
Wholesale Electricity Market Rule Change Proposal Submission Form

<RC_2009_28> Second Submission: Market Advisory Committee Constitution and Operating Practices

Submitted by

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Submission

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

Following consultation regarding System Management's first submission, System Management is pleased to note the contents of the Draft Report.

In particular, System Management:

- supports the change of phrase from "Market Rules evolution" to "evolution of the Market Rules";
- notes that inconsistencies between the Market Rules and the MAC Constitution appear to have been remedied;
- supports the removal of the express confidentiality requirement in clause 3.11 of the MAC Constitution, on the basis that it would present considerable practical difficulties; and
- supports the change to the MAC Constitution such that proxies for Compulsory Class members do not require approval of the Chairperson.

However, System Management also notes the following.

- It is submitted that clause 5.2 of the MAC Appointment Guidelines should be amended consistent with the drafting below:

Compulsory Class members are individuals who represent a single entity. Compulsory Class members must demonstrate their eligibility against the criteria for membership and necessary skills, knowledge and experience. This is to allow the IMO to consider the skills and experience of the Compulsory Class members when making discretionary appointment decisions to ensure that the MAC is a well-rounded committee.

The excluded words are unnecessary – the membership criteria set out in clause 4.2 of the MAC Appointment Guidelines address skills, knowledge and experience requirements.

- System Management retains concerns that clause 2.3 of the amended MAC Constitution requires members and proxies to act “in the best interests of the Wholesale Electricity Market”.

The difficulty with this requirement is that the best interests of the market encompass the divergent interests of *all* participants. However, in the opinion of System Management MAC members must, by definition, represent and advocate the views of their particular constituency or membership class.

On occasion there may be a conflict between the perceived interest of the market as a whole, and the interests of a particular class. The intended requirement may therefore present a practical difficulty for members and System Management further notes that it is the role of the IMO to apply the Market Objectives in its decision-making and administration, and therefore pursue an outcome to achieve the best interests of the market.

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

No assessment is made.

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 in implementing these changes.

This proposed Rule Change will not involve any changes in System Management’s IT systems or business processes.

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

System Management will be able to implement this Rule Change by the expected commencement date.
