
Wholesale Electricity Market – Rule Change Proposal Submission Form

Combined submission in respect of: RC_2009_28 Market Advisory Committee Constitution and Operating Practices, and Market Advisory Committee Constitution and Market Advisory Committee Appointment Guidelines

Submitted by

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Submission

1. Please provide your views on the proposal, including any objections or suggested revisions

LGP supports both Rule Change RC 2009 28 and the document “Market Advisory Committee Constitution and Market Advisory Committee Appointment Guidelines” on the grounds that they clarify and tidy the administration and role of the MAC.

Whilst broadly supporting both documents, we offer suggestions and request further clarifications as follows:

1. We perceive that the document needs to provide more clarity as to the rights of compulsory class members in regard to influencing the choice of “their” representative. In particular, it is unclear as to whether the member is the Market Participant or the individual that represents it. For example, we interpret the document as providing that the IMO can veto the preferred choice of a compulsory class member and can rotate the preferred member off the MAC on completion of the member’s term, thereby forcing the represented entity to nominate a replacement. Further, whereas one might intuitively expect that a compulsory class entity would be entitled to itself appoint as a member an employee or consultant of its choice for a period of its choosing,

- we interpret the document as entitling the IMO to make the appointment regardless of the wishes of the represented entity.
2. Further to point 1, we suggest clarification of the term “representative”. In particular, we are unsure as to whether a member is to be employed by an entity that is a participant in the represented class; for example must a representative of a Market Customer be employed by a Market Customer?
 3. In general, we would prefer that bullet points be avoided and replaced by numerical or alphabetical identifiers to facilitate precise reference.
 4. In clauses 3.7 and 3.8. (dealing with proxies) we query the need for the conditional references to clause 2.3 (the requirement to act in the best interests of the industry) as this is self-evident, and wonder whether this condition should instead be skills based and refer to clause 4 of the Guidelines.
 5. In clause 3.9 we again query the reference to clause 2.3 and suggest instead making it conditional on clause 6.3 (quorum).
 6. In clause 3.11, we suggest either reference clause 6.4 or, preferably, remove the duplication.
 7. We suggest that the clause 4.2 mentioning the ballot should be replaced by detailed description clause 6.2 of the Guidelines, or should at least reference it.
 8. In clause 4.4, we suggest clarification of the term “organization”; for example to mean employing organization rather than, say, member of WASEA.
 9. In clause 4.5, we suggest that the term “*new* members” should read “*replacement* members”.
 10. In clause 5, we suggest inclusion of the current MAC practice of agreeing a provisional schedule of meetings each calendar year.
 11. We perceive clause 6.3 (and 3.3 of the Guidelines) to provide that in the event of there not being consensus on an issue then the MAC is powerless to make a recommendation. We suggest that MAC should be entitled to make majority recommendations. (This is consistent with clauses 8.5 and 8.6).
 12. We suggest that clause 5.3 of the Guidelines (requiring members to act in interests of the representative class) should contain a conditional reference to clause 2.3 of the constitution (to act in the best interests of the market).
 13. We suggest clarifying the meaning of “rotated” in clause 6.3 of the Guidelines. For example, does it mean that the member must cease to participate on the MAC, or change class, or seek re-appointment?
 14. In clause 6.5 of the Guidelines, we suggest clarifying what is meant by members “are no longer representative of their class”. For example, does that mean if they change employer, or aren’t performing the job properly?
 15. In clause 6.6 of the Guidelines, we suggest clarification of the word “dynamic”.
 16. In Appendix 2, suggest the 3rd dot point should require the IMO’s opinion to be reasonable and substantiated.

2. Please provide an assessment, whether the change will better facilitate the achievement of the Market Objectives

LGP considers that the proposed changes support all the Market Objectives by clarifying the administration and role of the principal consultative body.

3. Please indicate if the proposed change will have any implications for your organisation, (for example changes to your IT or business systems) and any costs involved

LGP would incur no organisational costs as a consequence of adopting the changes.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed

LGP would be able to implement the changes immediately.
