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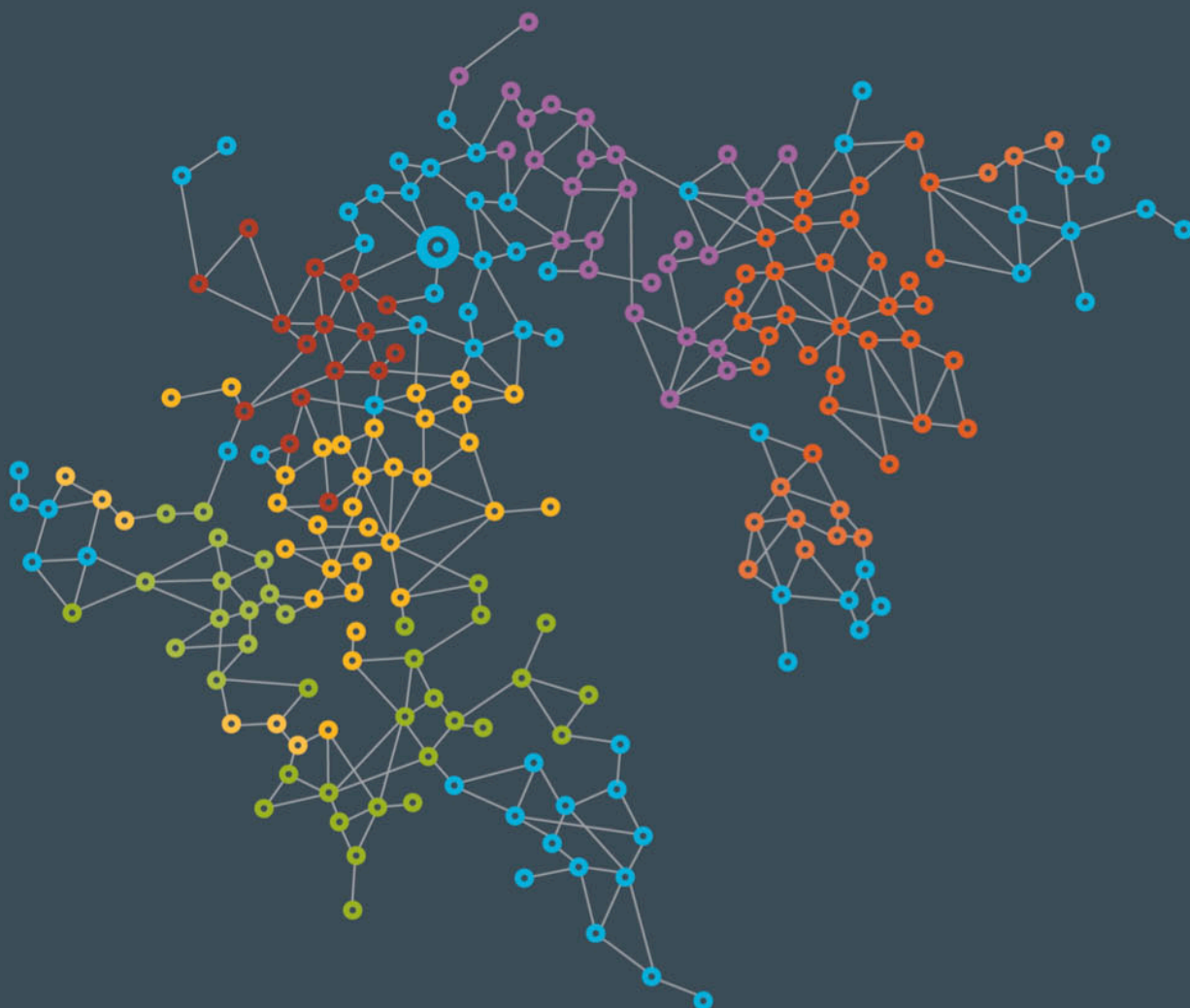
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# 2014 Market Advisory Committee Constitution and Appointment Guidelines

## Invitation to Provide Submissions

4 April 2014

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## 1. Background

The IMO has undertaken a review of the Constitution and Appointment Guidelines for the Market Advisory Committee (MAC). This was primarily to reflect the Amending Rules implemented in the Rule Change Proposal: Market Rule changes arising due to the merger of the Electricity Retail Corporation and Electricity Generation Corporation (RC\_2013\_18)<sup>1</sup>. The IMO also took the opportunity to make other minor amendments to improve the clarity and integrity of these governance documents.

In accordance with clause 2.3.4 of the Wholesale Electricity Market Rules, the IMO must invite public submissions when developing or amending the Constitution of the MAC. The proposed amended MAC Constitution and Appointment Guidelines are attached to this paper.

The proposed amended MAC Constitution and Appointment Guidelines were presented at the 19 March 2014 MAC meeting and circulated for further informal feedback. This feedback has been considered in the development of the proposed amendments.

## 2. Invitation for submissions

The IMO is seeking submissions regarding the proposed amendments to the MAC Constitution and Appointment Guidelines.

The submission period is 30 Business Days from the publication date of this notice. Submissions must be delivered to the IMO by **5.00pm (WST) on Wednesday, 21 May 2014**.

The IMO prefers to receive submissions by email to [market.development@imowa.com.au](mailto:market.development@imowa.com.au).

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

Independent Market Operator  
Attn: Group Manager, Development and Capacity  
PO Box 7096  
Cloisters Square, PERTH, WA 6850  
Fax: (08) 9254 439

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<sup>1</sup> Further details are available at [http://www.imowa.com.au/RC\\_2013\\_18](http://www.imowa.com.au/RC_2013_18).

## CONSTITUTION OF THE MARKET ADVISORY COMMITTEE

### 1. Introduction

- 1.1. The Wholesale Electricity Market Rules (Market Rules) are made under the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* (Regulations) and in accordance with section 123 of the *Electricity Industry Act 2004* (the Act).
- 1.2. The Wholesale Market Objectives are as contained within section 122 of the Act and clause 1.2.1 of the Market Rules (see Appendix 1 of this Constitution).
- 1.3. The IMO is responsible for administering the Wholesale Electricity Market, and, as part of this, for:
  - a) developing amendments to the Market Rules and replacements for them; and
  - b) developing, amending and replacing Market Procedures, where required by the Market Rules.
- 1.4. IMO must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives.
- 1.5. The IMO must ensure that proposed amendments to Market Procedures are:
  - a) consistent with the Wholesale Market Objectives; and
  - b) consistent with the Market Rules, the Act, and Regulations.
- 1.6. This Constitution of the Market Advisory Committee is prepared in accordance with clause 2.3.2 of the Market Rules.
- 1.7. Terms used in this Constitution have the same meaning as defined in the Market Rules.
- 1.8. This Constitution has been issued under the Market Rules and as such, if a provision of a document which is higher in order of precedence, such as those noted in clause 1.5(b) of this Constitution, is inconsistent with a provision of this Constitution, then the provision in the higher order prevails, to the extent of the inconsistency.

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## 2. Terms of Reference

2.1. The Market Advisory Committee is a committee of industry representatives convened by the IMO:

- a) to advise the IMO regarding Rule Change Proposals;
- b) to advise the IMO and System Management regarding Procedure Change Proposals;
- c) to advise the IMO regarding market operation and South West interconnected system operational matters; and
- d) to advise the IMO regarding matters concerning the evolution of the Market Rules.

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2.2. In carrying out its functions, the Market Advisory Committee must have regard to the Wholesale Market Objectives as set out in clause 1.2.1 of the Market Rules and any recommendations made by the Market Advisory Committee must be consistent with the Wholesale Market Objectives.

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2.3. Market Advisory Committee members or their proxies are required to act in the best interests of the Wholesale Electricity Market.<sup>1</sup>

2.4. Market Advisory Committee members do not vote on issues. Any recommendations of the Market Advisory Committee are based on a consensus of the views expressed by the members, excluding observers.

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2.5 The Market Advisory Committee may establish Working Groups comprised of representatives of Rule Participants and other interested stakeholders to assist it in advising the IMO.

## 3. Membership Terms

3.1. In accordance with clause 2.3.4 of the Market Rules, the Market Advisory Committee must comprise:

- a) at least three and not more than four members representing Market Generators;
- b) one member representing Contestable Customers;
- c) at least one and not more than two members representing Network Operators, of whom one will represent Western Power;
- d) at least three and not more that four members representing Market Customers;

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<sup>1</sup> It is acknowledged that at times the classes of representation on the Market Advisory Committee may have varying interests. Despite this members or their proxies are required to act in the overall best interests of the Wholesale Electricity Market.

- e) one member nominated by the Minister to represent small-use consumers;
  - f) one member representing System Management;
  - g) one member representing the IMO;
  - h) one member representing Synergy; and
  - i) a Chairperson, who will be a representative of the IMO.
- 3.2. The Minister may appoint a representative to attend Market Advisory Committee meetings as an observer, as outlined in clause 2.3.6 of the Market Rules.
- 3.3. The Economic Regulation Authority may appoint a representative to attend Market Advisory Committee meetings as an observer, as outlined in clause 2.3.7 of the Market Rules.
- 3.4. Observers are entitled to speak at meetings of the Market Advisory Committee but do not formally participate in making any recommendations.
- 3.5. Members who represent a single entity (System Management, the IMO, Synergy, and Western Power) are compulsory class members.
- 3.6. Members who represent a class of participants but are not compulsory members (Market Generators, Market Customers, Network Operators<sup>4</sup>, small-use consumers, and Contestable Customers) are discretionary class members.
- 3.7. Compulsory class members who are unable to attend a meeting can send an appropriate proxy with similar skills and experience to attend meetings in their place.
- 3.8. Discretionary class members who are unable to attend a meeting can request the attendance of an appropriate proxy (from any organisation which belongs to the same class as the member) who must have similar skills and experience. Discretionary class members can not send a proxy by right. Permission for the attendance by proxies will be at the Chairperson's discretion.
- 3.9. Observers can send proxies to attend meetings in their place.
- 3.10. The Market Advisory Committee may continue to perform its functions under clause 2.3 of the Market Rules despite any vacancy, provided that the quorum (noted in clause 6.3 of this Constitution) is met.
- 3.10 Each member is required to make him or herself reasonably available for all meetings. Members who have not been reasonably available for all

<sup>4</sup> Excluding Western Power

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meetings may be removed by the IMO under clause 4.6 of this Constitution. Proxies sent by compulsory class members count towards attendance by the compulsory class member. Proxies sent by discretionary class members do not count towards attendance by the discretionary class members.

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3.11 Each member and observer is required to:

- a) be prepared for all Market Advisory Committee meetings, to read the papers and to actively contribute to discussions; and
- b) not use their position or information gained as a member or observer improperly to gain an advantage for themselves or anyone else, or cause detriment to the IMO or the market;

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3.12 Each member and observer must pay their own expenses associated with participating in the Market Advisory Committee.

3.13 At the discretion of the Chairperson, other persons may be allowed to attend Market Advisory Committee meetings as observers from time to time.

#### 4. Appointing and Rotating Members

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4.1. The IMO may appoint members and terminate membership of the Market Advisory Committee in accordance with the clause 2.3.11 of the Market Rules, section 4 of this Constitution and the Market Advisory Committee Appointment Guidelines published by the IMO.

4.2. The IMO will advertise for nominations for the Market Advisory Committee on the Market Web Site in writing to all Rule Participants and via direct contact with appropriate industry groups. Any company or individual can make nominations.

4.3. An individual may be nominated Market Advisory Committee for as many categories relevant to the entity they represent and for which the nominee meets the eligibility criteria.

4.4. For the calendar year beginning on 1 January 2010 Market Advisory Committee members will be appointed for a one or two-year term as determined by a ballot conducted by the IMO in accordance with the Market Advisory Committee Appointment Guidelines.

4.5. Thereafter, each member will be appointed for a two-year term, subject to any earlier termination.

4.6. There are no restrictions on the number of times a member can be reappointed to the Market Advisory Committee.

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4.7. With the exception of the IMO and Western Power<sup>5</sup>, no more than one individual from the same employing organisation can be a member of the Market Advisory Committee at any one time.

4.8. When appointing and removing members of the Market Advisory Committee, the IMO will consult with, and take nominations from, Rule Participants, industry groups, that it considers relevant to the Wholesale Electricity Market. If practicable, and taking into account the requirements of the Market Rules regarding the Market Advisory Committee composition, the IMO will choose members from among those persons nominated. Further details of the nomination process are provided in the Market Advisory Committee Appointment Guidelines published on the Market Web Site.

4.9. Each year the IMO will review the performance and attendance of all Market Advisory Committee members. Following the review the IMO may terminate the membership of, or decide to not reappoint any member that it considers have not met the requirements of members as set out in this Constitution or the Market Advisory Committee Appointment Guidelines, and may appoint a replacement member.

4.10. The IMO may also remove a member of the Market Advisory Committee at any time in the circumstances described in clause 2.3.11 of the Market Rules.

4.11. A member of the Market Advisory Committee may resign by giving notice to the IMO in writing. As soon as practicable, the IMO will appoint a replacement member for the duration of the previous member's remaining length of tenure.

4.12. When a position on the Market Advisory Committee is vacant at any time, for any reason, the IMO will use its reasonable endeavours to appoint a suitable person to fill the position. For compulsory class members, the IMO will request a suitably qualified replacement nominee is provided to attend meetings, and for discretionary class members, the IMO will appoint a suitable representative in accordance with the requirements of the Market Rules and the Market Advisory Committee Appointment Guidelines.

## 5 Convening the Market Advisory Committee

5.1. The IMO will convene the Market Advisory Committee:

- in relation to a Rule Change Proposal or Procedure Change Proposal where the IMO considers that advice is required from the Market Advisory Committee, in which case the meeting will be called before the due date for submissions on the proposed changes;
- in relation to a Rule Change Proposal or Procedure Change Proposal where two or more members of the Market Advisory Committee have

<sup>5</sup> Noting that System Management is a ring-fenced entity within Western Power.



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informed the IMO in writing that they consider that advice is required from the Market Advisory Committee;

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c) not less than once every six months;

d) on any occasion when two or more members of the Market Advisory Committee have informed the IMO in writing that they wish to bring a matter before the Market Advisory Committee for discussion; and

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e) where possible, consistent with the provisional schedule of Market Advisory Committee meetings issued annually by the IMO.

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## 6 Conduct of Meetings

6.1. The Chairperson may determine procedures for meetings of the Market Advisory Committee.

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6.2. The Market Advisory Committee may make recommendations on an issue if a consensus is achieved. Any recommendations made by the Market Advisory Committee must be based on the consensus decision of members, excluding the opinion of observers.

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6.3. Unless a quorum of members is present at the time, no recommendations will be made. A quorum requires 50 percent of total current members to be present at the meeting, including at least one member representing Market Generators, and one member representing Market Customers in that quorum.

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6.4. The Chairperson may, in relation to any matter under consideration in the Market Advisory Committee, require all members and observers to treat the matter as confidential until advised otherwise. All members and observers must comply with that requirement.

6.5. Meetings of the Market Advisory Committee may be called or held using any technology determined by the Chairperson and at a location nominated by the Chairperson.

6.6. Meetings of the Market Advisory Committee are recorded for the purpose of ensuring the accuracy of meeting minutes. These recordings are therefore considered temporary and once the minutes of a meeting are confirmed the recordings from that meeting are no longer considered necessary and will be periodically deleted by the IMO.

6.7. A communication between Market Advisory Committee members constituting a quorum under clause 6.3 of this Constitution by telephone or audiovisual means is a valid meeting of the Market Advisory Committee, but only if each participating member or observer is capable of communicating with every other member or observer instantaneously at all times during the meetings.

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6.8. The Chairperson may, at his or her discretion, approve late papers for a Market Advisory Committee meeting.

## 7 Role of the Market Advisory Committee Secretariat

7.1. The IMO will provide secretariat services to the Market Advisory Committee.

7.2. As the secretariat for the Market Advisory Committee, the IMO will:

- a) develop and issue a provisional schedule of meetings annually and maintain the diary of the Market Advisory Committee;
- b) compile the meeting papers and send them by email to all members and observers of the Market Advisory Committee and publish the papers on the Market Web Site. The IMO will endeavour to issue papers to all members and observers, at least five Business Days before each meeting (subject to any approved late papers in accordance with clause 6.7 of this Constitution);
- c) prepare the minutes of each Market Advisory Committee meeting and endeavour to send them by email to all members and observers of the Market Advisory Committee within ten Business Days of the meeting; and
- d) subject to the confidentiality status of the matters in meeting minutes (in accordance with clause 10.2 of the Market Rules), publish the minutes on the Market Web Site.

## 8 Interaction between the Market Advisory Committee and the IMO

8.1. All written communications related to the activities of the Market Advisory Committee from the members and observers of the Market Advisory Committee will be sent to the secretariat.

8.2. Communications between the members and observers of the Market Advisory Committee and the IMO will be via email to market.development@imowa.com.au wherever practical.

8.3. The IMO will provide the members and observers of the Market Advisory Committee with information in its possession that is directly relevant to the issues being addressed (subject to clause 10.2.4 of the Market Rules).

8.4. Within one Business Day after the publication of a notice of a Rule Change Proposal or Procedure Change Proposal the IMO will notify the members and observers of the Market Advisory Committee (in accordance with clauses 2.7.4 and 2.10.8 of the Market Rules), via email, as to whether the IMO considers that advice on the proposal is required from the Market Advisory Committee and the reasons why.

8.5. The IMO will include in its Rule Change Reports (in accordance with clauses 2.7.7 and 2.7.8 of the Market Rules) a summary of the views

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expressed by the members of the Market Advisory Committee, where the Market Advisory Committee has met to consider a Rule Change Proposal, or where a Working Group has been appointed by the [Market Advisory Committee](#) to consider a Rule Change Proposal, a summary of the views expressed by that Working Group.

- 8.6. The IMO will include in its Procedure Change Reports ([in accordance with clause 2.10.13 of the Market Rules](#)) a summary of the views expressed by the members of the Market Advisory Committee, where the Market Advisory Committee has met to consider a Procedure Change Proposal, or where a Working Group has been appointed by the Market Advisory Committee to consider a Procedure Change Proposal, a summary of the views expressed by that Working Group.

## 9 Governance Arrangements [Between the Market Advisory Committee and Delegated Working Groups](#)

9.1 [The Market Advisory Committee may establish Working Groups made up of representatives from the industry to assist the Market Advisory Committee in dealing with any matter \(in accordance with clause 2.3.1 of the Market Rules\). The Market Advisory Committee may establish or disband any Working Group at any time.](#)

9.2 [The Market Advisory Committee must determine the scope of work and terms of reference for each Working Group. The Market Advisory Committee may approve any amendments to the Terms of Reference or membership of any working group at any time.](#)

9.3 The terms of reference for a Working Group, will be tailored to the specific requirements of each Working Group and would typically include the:

- background (reason for the establishment of the Working Group);
- purpose and scope [of work](#) of the Working Group;
- roles and responsibilities [of members of the Working Group](#);
- membership of the Working Group;
- administration, [secretariat](#) and meeting arrangements for the Working Group; and
- reporting arrangements to the Market Advisory Committee.

9.4 Working [Groups](#) must report back to the Market Advisory Committee at least once every two months [or as specified in the terms of reference for the Working Group](#). Reporting will be via the Working Group secretariat. The Working Group will report to the Market Advisory Committee at other [times requested by the Market Advisory Committee](#). Day-to-day interaction between the Market Advisory Committee and the Working Group will be via the IMO.

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9.5 Working Groups must refer issues outside the scope of the Working Group's terms of reference back to the Market Advisory Committee for consideration.

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## Appendix 1. Wholesale Market Objectives

The Wholesale Market Objectives, as outlined in section 122 of the *Electricity Industry Act 2004* and clause 1.2.1 of the Market Rules, are:

- a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

## Appendix 2. Removal of Members

The occurrence of any of the following events will entitle the IMO to remove a member of the Market Advisory Committee (in accordance with clause 2.3.11 of the Market Rules):

- a) the person becomes an undischarged bankrupt; or
- b) the person becomes of unsound mind or his or her estate is liable to be dealt with in any way under law relating to mental health; or
- c) in the IMO's reasonable opinion the person no longer represents the person or class of persons that they were appointed to represent in accordance with clause 2.3.5 of the Market Rules; or
- d) the person is not actively participating in the Market Advisory Committee; or
- e) the person breaches any part of this constitution of the Market Advisory Committee.

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## MARKET ADVISORY COMMITTEE APPOINTMENT GUIDELINES

### 1. Scope and Purpose

- 1.1 The purpose of these guidelines is to provide transparency as to the process to be followed for the appointment of members to the Market Advisory Committee (MAC). They have been developed to inform industry groups, Rule Participants and nominees of the selection and appointment processes applied by the IMO.
- 1.2 These guidelines set out the details of:
- a) the background to the MAC;
  - b) the requisite skills, knowledge and experience of MAC members;
  - c) the requirements for representation of MAC members;
  - d) the terms of appointment for MAC members;
  - e) the steps involved in the appointment process; and
  - f) any other matters that the IMO considers will contribute to good governance and the effective operation of the MAC.
- 1.3 The IMO seeks a balanced representation and a diverse mix of knowledge and experience among members of the MAC. These guidelines set out how the IMO aims to achieve this.

### 2. Related Documents

- 2.1 This document has been developed in accordance with, and should be read in conjunction with the following:
- a) clauses 2.3.1 to 2.3.17 of the Wholesale Electricity Market Rules (Market Rules); and
  - b) the MAC Constitution.

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### 3. Background to the Market Advisory Committee

3.1 The MAC is established pursuant to section 2.3 of the Market Rules. The MAC is a committee of industry representatives convened by the IMO:

- a) to advise the IMO regarding Rule Change Proposals;
- b) to advise the IMO and System Management regarding Procedure Change Proposals;
- c) to advise the IMO regarding market operation and South West interconnected system operation matters; and
- d) to advise the IMO regarding matters concerning the evolution of the Market Rules.

3.2 In accordance with clause 2.3.5 of the Market Rules, the MAC must comprise:

- a) at least three and not more than four members representing Market Generators;
- b) one member representing Contestable Customers;
- c) at least one and not more than two members representing Network Operators, of whom one will represent Western Power<sup>1</sup>;
- d) at least three and not more than four members representing Market Customers;
- e) one member nominated by the Minister to represent small-use consumers;
- f) one member representing System Management;
- g) one member representing the IMO;
- h) one member representing Synergy; and
- i) a Chairperson, who will be a representative of the IMO.

The Minister and the Economic Regulation Authority (ERA) may also each appoint a representative to attend MAC meetings as an observer, as outlined in clauses 2.3.6 and 2.3.7 of the Market Rules.

3.3 The MAC is an advisory committee and does not vote on issues. The MAC may make recommendations to the IMO if a consensus is achieved. Any recommendations made by the MAC are based on the consensus decision of members, excluding the opinion of observers. Observers on the MAC otherwise have full speaking rights.

<sup>1</sup> Excluding System Management which operates as a ring-fenced entity for market purposes.

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3.4 The MAC must have regard to the Wholesale Market Objectives in carrying out its functions.

#### 4. Skills, Knowledge and Experience of Members

4.1 The applicants for appointment to the MAC should collectively possess the skills, knowledge and experience specified in clause 4.2 of these guidelines. The IMO's appointment process will ensure that there is balanced representation of skills knowledge and experience across the MAC.

4.2 The IMO will take into account, but is not limited to, the following expected skills, knowledge and experience of the MAC (as a whole) when making appointment decisions:

- a) knowledge and/or demonstrated experience relating to energy sector issues;
- b) broad understanding of the technical, design and commercial aspects of the WEM;
- c) ability to contribute to the MAC, including;
  - i. ability to work as a member of a small team;
  - ii. ability to assess proposed rule and procedure changes against the Wholesale Market Objectives;
  - iii. ability to understand the subject matter in proposals made to the MAC; and
  - iv. ability to consider market design issues and options for the evolution of the Market Rules;
- d) understanding of the Market Rules and other relevant legislation including the Electricity Industry Act 2004, Electricity Industry (Wholesale Electricity Market) Regulations, Metering Code, Access Code and Technical Rules along with other relevant regulatory instruments; and
- e) knowledge of the powers and obligations of both the IMO and System Management and the frameworks in which they operate.

4.3 Applicants are not required to be full time employees of an entity that is a participant in the class which membership is being sought.

#### 5. Representation of MAC Members

5.1 MAC members are required to act in the best interests of the Wholesale Electricity Market.

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5.2 Compulsory class members are individuals who represent a single entity. During their inaugural appointment compulsory class members must demonstrate their eligibility against the criteria for membership and necessary skills, knowledge and experience. During subsequent annual reviews, details of updates to compulsory class members' skills, knowledge and experience will be required to be provided to the IMO, where substantive changes have occurred. 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 combined skills and experience of the MAC is well balanced.

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5.3 Discretionary class members are individuals that represent a class of participants but are not compulsory class members. Discretionary class members are expected to act in a way that properly reflects the interests of the group that they have been chosen to represent i.e. Market Generators, Market Customers or Contestable Customers. Discretionary class members must demonstrate their eligibility against the criteria for membership and necessary skills, knowledge and experience.

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## 6. Term of Appointment

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6.1 Membership on the MAC for the 2010 year for both discretionary and compulsory class members will be for either one or two years with the opportunity for reappointment after this time period has lapsed.

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6.2 For the calendar year beginning 1 January 2010, the term of membership will be determined by the IMO conducting a ballot. Half of the then current members will be appointed for one year and the remainder will be appointed for a two-year term. The ballot will be designed so that no particular class of membership will be completely rotated out in a single year. For example all Market Generator representatives would not be up for renewal in a single year. Members chosen by ballot for a one year term will be eligible for reappointment to an additional two-year term if they meet the appointment criteria at the time.

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6.3 Thereafter, the term of appointment of discretionary class members will be two years. This is to ensure consistency in decision making and that all sections of the industry are adequately represented as the market matures.

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6.4 Compulsory class membership, after inaugural membership has expired, is for two years to ensure consistency of representation. At the lapse of tenure, compulsory class members will be able to reconfirm their nominated individual representative to serve on the MAC.

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6.5 The IMO may appoint new members into compulsory and discretionary class positions, if necessary, when members are no longer representative of the class. This includes situations where the member's employment changes to being employed by an entity outside of the member's class of representation or upon occurrence of any of the events listed clause 2.3.11 of the Market Rules.

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6.6 There are no restrictions on the number of times a member can be reappointed to the MAC, but in making appointments the IMO's objective is to get the best representation of the industry over time to ensure a dynamic MAC that is representative of the market.

6.7 MAC members will be reappointed based on the IMO's assessment of individuals against the appointment criteria [outlined in section 4 of this guideline](#) to ensure that they conform to the requirements and are representative of their class.

## 7. The **Nominations and Appointment Process**

7.1 Each year the IMO will review the performance and attendance of MAC members. If any changes are required these will be addressed at the same time the IMO commences the annual appointment process for [discretionary](#) and [compulsory](#) Class members whose tenure has lapsed.

7.2 On completion of the annual review the IMO will:

a) [for discretionary class members whose tenure has lapsed, seek nominations](#) from industry groups and Rule Participants with respect to the position (i.e. Market Customer or Market Generator representative). Industry consultation includes, but is not limited to:

i. [Chamber of Commerce and Industry of Western Australia;](#)

ii. [Chamber of Minerals and Energy of Western Australia; and](#)

iii. [Western Australian Sustainable Energy Association; and](#)

b) [for compulsory class members whose tenure has lapsed, seek reconfirmation](#) from a senior executive of the applicable entity that the member will continue to represent that entity. An updated resume must be provided where the individual's skills, knowledge or experience have changed since the last review. Reconfirmation may be provided to the IMO via email to [market.development@imowa.com.au](mailto:market.development@imowa.com.au).

7.3 The IMO will advertise for nominations for [discretionary class positions on the Market Web Site](#) and via direct contact with appropriate industry groups. The IMO will also send an email notification to [stakeholders and](#) entities on its market advisory mailing list maintained by the Market Development team.

7.4 Any company or individual can [nominate themselves or someone else](#). Nominations must:

a) be in writing;

b) address the eligibility criteria for appointment to the MAC as set out in the Market Rules, MAC Constitution and [these guidelines](#);

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- c) have attached a completed MAC application form, available on the Market Web Site, outlining the skills set of applicants with respect to the class(es) of nomination;
- d) include contact details of the nominee (to demonstrate evidence of the persons willingness for appointment); and
- e) be received by the IMO by the published due date.

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7.5 Nominee details provided to the IMO will be kept private. A high-level assessment of all the nominees against the appointment criteria may be made available by the IMO if requested by an interested party.

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7.6 An individual may be nominated for as many categories relevant to the entity to which they belong and for which the nominee meets the eligibility criteria. For example an entity which is both a Market Generator and Market Customer may nominate individuals for both of these categories.

7.7 With the exception of the IMO and Western Power<sup>2</sup>, the IMO can only appoint one individual from any one entity to serve on the MAC at any one time.

7.8 The IMO will consider nominations received, determine the appropriate composition of the MAC (taking into account the skills, experience and knowledge of any existing or reconfirmed compulsory class members and observers appointed by the Minister or Economic Regulation Authority), and finalise appointment arrangements by March of every year, using the following assessment steps:

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Step	Event	Date
1	IMO assess the positions up for renewal.	Before November MAC meeting.
2	IMO inform the MAC that the annual review is about to commence.	November MAC meeting.
3	IMO prepare a call for nominations for the available <u>discretionary class</u> membership positions and seek reconfirmation from <u>compulsory class</u> entities of their members.	End of November, closing late December.
4	IMO establish an internal evaluation panel (comprising members from across the organisation) to assess all nominations received and ensure a high standard of probity is maintained.	Before close of call for nominations.

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<sup>2</sup> Noting that System Management is a ring-fenced entity within Western Power.

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Step	Event	Date
5	IMO prepare an Evaluation Panel handbook outlining what each panel member is required to do. This includes: <ul style="list-style-type: none"> <li>Assessment of the nominees against the pre-qualification and compliance criteria;</li> <li>Assessment of the nominees against the qualitative criteria using the information provided in the response to the call for nominations; and</li> <li>Rating each nominee against the qualitative criteria using a pre-defined rating 0 – 9 point rating scale.</li> </ul>	Before close of call for nominations.
6	Panel members assess each nominee in accordance with the Evaluation Panel handbook.	Following close of call for nominations and before the end of January.
7	Evaluation Panel meeting to determine a consensus score for each of the nominees.	
8	Evaluation Panel create a shortlist of candidates for each class based on the consensus qualitative ranking.	
9	To ensure an appropriate balance of skills and experience the Evaluation Panel will undertake the second stage assessment including reviewing the relevant qualifications, years of experience and backgrounds of nominees to determine the best possible composition for the MAC (taking into account the relevant skills and experiences of the compulsory members and appointed observers).	
10	Draft a recommendation report to present to the MAC Chair for review.	
11	Evaluation panel to reassess its recommendations (if required).	
12	Prepare a recommendation report to present to the IMO Board for its review and approval.	February Board meeting.
13	The IMO Board to decide the MAC membership. Following the Board's decision, inform the nominees of the outcome of the assessment process.	End of February.
14	All MAC members (incoming and outgoing) to attend a handover MAC meeting.	March MAC meeting.

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[April 2014]

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