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## **Agenda Item 5(b)i Renewable Energy Generation Working Group Terms of Reference Update**

The Wholesale Electricity Market Rules (Market Rules) state that the Market Advisory Committee (MAC) may nominate a Working Group comprised of Rule Participants. These Working Groups are used for more detailed specific analysis in order to assist the MAC in advising the Independent Market Operator (IMO).

In the MAC Constitution and Operating Practices concept paper the IMO proposes that Market Rules be relaxed in order to allow other interested stakeholders to be members of MAC appointed Working Groups.

In the interim, the IMO proposes that the terms of reference (ToR) for the Renewable Energy Generation Working Group be amended as follows:

- The IMO to undertake the role of the Chair and the Secretariat;
- An Observer member status be included in the ToR; and
- The Office of Energy representative to be noted as an observer member of the Working Group.

Additionally, the IMO proposes ToR be updated to include a representative from Investec (a recently registered Rule Participant).

The updated ToR (with tracked changes) is attached as appendix 1.

The IMO recommends that the MAC:

- **Agree** the proposed amendments to the Working Group's ToR.

## ***Appendix 1: Terms of Reference***

### **The Renewable Energy Generation Working Group**

#### **SCOPE**

The Working Group will consider and assess system and market issues arising from the increase in the national Mandatory Renewable Energy Target (MRET) to 20%. This will include an examination of the current Wholesale Electricity Market Rules to determine whether the integrity of the Wholesale Electricity Market Objectives can be maintained.

In particular, the Working Group will focus on the treatment of renewable energy generation in the Reserve Capacity Mechanism, allocation of ancillary service charges and low-load compensation mechanisms.

In order to complete its scope of work, the Working Group is requested to:

- identify priority issues arising, or that could arise, from increasing penetration of intermittent renewable energy generation in the South West Interconnected System;
- determine the appropriate framework for analysis of issues and options for resolving them against the Market Objectives; and
- submit its assessment, analysis and conclusions in a report to the Market Advisory Committee (MAC).

#### **TERMS OF REFERENCE**

- Members of the Working Group are appointed by the MAC, with a focus on issues associated with the expansion of large-scale wind generation.
- The Independent Market Operator (IMO) ~~Office of Energy (OOE)~~ will chair and provide administrative support for the group.
- The members of the Working Group are:

<del>Jason Banks (Chair)</del>	<del>- OOE</del>
Troy Forward <u>(Chair)</u>	- <u>Independent Market Operator (IMO)</u>
Ken Brown	- System Management
Peter Mattner	- Western Power
Shane Cremin	- Industry Representative, Griffin Energy
Kristian Myhre	- Industry Representative, Alinta
Steve Gould	- Industry Representative, Landfill Gas and Power
John Rhodes	- Synergy Representative
<u>Mark Headland</u>	- <u>Investec</u>
<u>Ian McCulloch</u>	- <u>IMO, Secretariat</u>

- The Office of Energy may appoint a representative to attend the meetings of the Working Group as an observer.
- Additional observers may attend the Working Group, at the approval of the Chair.

- The Working Group will provide a report identifying priority issues and proposed directions for resolution of these issues to the MAC in May 2008.
- The Working Group will refer any other issues that emerge back to the MAC for further consideration as required.
- Members are expected to attend as many Working Group meetings as practicable.
- The MAC may review, amend and extend these terms of reference, as necessary.