



AEMC Reliability Panel

VoLL 2006 review — consultation notice

Background

The AEMC Reliability Panel has been requested by the AEMC to undertake in a comprehensive and integrated process several reviews relating to a number of high level National Electricity Market (NEM) standards and parameters including the Value of Lost Load (VoLL). A key objective of consolidating this work is to provide market stakeholders with transparency and certainty in relation to those standards and parameters for the medium-term. The Panel has been requested to provide its report to the AEMC by 31 March 2007. A terms of reference and statement of process in relation to the comprehensive review appears on the AEMC's website at www.aemc.gov.au.

The Panel is required under clause 3.9.4(c) and 3.9.6(c) of the National Electricity Rules (Rules) to review VoLL and the market floor price by 30 April each year. As the comprehensive review is expected to take 15 months to complete, it will include two such reviews: one by 30 April 2006 (the VoLL 2006 review) and one by 30 April 2007 (the VoLL 2007 review). Each review must follow the consultation procedures set out in clause 8.9 of the Rules. Further, each must also assess the operation of VoLL in combination with the Cumulative Price Threshold (CPT).

Call for written submissions

The purpose of this notice is to invite NEM Registered Participants and other interested parties to make written submissions to the Panel in respect of the VoLL 2006 review.

It should be noted that, in order to maximise the benefits to be obtained from the comprehensive review approach, the Panel intends to address the issues associated with setting a medium-term VoLL, market floor price and CPT as part of its VoLL 2007 review. Accordingly, parties may wish to consider addressing those and any other relevant issues in the submissions that they make as part of the VoLL 2007 review rather than the VoLL 2006 review. The Panel expects to call for written submissions in respect of the VoLL 2007 review by mid-2006.

Should a party wish to make a submission to the VoLL 2006 review, their submission may state whether they consider that a meeting is necessary or desirable in connection with the VoLL 2006 review. If so, that submission must state the reason(s) why such a meeting is necessary or desirable.

To be valid, submissions must be received no later than 5 pm, Eastern Summer Time on Friday, 20 January 2006.

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For further information in relation to the Panel's VoLL 2006 review, VoLL 2007 review and comprehensive reliability review, please contact Anthony Englund, Reliability Panel Secretary at the AEMC on (02) 8296 7800 or anthony.englund@aemc.gov.au.