

Agenda item 7a 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) will chair and provide administrative support for the group.
- To accommodate routine changes of personnel and attendance of alternates, membership of this Working Group will be organisation based, rather than by person. Members of the Working Group are:

- IMO
- System Management
- Western Power
- Griffin Energy
- Alinta
- Landfill Gas & Power
- Verve Energy
- Synergy
- Energy Response
- Investec
- Collgar
- Skyfarming
- SunPower
- Economic Regulation Authority
- WA Solar
- Carnegie Wave Energy

- Office of Energy
 - New World Energy
 - Pacific Hydro
 - MidWest Energy
 - Tenet Consulting
 - DMT Energy
 - Department of Treasury and Finance
 - Department of the Premier and Cabinet
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- All industry members participate as general industry representatives rather than representing their particular company's interests.
 - 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.
 - 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.