



WHOLESALE MARKET ADVISORY GROUP

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Demand-Side Bidding and Forecasting – Result of Meetings with Major Users

This paper provides WMAG members with an update on the meetings with major electricity users and the Commission's analysis of the way forward.

ABBREVIATIONS USED IN THIS DOCUMENT

Act	Electricity Act 1992
Commission	Electricity Commission
DC	Direct Current
DRS	Demand Response Schedule – a schedule that shows what forecast prices will be once demand response is taken into account
DSBF	Demand-side Bidding and Forecasting
MW	Megawatt
NRS	Non Response Schedule – a schedule that shows what forecast prices will be without any demand response.
Rules	The Electricity Governance Rules 2003.
WMAG	Wholesale Market Advisory Group

DSBF – RESULT OF MEETINGS WITH MAJOR USERS

Wholesale work plan task W9

1 PURPOSE OF THIS PAPER

1. The purpose of this paper is to:
 - a. summarise and discuss the issues raised in meetings with major users;
 - b. present a discussion of different options for progressing the Demand Side Bidding and Forecasting (DSBF) proposal;
 - c. gain a clear decision on the design of the DSBF proposal which could be taken to a workshop; and
 - d. seek advice on the proposed next steps for the task.

2 INTRODUCTION

2. The DSBF proposal seeks to improve the efficiency of the electricity market by rationalising the demand bidding process and improving demand forecasting, thereby improving short-term security management and the accuracy of forecast spot prices, which in turn encourages more efficient demand-side response.
3. On 4 May 2005, the Electricity Commission (the Commission) published a consultation paper on the DSBF proposal to seek feedback for use in the further development of the DSBF proposal.
4. Eighteen submissions were received. Most submissions were supportive of the proposal, but Norske Skog and NZ Steel did not support it. The lack of support by these major users was identified as a key issue arising from the consultation. As a result, it was decided to meet with a representative selection of major users around the country to discuss their concerns and practical problems.
5. This paper reports on those meetings.

3 OBJECTIVES OF THE DSBF PROPOSAL

6. The objectives of the DSBF proposal are:
 - a. an improvement in forecast price accuracy, and increased scheduling period of forecasts;
 - b. improve the quantity and efficiency of demand response; and
 - c. a reduction in economic dispatch costs.

4 SUMMARY OF MEETINGS WITH MAJOR USERS

7. Meetings were attended by:
 - a. Laurie Counsell and/or Tim Street from the Electricity Commission;
 - b. David Wright from Transpower (the system operator); and
 - c. Tracy Wilkinson or Neil Walbran from M-co (the WMAG administrator).
8. Meetings were held with NZ Steel and Alinta (who own and manage the co-generation plant for NZ Steel), Carter Holt Harvey, Comalco, Winstone Pulp & Paper, Norske Skog and Fonterra. Discussions with Dongwha Patinna (previously Rayonier) and Nelson Pine were held by phone.

4.1 Current bidding practice

9. There was considerable similarity in major users' current practices:
 - a. Nearly all major users met with had an agent to handle their demand bidding.
 - b. Most set bidding a week ahead, one made daily adjustments.
 - c. Most now reduce load when prices reach a threshold level – generally between \$200 and \$500 per MW.
 - d. None of them used forecast prices for decision-making as they found them too inaccurate in the past. One did watch forecast prices, though.
10. Major users varied in their exposure to the spot market. The hedging level ranged between 0% and 100%. Those that were fully exposed had considered hedging but decided the hedges offered were too expensive.
11. Many major users participated in the interruptible load market. The South Island users we talked to did not currently participate, but indicated they had considered or would consider it. The reason for South Island plants' disinterest appears to be due to:
 - a. lower prices for the South Island 60-second market; and
 - b. their plants can't deliver the required response times for the instantaneous response market.

4.2 Possible demand response

12. Most companies can provide some demand response. The form varies considerably and depends on the technical characteristics of the plant.
 - a. The most common form of response is turning equipment off.

- b. Other possibilities include:
 - i. using more natural gas by increasing the output of a co-generation plant; and
 - ii. changing the electrical input parameters of equipment. This reduces electricity demand at the cost of lower power quality for the production process.
- 13. The level of demand response in terms of MW and duration is highly variable, again, based on plant characteristics. It is clear that demand response from a given company cannot be regarded as firm. Companies that have responded to price noted that any response depended on having flexibility in their production schedules.
- 14. The reductions offered by the major users we talked to range between 4 and 70 MW. Some load can be taken down for half an hour, but not for 2-3 hours. Other load can be reduced economically for 2 to 8 hours, but it is uneconomic to cut it for only half an hour. It is therefore very important to note the differences between industrials and not “lump” them all together as a group.
- 15. It was clear from the discussions that some of these aspects of demand response are dependent on the technical nature of the plant and not on a given company’s attitudes to demand response. For example, some plants could turn off their refrigeration rooms for up to eight hours and still have temperatures within a safe range as long as staff didn’t need to enter. Plants without refrigeration rooms cannot do this. Equally, a plant that has no need to convert electricity to DC cannot switch off its DC filters to save electricity when prices are high.
- 16. Two companies mentioned installing equipment at least partly for the purpose of allowing them to cut load temporarily. For example, one company added a storage device to its production process.
- 17. A couple of companies stated that they did not respond to spot market prices, but elsewhere stated that they monitored their total load and took action to reduce peaks so they could manage their peaks to reduce interconnection charges. This shows a potential ability to respond to spot market prices, even if they aren’t currently doing so.
- 18. Non-technical factors also affecting demand response were:
 - a. production schedules requirements (no major user said they would respond to price at the cost of failing to meet an order);
 - b. how easy or difficult it is to shift planned maintenance; and
 - c. how easy or difficult it is to recover from a shut-down (production quality could be directly affected, or it simply could take a long time to return equipment to efficient running).
- 19. To summarise this section, major users cannot be grouped together in terms of demand response. Each major user was able to make different patterns of

demand response depending on the technical nature of its plant. Major users also had different attitudes to demand response, depending in part on their production schedules. Some major users have the ability to reduce load to manage peaks for the purpose of reducing interconnection charges.

4.3 Possibilities for improvements in load forecasting

20. Companies ranged widely in the amount of effort they put into bidding, from a “set and forget” strategy, to updating their bids after daily production meetings. These findings suggest there is room for improvement in bidding accuracy.
21. However, it is clear that there will always be unexpected variances.
 - a. Occasionally there will be an accident and electricity load will vary rapidly. In that case, the operators’ incentives are to ensure the safety of people and plant, fix the problem and get the plant back up and running rather than to inform the system operator. Furthermore, differences in language mean that a quick message sent to their agent is often misunderstood. For example, one company noted that their control room operators would tell their agent that a line was down. The operators meant that a production line was down but the agent understood this to mean that a transmission line was down.
 - b. Even planned maintenance is often of unpredictable length. For example, a piece of equipment may be shut down at a particular time each day for inspection. However, the length of time it is down may depend on whether or not the inspection finds a fault, or how long it takes to restart the equipment.

4.4 Opinions on DSBF proposal

22. Generally major users took a wait-and-see approach to the DSBF proposal and to decide if they would participate in price-responsive bids. Comalco was enthusiastic and wanted the system set up before next winter as they were concerned about the winter being dry.
23. Everyone saw more benefit in more accurate price forecasts, but a few were sceptical about the likely level of improvement.
24. All submitters want low compliance costs, regardless of whether the proposal is implemented or not.

5 DISCUSSION OF MAJOR USERS’ FEEDBACK ON DSBF PROPOSAL

25. The major users’ feedback has raised some significant questions about the of the design of the DSBF amongst those who attended the meetings.

5.1 How likely are better forecast prices?

26. Interest in participating in demand response is low, with the exception of Comalco. There is a sort of chicken-and-egg problem. Major users indicated they would be interested if forecast prices were more accurate. However, under the DSBF proposal as it currently stands, forecast prices will only become more accurate if major users are interested in making more accurate bids in the first place.
27. Most major users apparently could improve the accuracy of their bidding processes (for example, by setting bids daily rather than weekly or even yearly).
28. It makes sense, however, for businesses not to devote much attention to these matters. Management time and attention are limited, and they are in business to make steel, or wood products, etc, not to manage electricity. Meeting orders, maintaining reliability and quality, and the safety of people and plant take precedence.
29. Furthermore, though major users may improve the accuracy of their bidding processes, there are limits to how accurate they can be. As outlined above, major users are not going to be able to predict breakdowns ahead of time. And though they can predict planned maintenance, they often cannot predict how long it will take. This limits possible improvements in forecast price accuracy.

5.2 How much benefit would better forecast prices be?

30. The meetings also raised questions about to what extent improvements in forecast prices would benefit major users:
 - a. Most major users had only one price threshold where they would respond to price (for example, \$200/MW) and improved forecasting will only assist participants around the threshold level. If forecast prices are \$600/MW and final prices turn out to be \$400/MW and we improve the process so forecast prices are \$450, it wouldn't make any difference to those major users' decisions as they would have cut load regardless. The information would be equally irrelevant if forecast prices were \$10/MW and final prices turn out to be \$20/MW and the improvement means that forecast prices were \$22/MW. Again it wouldn't make any difference to major users' decisions as they would keep load on regardless.
 - b. At the moment forecast prices are highly correlated with final prices about 87% of the time according to the system operator. However, the other 13%¹ of the time they are badly correlated so the forecast prices are not useful. If the forecasting process is improved so that 95% of the time forecast prices are highly correlated with final prices, they may still be of limited value for the decision-making process.

¹ Price Difference Distributions, System Operator Workshop, presentation May 2005.

31. To explain 30.b, forecast prices may need to be highly accurate before major users can rely on them enough to change production schedules or maintenance plans in response to forecast high prices. A marginal improvement may not be sufficient.

5.3 Counter-arguments

32. Increased load response does offer substantial benefits in the long run, and the benefits of the DSBF have never been aimed just at major users. One of the potential benefits is increased load response by small and medium sized users. Previous cost-benefit analyses have predicted more response from all sources.
33. Although major users vary in their interest in load management and response to prices, they are not the only participants in the market. Small and medium-sized users can also participate and have participated overseas. Another source of substantial demand response is hot water ripple control.
34. The Commission is working on a task in the Retail workstream that looks at improving load management and metering technology with a view to improving demand response by small and medium consumers. A major part of this work is maintaining existing load control systems (mostly hot water ripple control). Future potential demand response is also important. This task is considering:
 - a. incentives for retailers and distributors to stimulate demand-side management, including possible changes to the pricing rules;
 - b. addressing monopoly and free-rider problems that create barriers to installing and maintaining ripple control capacity;
 - c. metering technology.
35. Enermet, who was hired by the Electricity Commission for the load management and metering technology task, predicted about \$300 million in benefit from better hot water ripple control.
36. Furthermore, major users did state they wanted more accurate forecast prices, and some said they would make some decisions based on them if they were more accurate.
37. In addition, some of the benefits of the DSBF proposal, such as lower frequency keeping costs, could be of substantial value. Therefore, even a small improvement in demand response would justify the cost of implementing the changes.

6 WHERE TO NOW?

38. Much of the discussion above regarding some major users' views of the DSBF proposal may appear negative. However, more efficient demand response holds out the possibility of substantial benefits for the electricity industry.

Reliable bids from major users would assist in creating more efficient demand response.

39. There are a number of possibilities for the future:
- a. Continue with the DSBF proposal as consulted on with:
 - i. low expectations about short term gains; and/or
 - ii. some add-ons to increase compliance; and/or
 - iii. implementing the DSBF in stages.
 - b. Consider further development of an alternative to the DSBF proposal, for example:
 - i. Deviation schedules (as discussed in the July 2005 consultation paper). A deviation schedule is a schedule that could be prepared for each grid exit point (GXP), outlining the price impact of (say) a 5% or 10% load decrease (or increase) at that GXP. Alternatively a deviation schedule could be prepared at a higher level that covered each island, or one that covered all New Zealand; or
 - ii. Enforcing the existing rules around bid accuracy.
 - c. Doing nothing to encourage additional demand response:
 - i. Doing nothing but changing the Rules to reflect the current situation. It would also make sense to remove the requirement on conforming load to bid; or
 - ii. Doing nothing at all, which leaves the current bidding requirements in place.

6.1 Continue with the DSBF proposal as consulted on

40. Commission staff favour continuing with the DSBF proposal but with lower expectations for what demand response will happen and how long it will take. Staff are considering implementing the DSBF proposal in stages.
41. Based on the meetings with the major users, staff are more sceptical about how long it will take the benefits of the DSBF proposal to appear. Arguably, it may take a number of years for companies to appreciate the benefits of more accurate bidding and increased demand response. In some cases this may even not happen until natural personnel turnover means that new methods may be tried.
42. On the other hand, major users did state they would like to see more accurate forecast prices and Comalco was enthusiastic about the benefits. Furthermore, benefits from the DSBF proposal have been expected from distributors and smaller electricity users as well as the major users.

Consequently, staff doubts are more about how long benefits will take to appear than whether they exist at all.

43. There may be ways of encouraging major users to make more accurate bids that are additional to the incentives offered by the original DSBF proposal. Some examples:
 - a. Alter the bidding system so bids can be made from any web-enabled computer in a one-screen, intuitive process; and/or
 - b. Introduce some compliance enforcement for bid accuracy while implementing the DSBF proposal. This could be as simple as the Commission stating it would be particularly monitoring compliance during implementation and for the first few months afterwards. However, this would contradict earlier feedback about a light-handed compliance regime.

6.1.1 Implement the DSBF in stages

44. It may make sense to implement the DSBF proposal in stages. The NRS schedule can be published first and then later the DRS introduced.
45. Introducing the NRS by itself could mean:
 - a. introducing the distinction between conforming load and non-conforming load into the Rules;
 - b. removing the current requirement on conforming load to bid;
 - c. providing forecast prices further out than current SDPQ by expanding it to 72 trading periods²;
 - d. a change in philosophy from providing price sensitive information by bidding in tranches to providing it by revising bids³; and
 - e. tidying up the existing Rules so that they are actually enforced.
46. Alternatively, the first stage might just be to implement step c (extending the SDPQ out 72 trading periods) without doing anything else. This would be a simple, “quick gain” option, which would start to deliver benefits to participants. The other changes proposed in paragraph 45 could be introduced as a second stage (and the DRS as a third) or they could be introduced as a sub-stage of the NRS stage.
47. The DRS could be introduced in the future once the NRS had been well established. The cost of introducing the NRS and DRS schedules in two (or more) stages would be the loss of the information about potential demand

² This would effectively be the NRS of the original DSBF proposal.

³ Currently electricity bidders are expected to bid their load in at variable prices. In practice most appear to be bidding in at one very high price and doing any demand-response in real-time. Introducing the NRS would allow participants to vary the amount of load they expect to offer leading up to the trading period, thus providing some demand response information that way.

response to price and resulting benefits from that. The table below outlines the benefits of each option.

Possible Benefits of NRS	Possible Benefits of DRS
<ul style="list-style-type: none"> ▪ More demand response from expanded time horizon ▪ Delays the need for transmission investments ▪ Lower compliance costs for conforming load 	<ul style="list-style-type: none"> ▪ More efficient demand response ▪ Increased demand response as easier to see benefit ▪ Lower frequency keeping costs from improved system operator knowledge about what major industrials are doing ▪ Lower reserve costs

48. The advantage of implementing in stages is that we are not making too radical a change at once and would avoid raising expectations. The NRS could be bedded down and then the DRS installed.
49. If the DSBF proposal is implemented in two (or more) steps, it may still make sense to make the necessary software changes in one step as the changes themselves appear to be comparatively simple. Much of the software cost comes from the required testing to ensure the changed software is stable, and there is no point in doing this twice.

6.2 Alternatives to the DSBF Proposal

6.2.1 Deviation schedule

50. The July 2005 consultation paper discussed introducing a deviation schedule as an alternative to the DSBF proposal. A deviation schedule shows the price impact of various deviations in load.
51. If this option was implemented, Transpower would forecast all load as per now (getting information from the major industrials through some source). Then Transpower would prepare a deviation schedule for each GXP or larger area, estimating the price impact of a series of load reductions and increases for that GXP. For example, the deviation schedule might, for each half hour, forecast the price impacts of each of the following changes in load: a 5% increase; a 10% increase; a 5% decrease; a 10% decrease.⁴ The deviation schedule could either be done for each GXP, for the whole of NZ, one for the South Island and one for the North Island, or on a regional basis (for example, upper North Island, lower North Island, East Coast, etc).
52. The latter options would have benefits in reducing the computational effort required and the amount of information produced, but would lose some information about price spikes caused by local transmission constraints that would be provided in the more detailed GXP based deviation schedule.

⁴ The deviation schedule could also be calculated using absolute MW changes, e.g. 5MW, 10MW increases and decreases. At the moment staff have no views on which would be more useful.

53. The advantages of a deviation schedule are that it:
- a. would provide electricity users with some information about the net price impact of any demand reduction and increase; and
 - b. does not depend on major users making accurate bids.
54. The disadvantages are that it:
- a. does not provide any means of coordinating price response, so too many participants may respond than is economically efficient;
 - b. as an extension of point (a), does not provide as much information to users about the costs of returning load and when it would be best to do this (except that which is implied by the deviation increases in later periods);
 - c. cannot incorporate information about major users' plans; and
 - d. there is a significant amount of data processing involved that may require Transpower to upgrade their computing systems.
55. Based on the meetings with major users, a national deviation schedule may be more usable than deviation schedules for each GXP. While some major users are very sophisticated in their use of electricity information, it would appear that most would have difficulties finding staff capable of managing a myriad of deviation schedules. Consequently, Commission staff prefer this option if a deviation schedule is chosen.

6.2.2 Enforcing existing rules around bid accuracy

56. The Commission could start to enforce the existing rules around bid accuracy. If such enforcement led to a significant improvement in electricity bids then many of the benefits of the DSBF proposal would happen. With more accurate demand bids, forecast prices would be more accurate and could be used for making decisions about demand response ahead of time.
57. The weight of enforcement would presumably fall not just on major users but on retailers too.
58. The costs of enforcing existing rules around bid accuracy would be:
- a. the financial costs of hiring staff to identify breaches, determine who was the responsible party, carry out investigations, argue over bona-fides, and make final rulings; and
 - b. the political costs, particularly since this would be a change from past practice.
59. The costs of enforcement would be substantial, and it is unclear how much improvement in accuracy would result. Major users' factories will still sometimes trip off unexpectedly and New Zealand weather will still be unpredictable.

60. If this option is pursued, the Commission would first like to make bidding more practical and easy for participants to follow.

6.3 Doing nothing to encourage additional demand response

61. In all policy analysis the “do nothing” option should be explicitly considered. In this case it means stopping the DSBF work and leaving the situation as it is.

62. There are two sub-options to this one:

- a. Changing the Rules to reflect current enforcement practices and the system operator’s current process for dealing with bids. So the requirement to bid would be removed for conforming load since Transpower is already forecasting them centrally and throwing away their bids. The Rules requiring bid accuracy could be removed.

The advantage of editing the Rules to reflect actual practice is that it is transparent. If there is a set of rules or laws that are not enforced it creates confusion as it is unclear to newcomers to the industry what will or will not be enforced.

Having rules or laws that aren’t enforced also increases investors’ uncertainty as, at some point, regulators may decide to enforce the existing Rules. Since such a change in practice would not trigger the consultation requirements of a change to the Rules, a change could happen without warning and is more uncertain; or

- b. Simply retaining the current situation and not making any changes to the Rules.

63. If it is decided to do nothing to encourage additional demand response, Commission staff favour changing the Rules to reflect current practice (62.a) due to improved transparency.

64. A key advantage of either do nothing option is that it would initially be low cost. The downsides are:

- a. No improvement in the accuracy of forecast prices; and
- b. No increased incentive for accurate demand response. This matters not just for the major users but also for retailers and small and medium users. The flow-on costs are higher investment in transmission and generation than would otherwise be necessary, and higher prices than would otherwise be necessary.

7 NEXT STEPS

7.1 Workshop Proposal

65. Traditionally, including for the DSBF proposal, the Commission has sought feedback on wholesale issues through a formal process of submissions on

discussion papers and draft rule change papers. The first, high-level, consultation paper on the DSBF proposal drew good submissions from those who participated but certain classes of participants were not well represented, in particular medium-users.

66. The face-to-face meetings have produced substantially more detailed information from both large and medium users. The face-to-face process also makes asking questions much easier. Commission staff consider that more face-to-face meetings might have value for further development of the DSBF proposal. The Commission needs to cover:
 - a. meetings with retailers and lines companies to follow up on their submissions on the DSBF paper;
 - b. providing information on the results of the interviews and of the earlier consultation; and
 - c. resolving significant design issues of the DSBF proposal (as outlined in this paper).
67. Consequently, the Commission is considering holding a workshop as the next step of developing this proposal. This would allow for meetings with retailers, lines companies, and maybe small users to follow up on their comments, as well as with major users. A workshop could offer the following benefits:
 - a. Educational – an opportunity to explain the proposal to date to those who are not closely involved with the Commission’s work.
 - b. Variety of opinions - Give a breadth of opinions from different perspectives, and with everyone in the same room information flows to other participants and not just the Commission.
 - c. Detailed feedback on design elements, preferred proposal, and likely benefits.
68. Any workshop will need to be coordinated with the Retail workstream’s load management and metering technology task, discussed above in paragraph 34.

7.1.1 Objective of the workshop

69. The primary objective of the workshop would be to develop the DSBF proposal to the extent that rule changes could be drafted for a second round of consultation (to meet the formal consultation requirements in the Electricity Act 1992 (Act)).
70. Contributing secondary objectives to the primary objective are:
 - a. educating participants on the DSBF proposal;
 - b. gaining information on likely costs and benefits of the proposal and alternatives; and

- c. allowing a more efficient consultation process to meet the Act's requirements.
71. The targeted participants would be industrials, retailers, lines companies, small to medium users, and others with demand response interests.

7.1.2 Format of workshop

72. There are a number of options for the location and format of the workshop.
73. One important decision is how many workshops to hold. For example, the Commission could hold workshops in both the North and South Islands, in all the major centres, or just in Wellington.
74. The disadvantages of multiple workshops are:
- a. they are expensive and take more time; and
 - b. it would be difficult to reach a final proposal if each workshop develops different ideas.
75. There are advantages to multiple workshops:
- a. Workshops held around the country would get broader participation, particularly from smaller companies and other organisations who do not normally engage with the Commission.
 - b. Following on from point a, this may bring more commitment to whatever proposal is finally generated as the Commission has clearly made a strong effort to engage interested parties.
76. Commission staff envisage workshops lasting one day with:
- a. the first part of the morning spent:
 - i. informing participants about the DSBF work;
 - ii. gaining preliminary information on how participants consider the electricity market works; and
 - iii. listening to participants' broader concerns about the electricity sector.
 - b. and any remaining morning and the afternoon spent developing solutions to problems raised.
77. The Commission may use the services of professional facilitators in designing the exact format and running the workshop.
78. Depending on the number of participants, it may be useful to break into smaller groups at the development stage.

7.1.3 Advice sought from WMAG members

79. Advice is sought from WMAG members on the workshop and particularly on the following points:
- Do you consider the workshop(s) a good idea? Or do you consider there is a better option for the next steps? If so, what?
 - Is there a way in which you, personally or your company or organisation, could contribute to the workshop(s)? For example, perhaps you could help to answer questions during break-out periods?
 - What parties would you suggest be invited to the workshop(s)?

7.2 Proposed timeline

80. The WMAG's advice is sought on the following proposed timeline:

WMAG considers this paper	27 January 2006
Detailed workshop design and planning	February 2006
Workshop(s)	March/April 2006
Development of draft rule changes	May 2006
WMAG considers draft rule changes	15 June 2006
Consultation paper drafted	June/July 2006
WMAG considers draft consultation paper	20 July 2006
Board considers consultation paper	22/23 August 2006
Commission publishes consultation paper	Late August 2006
Submissions due	Late September 2006
WMAG considers submissions	19 October 2006
Final recommendation to Board drafted	October/November 2006
MED considers recommended rule changes	November/December 2006
Board considers recommended rule changes	January/February 2007
Board recommends rule changes to Minister	January/February 2007
System Operator, Market Operator and participants to implement any required software changes	February 2007 onwards (time to implement not known)

8 QUESTIONS FOR WMAG MEMBERS

81. Commission staff would like WMAG members to consider the following questions and answer them at the next WMAG meeting:
- From your own understanding of industrials, do you think that the summary of the meetings in section 4 captures their concerns and problems adequately?

- b. Are there are other points that should be considered?
- c. What is your preferred option outlined in section 5 for progressing the DSBF proposal?
- d. Do you consider that a workshop is the best option for future progress on the DSBF proposal? What is your advice on how many workshops to hold and the format of workshops?
- e. Is there a way in which you, personally or your company or organisation, could contribute to the workshop? For example, perhaps you could help to answer questions during break-out periods?
- f. What is your advice on the proposed timeline?

9 RECOMMENDATIONS

82. It is recommended that WMAG:

- a. **note** the results of the meetings with major users;
- b. **provide** responses to the questions posed in paragraph 81;
- c. **advise** if it considers that the benefit of encouraging more efficient demand response is worth pursuing;
or
- d. **advise** that the Commission should end this work programme (the Do Nothing option discussed in section 6.3);
if WMAG agrees to (c) then:
- e. **advise** which of the options presented in section 6 it considers is the best route for pursuing the DSBF;
or
- f. **advise** which alternative option not considered here is best;
and
- g. **advise** if WMAG considers a workshop beneficial; and
- h. **advise** a list of parties to be invited to any workshop.