

Terms of Reference

Supplementary Reserve Capacity Working Group

SCOPE

The Working Group will consider any issues that have been identified with respect to the Supplementary Reserve Capacity provisions of the Market Rules and, if necessary, develop any amendments to the Market Rules.

In particular, the Working Group is requested to explore:

1. appropriate funding for the additional costs associated with the use of the Supplementary Reserve Capacity (SRC) mechanism and the distribution of these costs amongst Market Participants;
2. the appropriateness of a causation built into the mechanism, where the failure by a generator (or DSM provider) to meet its obligations, would see these additional costs sheeted home to that party. This should also include the issue of the SRC funding in the event of Capacity Credits cancellation;
3. the definition of Eligible Services under the Market Rules to allow for existing capacity that is available, including the contribution/measurement of such capacity when deciding if SRC is required and the ability to compensate such contribution;
4. an appropriate cost structure for an SRC tender and how this translates into refunds;
5. the timelines of the SRC but limited to the initial call for SRC i.e. this would not include the timeframes associated with the provision for direct contracting; and
6. implications if forecasted load growth is higher than anticipated, resulting in the IMO needing to revise its forecasts.

TERMS OF REFERENCE

- Members of the Working Group are appointed by MAC.
- The members of the Working Group are:

Jenni Conroy, Chair	-	Industry Representative, Synergy
Shona Guilfoyle	-	Industry Representative, Alinta
Bill Truscott	-	Industry Representative, Alinta
Peter Ryan	-	Industry Representative, Griffin Energy
Steve Gould	-	Industry Representative, Landfill Gas and Power
Mark Lewis	-	Industry Representative, NewGen
TBA	-	Transalta
Brad Huppatz	-	Verve Energy
Peter Huxtable	-	Water Corporation
Rob Pullella	-	ERA
Dora Guzeleva	-	IMO
Troy Forward	-	IMO
Matthew Martin	-	Office of Energy
Pablo Campillos	-	Energy Response
- The Working Group will provide to MAC reports of its assessment and any proposed Market Rule amendments including:

- An interim report and a proposed rule change PRC_2008_27 which addresses (1) on 20 August 2008;
 - A report including any proposed rule changes which addresses (3) on 10 September 2008; and
 - A report which addresses (2), (4), (5) and (6) on 12 November 2008.
- The Working Group will focus on clauses 4.13.11, 4.24 and 4.28 of the Market Rules.
- The Working Group will refer any other issues that emerge during its deliberations back to MAC for consideration.
- Members are expected to attend as many Working Group meetings as practicable.
- MAC may review, amend and extend these terms of reference, as necessary.