
Agenda Item 7b: MRCP Working Group- Membership and proposed Work Programme

1. BACKGROUND

Each year the Independent Market Operator (IMO) is required to conduct a review of the Maximum Reserve Capacity Price (MRCP). The MRCP:

- sets the cap for the Reserve Capacity Auction, in the event that one is held; and
- is used as the basis for the administered price for uncontracted Capacity Credits in the event that a Reserve Capacity Auction is cancelled.

The Market Procedure for the determination of the MRCP¹ (Market Procedure) sets out the principles to be applied and steps to be in undertaking this annual process.

The IMO is required to review the Market Procedure at least once in every five year period (clause 4.16.9). In particular, the basis of determining the MRCP shall be reviewed with reference to a number of factors including power station characteristics, transmission connection characteristics and fixed fuel costs, among other things.

To assist in undertaking this five year review, the Market Advisory Committee (MAC) agreed that the MRCP Working Group (MRCPWG) be established to consider, assess and develop any necessary changes to the Market Procedure.

2. MRCPWG MEMBERSHIP

The IMO recently published a call for applications to serve on the MRCPWG. To ensure that the size of the Working Group remains manageable and support a highly structured approach to the work of the MRCPWG, the IMO restricted the number of members to:

- two IMO representatives (including Chair);
- one System Management representative;
- one Western Power representative;
- three Market Generator representatives;
- three Market Customer representatives;
- one New Investor representative; and
- one Economic Regulation Authority (ERA) Observer

There was an excess demand for Working Group membership. The IMO undertook an assessment of all applicants' knowledge and experience to ensure that the MRCPWG as a

¹http://www.imowa.com.au/f711,231575/Market_Procedure_for_Maximum_Reserve_Capacity_Price.pdf

collective has a balanced representation. Based on the outcomes of this assessment the IMO appointed the following members:

Name	Member
Troy Forward	IMO (Chair)
Greg Ruthven	IMO
Corey Dykstra	Market Customer
Stephen MacLean	Market Customer
Steve Gould	Market Customer
Patrick Peake	Market Generator
Shane Cremin	Market Generator
Brad Huppatz	Market Generator
Nenad Ninkov	New Investor
Neil Gibbney	Western Power
Alistair Butcher	System Management
Chris Brown	Economic Regulation Authority (Observer)

At the first MRCPWG meeting, held Monday 31 May 2010, the Chair noted that he had received a request from Demand Side Management (DSM) aggregators to have a separate representative on the Working Group. Following discussion, the Working Group was of the view that DSM aggregator involvement would add value to the outcomes of the Working Group. To fill this new position the IMO will be undertaking a further appointment process. An update of the outcomes of this process will be provided at the August MAC meeting.

3. MRCPWG WORK PROGRAMME

During the first MRCPWG meeting both the Work Programme for the Working Group and MRCP Scoping Questions were finalised. The MRCPWG Work Programme is attached in Appendix 1.

4. PROCESS FROM HERE

The IMO recommends that the MAC:

- **Note** the MRCPWG membership; and
- **Approve** the MRCPWG Work Programme.