

Agenda

Optional firm access: design and testing Industry working group

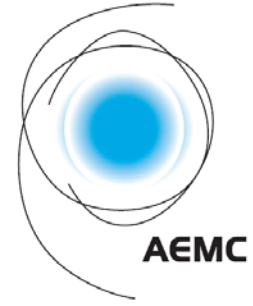
Meeting 1

Date: 20 March 2014
Time: 12pm to 4pm (a light lunch will be provided)
Location: AEMC Office
Level 6, 201 Elizabeth Street
Sydney NSW 2000

1. Introduction and welcome – AEMC
2. Overview of the working group and scope of the review – AEMC
3. Project role and activities – AEMO
4. Assessment framework – AEMC
5. Project milestones, proposed working group schedule – AEMC (paper attached)
 - confirm meeting frequency
 - proposed topics for working group consideration – for discussion
6. Briefing: Access settlement variables – for discussion (paper attached)
7. Briefing: Grandfathering arrangements for existing metering – for discussion (paper attached)
8. Other business
9. Next meeting

Optional Firm Access Working Group Meeting 1

20 March 2014



The first working group meeting was held in Sydney on 20 March 2014. The attendees of the meeting are listed below.

Member	Organisation
Ben Skinner	AEMO
Ross Gillett	AEMO
Jamie Lowe	Alinta Energy
Chris Deague	GDF Suez Australian Energy
Ralph Griffiths	EnergyAustralia
Victor Petrovski	EnergyAustralia
Kevin Ly	Snowy Hydro
Peter Nesbitt	Hydro Tasmania
Jennifer Tarr	Stanwell
John McDonald	Infigen
Brad Harrison	ElectraNet

The AEMC's project team attended and is listed below.

Name	Position
Anne Pearson	Senior Director
Richard Khoe	Director
Stuart Slack	Senior Adviser
Alex Fattal	Adviser
Victoria Mollard	Adviser
Dave Smith,	Creative Energy Consulting
Greg Hesse	Seconded from Powerlink

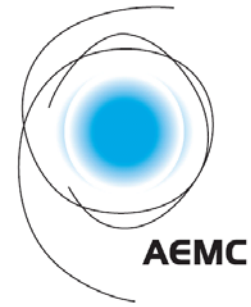
All enquiries on this project should be addressed to Stuart Slack on (02) 8296 7800.

The meeting followed the publication of the Terms of Reference for the AEMC and AEMO optional firm access design and testing reviews.

In line with the Terms of Reference, the AEMC has formed the working group to provide technical advice and to help with assessing the potential impacts of the optional firm access model on industry. The working group is shared with AEMO, who will also bring matters for discussion. The AEMC is also forming an Advisory Panel to provide strategic advice on high-level issues.

Optional Firm Access Working Group Meeting 1

20 March 2014



The meeting initially focussed on the governance of the project and the structure of cooperation of the AEMC and AEMO project teams, including presentations from both AEMC and AEMO. Following this there was discussion on the AEMC's proposed assessment framework which will be used to assess the optional firm access model. There was then discussion of the proposed timeline of the project. Finally there was consideration of the initial proposals on settlement variables for access settlement.

The following points were made at the meeting:

- In terms of the governance of the project, industry participants encouraged the AEMC to be as open and transparent as possible.
- An initial draft of the proposed assessment framework was presented by the AEMC. There was some support for this. Industry participants recommended an examination of transaction costs be added to the AEMC's proposed criteria.
- The AEMC presented the current project plan including plans for future working group meetings and reports and noted a project plan will be published in April. Industry participants noted that most of the design decisions are planned in the early part of the project while much of the assessment is planned for late 2014. Some participants considered that the assessment should be moved to earlier in the project.
 - The AEMC noted that many of the design decisions that are planned for early in the project will be informed by an assessment of impacts on participants.
 - There was discussion of the key issues of transitional access and implementation options and the AEMC noted that it will be considering these as part of its first report to be published.
- The AEMC presented initial proposals of specifying variables to allow access settlement. Access settlement requires combining information from dispatch into settlement. This might be done by undertaking settlement on a generating unit basis with any station auxiliary load netted out from relevant units.
 - The AEMC indicated that this may require changes to the allowed metering arrangements for auxiliary loads for new generators.
 - There was also a proposal to define the capacity of a generator from historical generation patterns. This would be used to specify the maximum amount of firm access for the generating unit.
 - There was general agreement from industry participants on the direction of the proposals.
- Initial proposals for grandfathering metering arrangements for existing generators to allow them to participate in access settlement were discussed. There was general agreement on these points.