

# Reliability Panel AEMC

**Australian Energy Market Commission**  
Reliability Panel

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Our ref: CRM0049

19 February 2013

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

By email: [john.pierce@aemc.gov.au](mailto:john.pierce@aemc.gov.au)

Dear Mr Pierce

## **National Electricity Rules: Rule change request – Location of Reliability Panel public meetings**

Clause 8.8.3(g) of the National Electricity Rules (NER) requires the Reliability Panel (Panel) to hold a meeting that is open to registered participants for each of its determinations or reviews (a 'public meeting'). The NER further requires the public meetings be held in capital cities in the national electricity market jurisdictions on a 'rotating basis'. From the Panel's experience, rotating the location of these meetings is not always practical and may result in unnecessary financial costs being incurred by the Panel and stakeholders.

Accordingly, we submit this rule change request, including a proposed rule, to the Australian Energy Market Commission (AEMC) for your consideration under section 91 of the National Electricity Law (NEL). The proposed rule seeks to clarify the Panel discretion to determine the location of each public meeting, including whether the meeting may be held via enabling technologies such as videoconference or teleconference facilities.

The enclosed rule change request sets out a statement of the issues being addressed by the proposed rule, a description of the proposed rule, and our consideration of how the proposed rule promotes the national electricity objective. We have also included an explanation of the costs and benefits of the proposed rule.

We consider this rule change is not controversial and, therefore, request that the AEMC consider the merits of 'expediting' the rule change request under section 96(1)(b) of the NEL.

Yours sincerely



Neville Henderson  
Chairman, Reliability Panel

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# **Reliability Panel**

## **AEMC**

### **RULE CHANGE PROPOSAL**

Location of Reliability Panel public meetings

19 February 2013

**AEMC Reliability Panel Members**

Neville Henderson, Chairman and AEMC Commissioner

Trevor Armstrong, Chief Operating Officer, Ausgrid

Stephen Davy, Chief Commercial Officer, Hydro Tasmania

Mark Grenning, Chief Advisor Energy, Rio Tinto

Chris Murphy, Chief Executive Officer, Secure Energy

Andrew Nance, Principal, St Kitts Associates

Tim O'Grady, Head of Public Policy, Origin Energy

Nick Sankey, Head of Utilities Energy and Renewables, Commonwealth Bank

David Swift, Executive General Manager Corporate Development, AEMO

Merryn York, Chief Executive Officer, Powerlink

## 1. Introduction

This rule change request has been prepared by the Reliability Panel (Panel) regarding clause 8.8.3(g) of the National Electricity Rules (NER or Rules), which requires the Panel to hold meetings for its reviews and determinations in capital cities on a rotating basis.

## 2. The AEMC Reliability Panel

The Panel is a specialist panel established by the Australian Energy Market Commission (AEMC) in accordance with section 38 of the National Electricity Law (NEL) and the NER. The Panel comprises industry and consumer representatives as well as a representative of the Australian Energy Market Operator (AEMO). The Panel has specific responsibilities under the NER to set standards and guidelines and also in relation to monitoring, reviewing and reporting on the safety, security and reliability of the national electricity system. The Panel also undertakes reviews and advises the AEMC at its request.

## 3. Rule change request

### 3.1. Name and address of rule change proponent

AEMC Reliability Panel  
PO Box A2449  
SYDNEY SOUTH NSW 1235  
panel@aemc.gov.au

### 3.2. The proposed rule

The Panel conducts various determinations and reviews in accordance with the requirements under the NER and any terms of reference from the AEMC. For each determination and review, the NER requires the Panel to 'hold a meeting open to all Registered Participants' (public meeting).<sup>1</sup> Clause 8.8.3(g) of the NER further requires that these meetings be held in the capital cities of the participating jurisdictions on a 'rotating basis'.<sup>2</sup> The selection of the city for each meeting is at the discretion of the Panel.

The proposed rule seeks to amend clause 8.8.3(g) of the NER to remove the requirement for public meetings to be held in the capital cities on rotating basis.

The proposed rule would maintain the Panel's discretion to determine the appropriate location to hold its public meetings. However, as the NER currently does not explicitly state that meetings must be held in person, the proposed rule would clarify that the Panel may hold public meetings via enabling technologies, such as via videoconference or teleconference, if the Panel considered this to be appropriate for a determination or review. The Panel could also determine that it may be appropriate to hold consecutive public meetings in the same city. In addition, the proposed rule would allow the Panel to hold consecutive public meetings in the same city as appropriate.

In making its decision on the location of a meeting, the proposed rule would require the Panel to take into consideration whether there is special interest or relevance of a matter in a particular jurisdiction.

The proposed rule also clarifies that the public meetings are to be open to all Registered Participants and interested parties, rather than just Registered Participants. In practice, the Panel has welcomed all stakeholders to its public meetings but we consider clarification in this case

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<sup>1</sup> Clause 8.8.3(f) of the NER.

<sup>2</sup> Clause 8.8.3(g) of the NER. A 'participating jurisdiction' is a jurisdiction that is a participating jurisdiction under the NEL.

would be of benefit to ensure that interested parties have equal access to these meetings. In addition, the proposed change would be consistent with the requirements of the rules consultation procedures under Chapter 8 of the NER.

### **Nature of the issue the proposed rule will address**

The Panel can undertake a number of determinations and reviews each year. The complexity of the subject matters considered in each project varies.

For a number of projects to date, especially where the subject matter may have not been complex or contentious, the interest of stakeholders to attend the public meetings in person had been low. As a result, where it was anticipated that the interest in a public meeting would be low and the subject matter of the meeting was not jurisdiction specific, it has been common for the Panel to propose holding the public meeting in Sydney at the AEMC office. This saved administration and venue costs. The Panel notes that in some cases, no stakeholders had registered to attend the public meetings.

In cases where no participants had registered to attend a public meeting, the Panel had cancelled the public meeting. On a number of occasions, a teleconference with interested stakeholders had been organised instead.

Although the Panel considers its past approach to public meetings is reasonable and practical, by not holding meetings in person in capital cities on a rotating basis, the Panel could be considered to be in breach of the provisions under the NER. The proposed rule will address this issue by allowing the Panel to adopt a pragmatic approach to public meetings.

The Panel notes that:

- stakeholders have provided positive comments on the usefulness of teleconferences that have been held; and
- no stakeholders have raised any concerns regarding the location of public meetings that have been organised to date.

### **3.3. How the proposed rule will contribute to the achievement of the national electricity objective**

The national electricity objective (NEO) is set out in section 7 of the NEL and states:

“The objective of this Law is to promote efficient investment in, and efficient operation and use of, electricity services for the long term interest of consumers of electricity with respect to—

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system.”

The Panel considers the proposed rule will contribute to the achievement of the NEO by promoting more efficient operation of electricity services for the long term interest of consumers with respect to the price of the supply of electricity. This is because the proposed rule may reduce the financial costs faced by the Panel and stakeholders in organising and commuting to attend public meetings. The Panel would be able to determine an appropriate location to hold public meetings taking into consideration the level of interest from stakeholders and possible relevance to a particular jurisdiction. Where appropriate, the Panel could also hold the public meeting via enabling technologies such as videoconference or teleconference facilities.

### 3.4. Expected costs, benefits and impacts of the proposed rule

The proposed rule benefits both the Panel and stakeholders by allowing the Panel to adopt a flexible, cost-effective and pragmatic approach that is more reflective of the Panel's and stakeholders' requirements.

There is the potential for the Panel to save administration and venue costs by removing the requirement for the Panel to hold public meetings in different cities on a rotating basis, and from the work flexibility and cost-effectiveness derived from the availability of meeting-enabling technologies.

Stakeholders may also have opportunities to save administration and commuting costs for any public meetings held via enabling technologies such as videoconferencing or teleconferencing. Further, the added convenience afforded from the use of enabling technologies may encourage greater stakeholder participation in any meetings held using these technologies. As a result, more robust and informative discussion could take place.

The proposed rule will continue to require the Panel to take into consideration any specific interests, such as complexities or likely contentiousness of the subject matter, to allow public meetings to be held in person and in locations that reflect a jurisdiction's requirements.

The Panel does not consider the proposed rule imposes any costs on any stakeholders or the market.

Meeting enabling technologies, such as videoconference and teleconference facilities, are commonly available in the marketplace and the Panel will ascertain the most appropriate hosting technology for each of its determinations and reviews.

Although the Panel has always welcomed all stakeholders to its meetings, the proposed rule also benefits interested parties by clarifying their right to attend these public meetings.

### 3.5. Request for consideration as non-controversial rule

The Panel requests the AEMC to consider this rule change as a request for a non-controversial rule under section 96(1)(b) of the NEL and to 'expedite' the rule change request.

The proposed rule has the potential to deliver financial cost savings, convenience and flexible work practices to the Panel and stakeholders, and does not otherwise impact stakeholders or the market. For these reasons, the Panel consider the rule change request is non-controversial.

## 4. Proposed rule

The Panel proposes that clauses 8.8.3(f) and (g) of the NER be amended as follows:

- (f) A meeting of the The Reliability Panel:
- (1) may be conducted in person, by telephone, video-conference or like method of real time communication; and
- (2) must hold a meeting must be open to all *Registered Participants* and interested parties.
- (g) The meeting referred to in paragraph clause 8.8.3(f) must be held in the capital city of one of the *participating jurisdictions*. Selection of the relevant capital city for in a particular meeting case will be determined by the *Reliability Panel* having regard to on a rotating basis the level of interest in a participating jurisdiction in that meeting.