

Reserve Capacity Mechanism Working Group: Call for nominations

Thank you for your interest in the Reserve Capacity Mechanism Working Group (RCMWG).

Background

The Reserve Capacity Mechanism Working Group (RCMWG) has been established, in accordance with Clause 2.3.17 of the Wholesale Market Rules and the associated Section 9 of the Constitution of the Market Advisory Committee (MAC). Consistent with these authorised functions and powers, the overarching function of any Working Group established under the MAC is to assist the MAC in providing advice to the Independent Market Operator (the IMO) and System Management in matters relating to Wholesale Electricity Market (WEM) Rule and Procedure Change Proposals, WEM operation and South West interconnected system (SWIS) operational matters, and the evolution of the Market Rules more generally.

- x one Demand Side Management representative;
- x one New Investor representative
- x two Contestable Customer representatives; and
- x two Observer members (from Economic Regulation Authority and Office of Energy).

The Chair of the RCMWG will be a representative from the IMO.

This membership will be supported by the IMO and supplemented by consultants (as required). The IMO Chair has the discretion to appoint additional members.

Due to the specialised nature of the work, proxies will only be accepted for the RCMWG with the Chair's approval.

The Terms of Reference for the RCMWG is attached as Appendix 2. Please note that

Applications may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator
Attn: Group Manager, Market Development
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4399

To allow applications to be properly assessed, please ensure all the information requested in the nomination form is included.

Reserve Capacity Mechanism Working Group: Selection Process

The selection process for members is as follows:

1. 11 January 2012: Nominations sought.
- 2.

Reserve Capacity Mechanism Working Group: Membership Application Form

Nomination form:

I would like to nominate the following person to be on the RCMWG:

<p><i>Details of Nominee</i></p> <p>Name:</p> <p>Current Employer:</p> <p>Postal Address:</p> <p>Contact Phone Number:</p> <p>Email Address:</p> <p>Qualifications:</p> <p>Representative Class being nominated for:</p>

Knowledge and experience of members:

<p>List any previous experience on industry advisory committees (such as the MAC) including any Working Groups constituted under the auspices of the MAC:</p>

Responses to the following questions will allow the IMO to assess nominee's particular knowledge and expertise relating to the current market and market design. This will ensure that the Working Group as a collective has a balanced representation.

Please provide a brief outline of nominee's knowledge of the current WEM market design, with particular reference to the Reserve Capacity Mechanism (limited to 5 sentences):

Please provide a brief outline of nominee's knowledge of market design principles

Appendix 1: Issues/Recommendations to be considered

The issues to be addressed by the RCMWG are:

1. How capacity should be defined;

Appendix 2:
Draft Terms of Reference
Reserve Capacity Mechanism Working Group

1. BACKGROUND

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2. SCOPE

The RCMWG's Scope of Work includes (but is not limited to) the design, development, implementation, operation, assessment and review of the Reserve Capacity Mechanism.

- x Consideration of the financial costs and benefits of implementation.

Consistent with Section 9.5 of the MAC Constitution, all matters which are identified as falling outside the Scope and Terms of Reference of this RCMWG must be referred back to the MAC for consideration.

4. OBJECTIVES AND PRINCIPLES

The RCMWG must provide advice and report the extent to which its advice meets or is consistent with the Wholesale Market Objectives and the general principles reflected in the current Market Rules.

The Market Objectives are as outlined in Section 122 of the Electricity Industry Act 2004 and Clause 1.2.1 of the Market Rules.

5. MEMBERSHIP

- x If sending alternates, members have a duty to ensure their alternates are sufficiently briefed and prepared for meetings;
- x Members, or their alternates, are to consider the interests of all stakeholders currently operating within the WEM;
- x Members, or their alternates, do not represent their own organisations (although the range of commercial and technical experience inevitably adds diversity to the group's capabilities); and
- x Any views expressed by members, or their alternates, are not to be taken as being those of their employer or nominating organisation.

9. KEY TASKS AND MILESTONES – THE WORK PLAN

The Chair works with both the IMO and RCMWG to develop the Work Plan, setting out the key tasks and milestones within the Terms of Reference.

The Chair has responsibility for the implementation of the approved Work Plan, efficient meetings of the RCMWG and reporting to the MAC on achievement of agreed milestones.

10. NATURE OF DELIVERABLES

The RCMWG delivers reports, advice and comments on the tasks within the scope of the Terms of Reference and as agreed and set out in the Work Plan. Such deliverables may be varied from time to time by direct request from the Chair of the MAC.

In some circumstances, the MAC may decide that comments, rather than advice, are required from the group. These circumstances may arise due to:

- x Issue complexity and contentiousness;
- x Parallel industry-wide consultation; and
- x Time frames.

The documented output in those circumstances would note the various issues raised by the group and advise on them.

11. REPORTING ARRANGEMENTS

Routine reporting will be via RCMWG reports to the MAC. Consistent with section 9.4 of the MAC Constitution, the RCMWG must report back to the MAC at each MAC meeting. The Chair will also personally report to the MAC at agreed key milestones.

12. ADMINISTRATION

The RCMWG activities are to be as transparent as practical. The Chair must ensure that key decisions and action points from meetings are recorded.