
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2009_28 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.

Verve Energy welcomes the opportunity to comment on the Rule Change Notice “Market Advisory Committee (**MAC**) Constitution and Operating Practices – RC_2009_28”. The views in this submission also relate to the proposed amendments to the “Market Advisory Committee Constitution” (*The Constitution*) and the new “Market Advisory Committee Appointment Guidelines” (*The Guidelines*).

Verve Energy accepts and supports that this exercise is to make appointments to the MAC more transparent however, expresses concern about some aspects. These are explained in the paragraphs following.

Representatives and Proxies

Verve Energy understands that the skills, knowledge and experience of members listed in Clause 4 of *the Guidelines* is a skill set that the MAC, as a body, must acquire, not necessarily that of any one individual. It supports this view.

Clause 4.3 of *the Guidelines* states that a representative must be of middle management level or higher. An individual may have the knowledge and experience to contribute well to a MAC meeting but not have the managerial experience. This clause should be modified to say “preferably middle management experience”.

Under *the Constitution*, clause 3.5 states that a member that represents a single entity is called a “compulsory class member”. Verve Energy holds one membership of this class. Clause 3.7 of *the Constitution* states that the Chairperson must agree to an appropriate proxy for such members. Verve Energy believes it is in the best position to decide who to send as a proxy. The IMO should have confidence that compulsory class members would assign a suitable proxy.

In conclusion, proxies are assigned on a temporary basis only. *The Guidelines* appear too rigid for proxies and should be reassessed.

The Nomination and Appointment Process

If the sole purpose of collecting CVs from compulsory class members upon nomination is to seek complementary skill sets from discretionary class members, a simpler process should be established. For example, a standard form listing all specific skill sets required by the MAC group could be designed and completed by all nominees. The gaps in skills would be more transparent if the information was collected in a consistent way.

Verve Energy does not agree that the IMO should have the ability to determine the suitability or otherwise of nominated representatives of compulsory class members. It should be accepted that such members would, ordinarily, only choose an appropriately qualified and experienced representative.

Removal and Replacement of Members

Clauses 4.8 to 4.12 in the Constitution outline the steps taken upon resignation and appointment of a replacement member. If a compulsory class member resigns, the entity should have the right to appoint a suitable replacement. This would simplify the process outlined in these clauses.

If any clarification is required, or you would like to discuss issues raised here, please contact Liza Stephenson on 94241804.

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

The proposed changes, subject to the suggestions above, are consistent with the Market Objectives.

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.

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