

TECHNICAL RULES COMMITTEE

Terms of reference

This Terms of Reference provides guidance to the Technical Rules Committee (**Committee**), established pursuant to chapter 12 of the *Electricity Networks Access Code 2004* (**Access Code**) for the parts of the South West Interconnected System (SWIS) owned by Western Power Corporation (**Western Power**).

Technical Rules consist of the standards, procedures and planning criteria governing the construction and operation of an electricity network, and deal with all the matters listed in Appendix 6 of the Access Code. The objectives for Technical Rules are set out in section 12.1 of the Access Code and include that they:

- (a) are reasonable; and
- (b) do not impose inappropriate barriers to entry to a market; and
- (c) are consistent with *good electricity industry practice*; and
- (d) are consistent with relevant *written laws and statutory instruments*.

In prescribing these terms of reference, the Authority is cognisant of the following Access Code provisions:

- Section 12.6(a) of the Access Code requires the Service Provider of a covered network to submit proposed Technical Rules. Western Power's Technical Rules were approved on 26 April 2007 at the time the first access arrangement was approved.
- Section 12.56 of the Access Code states that the Economic Regulation Authority (**Authority**) must cause a review of the technical rules for a covered network to be carried out approximately six months before the target revisions commencement date (1 July 2009) in the first access arrangement for the covered network.
- Section 12.57 states that the purpose of the review is to:
 - (a) to assess the effectiveness of the technical rules in achieving the objectives in section 12.1 and the Access Code objective;
 - (b) to consider any proposal to amend the technical rules which have been deferred under section 12.52.
- Section 12.58 indicates that the Authority may carry out the review in the manner it considers best achieves the Access Code objective.
- Section 12.16 allows the Authority to establish a technical rules committee at any time and from time to time for a network or an interconnected system.
- Section 12.28 of the Access Code requires the Authority to have regard to advice provided by the technical rules committee in deciding whether to approve proposed Technical Rules for a network.

Sections 12.16 to 12.27 of the Access Code outline the role and functions of a technical rules committee. Section 12.27(a) of the Access Code allows for the Authority to provide directions to a technical rules committee in relation to the procedures it must follow, and the manner in which it must perform its functions.

Accordingly, the following represents the procedure determined by the Authority for the Review of Western Power's Technical Rules and the Terms of Reference for the Technical Rules Committee (**Committee**) established pursuant to chapter 12 of the Access Code for the Review of Western Power's Technical Rules. This Terms of Reference is to be read subject to the provisions of the Access Code.

1. Procedure for Reviewing Western Power's Technical Rules

- (a) Western Power will submit proposed revised Technical Rules to the Authority (1 October 2008).
- (b) The Authority will publish Western Power's proposed revised Technical Rules and will seek submissions from interested parties by early November 2008.
- (c) The Authority will refer Western Power's proposed revised Technical Rules and submissions received from interested parties to the Committee for it to produce a report advising on the operation and approval of the technical rules by the end of January 2009. To assist the Committee's deliberations it may set up working groups to consider relevant aspects of the Technical Rules.
- (d) The Authority will consider the Committee's report and submissions and will be assisted in this process by the Authority's Secretariat, technical and legal advisers in preparing its decision on Western Power's proposed revised Technical Rules. The approved Technical Rules are to be published by late April 2009.

2. Purpose of the Committee

- (a) The Committee is established for the purpose of providing specialist knowledge and advising the Authority on the approval of revised Technical Rules relating to the parts of the SWIS owned by Western Power. The Authority considers the primary focus of this review should be a high level examination of whether Western Power's Technical Rules ensure that they do not impose inappropriate barriers to entry to a market and do not unduly inhibit access to its network.
- (b) The Access Code (section 12.23) states that the Committee:
 - (a) may develop model technical rules;
 - (b) must advise the Authority on the approval of proposed technical rules;
 - (c) must, when requested by the Authority, advise the Authority on any matter connected with technical rules; and
 - (d) must, when requested by the Authority, conduct a review of the operation of:
 - i. Technical rules or a part of the technical rules; or
 - ii. chapter 12 of the Access Code, or a part of chapter 12,and advise the Authority on the outcome of the review.
- (c) The Committee is to provide the Authority with a report on the proposed revised Technical Rules, in accordance with the timeframe set out in 1 (c) above.

- (d) The Committee must perform these functions in accordance with the objectives in section 12.1 of the Code.

3. Commencement of the Committee

- (a) The Committee is established under section 12.16 of the Access Code and by this Terms of Reference.
- (b) The Committee shall be convened by way of written invitation from the Authority or its delegate.
- (c) The Committee shall meet as frequently as the Chair, or the Authority or its delegate, determines.

4. Membership of the Committee

- (a) The following organisations have been invited to nominate a representative on the Technical Rules Committee [cf. s.12.19(a)(i)]:
- a representative of the Coordinator of Energy;
 - a representative of Western Power;
 - a representative of Southern Cross Energy;
 - a representative of International Power Mitsui Consortium (Kwinana Cogeneration Plant);
 - a representative of Newmont Power Pty Ltd;
 - a representative of BHP Billiton;
 - a representative of Griffin Power Pty Ltd;
 - a representative of New Gen (Neerabup and Kwinana);
 - a representative of Verve Energy;
 - a representative of Synergy;
 - a user representative to be nominated by the Chamber of Minerals and Energy Western Australia;
 - a user representative to be nominated by the Chamber of Commerce and Industry Western Australia; and
 - a user representative to be nominated by the Western Australian Sustainable Energy Association.
- (b) The representative of the Coordinator of Energy will Chair the Committee. [cf. s.12.20]
- (c) The Committee may, if considered necessary, recommend to the Authority the appointment of any other person as a representative of users of the network, or any

other person that the Committee considers appropriate. This clause does not limit the Authority in appointing any other party to the Committee.

- (d) The Authority may appoint a representative(s) to observe any aspect of the operation of the Committee, including attending meetings of the Committee. [cf. s.12.30]
 - (i) The representative of the Authority must not participate in any decision making process of the Committee. [cf. s.12.31]

5. Duration of Membership

- (a) The Authority will review the Committee's membership, operation and procedures (including the continuation of the Committee) after the Review of Western Power's Technical Rules.
- (b) The Authority may, by writing to members of the Committee, dissolve the Committee after the Review of Western Power's Technical Rules. [cf. s.12.27(b)]

6. Funding and Resources of the Committee

- (a) Each member organisation shall be responsible for their individual participation costs on the Committee.
- (b) The Chair is responsible for providing secretariat services to the Committee, including the recording of minutes of the activities of the Committee.

7. Meeting Governance

- (a) A quorum shall comprise:
 - (i) the member representing the Coordinator of Energy (Chair);
 - (ii) the member representing Western Power (the service provider);
 - (iii) at least two members representing the other service providers of networks interconnected with Western Power's network within the SWIS; and
 - (iv) at least one member representing users of the networks.
- (b) The Committee's recommendations to the Authority are to be formulated on the basis of consensus.
 - (i) In the event of deadlock the Chair of the Committee must advise the Authority of the details of the deadlock and the position held by each member of the Committee on the matter the subject of the deadlock. [cf. s.12.25]
 - (ii) The Authority must form a view on the matter the subject of the deadlock and advise the Committee of its view. The Committee is required to proceed on the basis of the view advised to it by the Authority. [cf. s.12.26]
- (c) Apart from that which is provided for within the Access Code, this Terms of Reference or any other direction provided by the Authority under section 12.27(a) of the Access Code, the Committee is to determine the policies of, control the affairs of, and otherwise perform the functions of, the Committee.

- (d) The Committee may form working groups to assist it with considering technical matters pertaining to specific matters, for example small generators.

8. Reporting

- (a) Any communication to the Authority from the Committee must be provided to the Authority by the Chair and not by any other member. [cf. s.12.21]
 - (i) This does not preclude a person who is a member of the Committee from making submissions to the Authority in relation to Western Power's Technical Rules in any capacity other than as a member of the Committee. [cf. s.12.22]
- (b) The Committee is to provide the Authority with a report on Western Power's proposed revised Technical Rules, in accordance with the timeframe set out in 1 (c) above.

9. Procedures for undertaking review of the operation of Technical Rules and/or chapter 12 of the Access Code

- (a) The Committee must conduct a review of the operation of the Technical Rules (or part thereof) or chapter 12 of the Access Code (or part thereof), and advise the Authority of the outcome of the review, including any recommendations for amendment of the Technical Rules and/or chapter 12 of the Access Code. [cf. s.12.23(d)]
- (b) The purpose of the review is to determine whether the Technical Rules and/or chapter 12 of the Access Code continue to efficiently and effectively deliver the objectives of the Technical Rules and/or the Access Code.
- (c) Following a request from the Authority, the Committee must undertake a review that is consistent with the timeframes and objectives to be determined by the Authority.
- (d) This clause does not limit the Authority in the performance of its review role under sections 12.56, 12.57 and 12.58 of the Access Code.

10. Procedures for recommending an amendment to Technical Rules

- (a) In addition to clause 8 above, the Committee, through the Chair, may recommend to the Authority an amendment to the Technical Rules at any time. [cf. s.12.50]
- (b) The Authority is to consider any such proposed amendment in accordance with the procedures set out in sections 12.50, 12.51, 12.52, 12.53 and 12.54 of the Access Code.
- (c) This clause does not limit the Authority in the performance of its Technical Rules amendment functions under the aforementioned sections of the Access Code.

11. Jurisdictional consistency

- (a) The Committee shall keep itself informed of developments in other Australian States with respect to technical standards, procedures and planning criteria governing the construction and operation of an electricity network.
- (b) The Committee will, when appropriate, liaise with other relevant Australian State organisations responsible for technical matters in order to achieve a national

consistency of approach, wherever practicable, taking into account the circumstances of Western Australia.