as follows:</p> <ul style="list-style-type: none"> <li>for new Facilities: an emission rate threshold of 0.55 tCO<sub>2</sub>e/MWh for the emissions per MWh produced and a quantity threshold of 1,000 tCO<sub>2</sub>e/MW for annual emissions per MW; and</li> <li>for existing Facilities: a quantity threshold of 4,000 tCO<sub>2</sub>e/MW for annual emissions per MW that will be decreased by</li> </ul>	

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500 tCO<sub>2</sub>e/MW each year until the threshold equals the threshold for new Facilities.

Mr Robinson noted that the thresholds and proposed commencement dates had been updated since the circulation of the papers.

Mr Robinson noted that the proposal would allow for new efficient gas Facilities to enter the market and receive CRC if they operate as peaking plants. Mr Robinson noted that the commencement of the penalty is still subject to change.

Mr Robinson noted that the analysis presented was based on the assumption that participant behaviour does not change. Further modelling is underway to assess how Facilities would likely be dispatched if the proposed regime was implemented.

- Mr Sharafi noted AEMO's concerns that the proposed thresholds could impact power system security and reliability, if the frequency of its dispatch could affect a Facility's eligibility to receive Capacity Credits.
- Mr Sharafi considered that more modelling was required to assess the impact on system security and reliability. Mr Sharafi considered that the objective should be to deter inefficient Facilities from entering the market but should allow the needed flexible Facilities to receive Capacity Credits.

In response to a question from the Chair, Ms Guzeleva noted that the Minister had confirmed that the proposed option is consistent with the intent of the policy to target high emission technologies. Ms Guzeleva noted that the proposal should be considered in the context of the other reforms proposed under the RCM Review which included a flexible capacity product to attract the needed flexible Facilities.

The Chair asked if analysis had been undertaken that identified the Facilities expected to enter the market if high emission Facilities are excluded.

Ms Guzeleva clarified that AEMO must acquire sufficient Capacity Credits each year to meet the Reserve Capacity Requirement. The Facilities providing the Capacity Credits would have to meet the new emission thresholds and the introduction of the flexible capacity product would ensure sufficient flexible capacity is provided.

Ms Guzeleva noted that any modelling would show that the needed capacity to replace retiring high emission Facilities would be provided by storage and renewable generation. This is because new coal plants would not be able to receive Capacity Credits and gas Facilities will only be able to receive Capacity Credits if they are dispatched for no more than 20% of the intervals in a year.

Ms Guzeleva noted that the current proposal was to apply the penalty from the 2028 Reserve Capacity Cycle so it would affect Capacity Credits for the 2030 Capacity Year.

- Ms Jabiri considered that the penalty regime should allow for the exemption of Facilities to avoid risk to system security and reliability.

Ms Guzeleva noted that the proposal would be subject to consultation. Ms Guzeleva noted that EPWA was not going to recommend to the

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Minister to implement a proposal that would compromise system reliability.

Ms Guzeleva noted that the advantage of the proposed option is that it provides certainty about when the need for Capacity Credits from low emission Facilities to meet the Reserve Capacity Requirement emerges, which would support system reliability.

- Mr Alexander noted that the Expert Consumer Panel supported the proposal as it is important to embed emission reduction objectives in the WEM Rules. Mr Alexander would be concerned if new fossil fuel generation is allowed into the WEM.
- Mr Alexander noted that other measures should be taken to support system reliability such as incentivising demand response and energy efficiency.

In response to a question from Ms Teo, Mr Robinson clarified that for the modelling it was not assumed that any new gas fired Facilities would enter the WEM.

Ms Guzeleva noted that Mrs Papps had provided comments via email that would be included in the minutes. The comments were as follows:

*“While we support the proposal for the scheme to constitute a threshold for participation. We continue to maintain our opposition expressed in the RCMWG that a quantity threshold should not be applied to either new entrants or existing plant, echoing the comments made and supported by numerous RCMWG members that this would:*

- *create an unacceptable risk to investors and existing plant noting that they could be forced to retire an otherwise relatively low emissions plant where they were simply required to run more often to support reliability than anticipated;*
- *favour smaller, higher more expensive equipment that won't run often, increasing costs and total emissions;*
- *contradict incentives to be available; and*
- *not deliver any benefits in addition to the intensity threshold.*

*We continue to note the need for these thresholds to consider what the capacity mix could feasibly be. Our view, consistent with Grattan and ERA's modelling is that flexible gas Facilities with offsets will be required, especially noting the extreme costs and reliability risks highlighted by ERA of going decarbonising the last 20% of emissions and the lack of hydro opportunity in WA.*

*We note the strong requirements already dissuading high emissions investment, including the WA EPA guideline which is planned to be implemented in July 2023 and would require new Facilities to make “deep and substantial emissions reductions this decade and achievement of net zero emissions no later than 2050 along a linear trajectory (at a minimum) from 2030”.*

Ms Guzeleva noted that, in her email, Mrs Papps recommended:

- if a threshold is applied to existing Facilities, it should be based on emissions rate threshold and not a quantity threshold;

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- the threshold requires further consultation as part of the consultation paper.

Ms Guzeleva noted that the penalty for high emission technologies would be subject to further consultation. However, for existing Facilities a quantity threshold must be applied because these Facilities cannot change their inherent emissions rate threshold and, therefore, this would not provide them with an incentive to reduce emissions.

The Chair read Mr Peake's comments provided via email prior to the meeting.

- Mr Peak endorsed the proposal outlined on slide 40. However, Mr Peake did not endorse the proposed implementation dates because he considered that:
  - more modelling is required on the resulting requirements for new generation; and
  - substantial new capacity will be required over the next few years and it is questionable whether this can all be financed, built and connected to the grid quickly enough to satisfy peak demand and energy supply requirements.
- Mr Gaston did not endorse the proposal. He considered that the proposal would erode system reliability, increase electricity costs and lead to closure of industry. Mr Gaston noted that he disagreed with the policy decision to target emissions through the RCM.
- Mr Stephens noted that Facility operators may decide not to bid into the market to reduce emissions. However, Facilities could still be dispatched and exceed the threshold if needed by the market resulting in exits of capacity that may be difficult to replace in the available time.

Ms Guzeleva noted that the proposal was to align the commencement of the penalty with the Government's plans to retire its coal Facilities. Ms Guzeleva noted that two conflicting views have been expressed that will be consulted further:

- View 1: investment in new fossil fuel Facilities will be required; and
- View 2: no new fossil fuel Facilities should be allowed in the SWIS.

The Chair acknowledged that further work needs to be undertaken to understand how retiring Facilities will be replaced and how investment will be incentivised. However, the proposed scheme provides some certainty about the pathway to achieving emission targets.

The Chair noted that members were questioning whether it is appropriate to address emissions through the RCM. However, this will be a decision made by the Minister.

Ms Guzeleva noted that emission thresholds for participating in capacity mechanisms are applied in other jurisdictions.

- Mr Arias noted that the proposal was difficult to support because it represents a sovereign risk.

The Chair noted that the National Government generally accepted that fossil fuels need to be removed from the electricity market to achieve emission reduction targets. Investors were making decisions based on

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the expectation that there would be emissions reductions and that policies to achieve this are forthcoming.

- Mr Arias noted that the threshold is specifically targeting Bluewaters Power Station to exit the market in 2032, as it is the only coal plant left after the retirement of the Government's coal plants. Mr Arias noted that Bluewaters Power Station is currently needed in the WEM.

Ms Guzeleva noted that it could not be expected to achieve the emission reduction targets while customers are continuing to pay for high emission Facilities in the RCM.

- Mr Stephens suggested that coal plants may retire naturally if wholesale electricity prices continue to decrease.

The Chair noted that the energy industry has been requesting that the Government aligns energy policy with emission reduction policies for years. Most investors would expect that future energy policy will address emissions. Therefore, aligning energy policy with emission reduction policy is more likely to reduce investment uncertainty.

Ms Guzeleva noted that EPWA was in the process of drafting legislation to change the Energy Market Objectives to an objective similar to the one in the National Energy Market. The new objective would pertain to price, reliability and emissions. Therefore, Ms Guzeleva considered that the proposed penalties would not represent a sovereign risk.

- Mr Schubert considered that the SWIS demand assessment would show that even more new capacity will be required to enable the expected electrification.
- Mr Alexander considered that it should be accepted that emissions will be addressed in the RCM and the discussions should be about the specifics of the penalty regime.

Ms Guzeleva noted that the proposed new flexibility product for flexible generation with low minimum generation and high ramp rates should provide incentives for flexible Facilities to fill the gap left by high emission Facilities that don't receive Capacity Credits. However, if high emission Facilities keep receiving Capacity Credits there won't be sufficient incentives for new Facilities.

The majority of the MAC endorsed in principle the proposed method for implementing a penalty for high emission technologies but noted concerns around the timing and the impact on security and reliability of the system if other reforms do not provide the needed incentives.

The Chair noted that further modelling was implicit because it would be needed to inform the Minister's decision.

### Duration Gap

Mr Robinson summarised the proposal for addressing the duration gap. The proposal is to implement:

- the design of different capability classes as proposed in the Stage 1 Consultation Paper;

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	<ul style="list-style-type: none"> <li>○ mechanisms to monitor the need for addressing the duration gap more directly.</li> <li>● Ms Teo considered that the duration gap was a current issue but that it was hidden by obligations, such as the 14 hour fuel requirement, that apply to certain Facilities. Those obligations pose risks on the affected Facilities that are not recognised in the RCM.</li> <li>● Ms Teo considered that the Facilities that currently cover the duration gap should be reasonably compensated for it and that the issue should be addressed now and not in later reviews.</li> </ul> <p>Ms Guzeleva noted that the Synergy representative on the RCMRWG had argued that Facilities to which the 14 hour fuel requirement applies should receive additional compensation, but this had not been supported by the RCMRWG. However, Synergy’s concern would be documented in the Stage 2 Consultation Paper.</p> <p><u>Flexible Capacity IRCR</u></p> <p>Mr Robinson summarised the proposed method for determining the flexible IRCR intervals and noted that the slides show which intervals would be selected under this method.</p> <p>Mr Robinson noted that the RCMRWG supported the proposed approach.</p> <p>Ms Guzeleva noted that the RCMRWG will hold another meeting to discuss the design of the flexibility product. The outcome will be reflected in the Stage 2 Consultation Paper which will be discussed at the 20 April MAC meeting.</p> <ul style="list-style-type: none"> <li>● Mr Sharafi noted AEMO’s support for the proposal subject to the detailed design.</li> </ul>	
<b>7</b>	<p><b>Rule Changes</b></p> <p><b>(a) Overview of Rule Change Proposals</b></p> <p>The paper was taken as read. There were no updates.</p>	
<b>8</b>	<p><b>Terms of Reference for a Demand Side Response Review Working Group</b></p> <p>The paper was taken as read and endorsed by the MAC.</p>	
<b>9</b>	<p><b>General Business</b></p> <p><b>2023 SRC</b></p> <p>Mr Sharafi noted that it was very likely that AEMO will need to procure SRC for the 2023 Capacity Year.</p> <p><b>Transparency of changes to the power system</b></p> <p>Mr Sharafi noted that the energy transition had resulted in many changes to the power system and that these changes are not transparent and only known to limited personnel at Western Power and AEMO. AEMO had identified a risk that the information may be</p>	

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	<p>lost if those experts left their organisations. Therefore, information about the elements of the power system, such as impedances of lines and transformers and characteristics of generation Facilities, should be published so stakeholders could build their own models of the power system.</p> <p>The Chair thanked Mr Sharafi for raising the issue and noted that this subject would require further consideration.</p> <p>The next MAC meeting is scheduled for 20 April 2023.</p>	

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**The meeting closed at 11:39am.**