

Retail Market Procedures Committee – Operating Manual

1. Introduction

- (a) The Retail Market Procedures Committee ("**Committee**") is established by *AEMO* under the *approved process* applicable to the making of *Retail Market Procedures*.
- (b) This is the Operating Manual made by *AEMO* under the *approved process* ("**Operating Manual**").
- (c) This Operating Manual commences on the day the changes to the *National Electricity Rules* ("**Rules**") to introduce clause [7.1.4A] are effective.
- (d) This Operating Manual may only be amended in accordance with clause 14 below.
- (e) In the event of any inconsistency between this Operating Manual and provisions of the *Rules* or the *Election Procedures*, the provisions of the *Rules* or the *Election Procedures* will prevail (in that order) to the extent of any such inconsistency.

2. Interpretation

2.1 Definitions

In this Operating Manual, a word or phrase appearing in italics has the meaning given to it:

- (a) in Part 1 of Schedule 1 or in the *Election Procedures*; or
- (b) if no meaning is given in Part 1 Schedule 1 or in the *Election Procedures*, then as defined in the *Rules*.

2.2 Interpretation

This Operating Manual must be interpreted in accordance with the rules of interpretation set out in Part 2 of Schedule 1.

3. Functions

The functions and powers of the Committee include:

- (a) consulting with and making recommendations to *AEMO* on proposals for *Retail Market Procedures*;
- (b) identifying and advising *AEMO* on matters relating to the ongoing development and improvement of *Retail Market Procedures*, including in relation to:
 - (i) the ongoing development of the national metrology programme, MSATS Procedures for B2M (Business-To-Market) transactions and the prioritisation of enhancement to the MSATS system;

- (ii) procedures that facilitate metering service competition (such as metering provider accreditation and registration procedures), metering installation audits;
 - (iii) procedures to facilitate the development and implementation of new technologies and business processes (such as smart metering); and
 - (iv) other procedures that affect *Distribution Network Service Providers, Customers* and *AEMO*.
- (c) monitoring and contributing to retail market operations, procedures delivery management and the setting of priorities;
 - (d) establishing *Working Groups*;
 - (e) reviewing and considering work completed by the *Working Groups*;
 - (f) developing, consulting on and approving the *Works Programme*;
 - (g) establishing mechanisms to communicate, and coordinate strategies and procedures with other relevant committees, including market governance bodies in Western Australia, where arrangements are being established to cooperate on B2B (Business-To-Business) strategies and procedures;
 - (h) establishing mechanisms to communicate with constituents (*Distribution Network Service Providers* and *Customers*, as appropriate) and keep them informed of governance processes, market strategies, Rule change proposals and consultation on *Retail Market Procedures*;
 - (i) developing proposed amendments to the *Election Procedures*; and
 - (j) developing proposed amendments to this Operating Manual.

4. Composition

4.1 Committee

The *Members* must be elected in accordance with the *Election Procedures*.

4.2 Chairperson

- (a) An *Independent Member* will be the *Chairperson*.
- (b) If at any *Meeting* the *Chairperson* is not present at the time appointed for holding the *Meeting*, the *AEMO Member* will be the *Chairperson* of the *Meeting*.

4.3 Secretary

AEMO will be the *Secretary*.

4.4 Alternates

- (a) A *Member* other than an *Independent Member* may appoint an *Alternate* to act on his or her behalf if the *Member* is unable to attend a *meeting*. The appointment is subject to the approval of the Committee.
- (b) The *Alternate* must meet the qualifications for membership of the Committee as set out in the *Election Procedures*.
- (c) A *Member* may seek the approval of the Committee of a person to act as his or her *Alternate* at any *Meeting* of the Committee and any approval given is valid for all *Meetings* until revoked by the *Committee*.
- (d) At the commencement of a *Meeting* an *Alternate* representing a *Member* must advise the *Chairperson* of the name of the *Member* the *Alternate* is representing. If the *Alternate* has not been approved prior to the *Meeting* under paragraph (c), consideration of approval of the *Alternate* must be the first item of business at the *Meeting*. If approval is not granted, the proposed *Alternate* must leave the *Meeting* and the *Meeting* will proceed subject to the other clauses of this Operating Manual.
- (e) An *Alternate* appointed under this clause:
 - (i) is entitled to attend *Meetings*;
 - (ii) is entitled to vote at *Meetings*, if the *Member* represented by the *Alternate* is not present at that *Meeting*; and
 - (iii) may exercise all the powers and perform all the duties of the *Member*, if the *Member* represented by the *Alternate* is not present at that *Meeting*.

4.5 Member duties

- (a) Each *Member* in performing his or her duties or in exercising any right, power or discretion must have regard to the *national electricity objective* and the *retail market principles*.
- (b) Each *Member* must:
 - (1) at all times act honestly;
 - (2) exercise the degree of care and diligence that a reasonable person in a like position would exercise;
 - (3) not make improper use of information acquired by virtue of his or her position to gain, directly or indirectly, an advantage for himself or herself, or the *Registered Participants* by which he or she is employed and/or which nominated him or her to be a *Member*; and
 - (4) not make improper use of his or her position to gain, directly or indirectly, an advantage for himself or herself or the *Registered Participants* by which he or she is employed and/or which nominated him or her to be a *Member*.

- (c) Subject to paragraphs (a) and (b) above:
 - (1) a *Distribution Network Service Provider Member* may take into account the interests of *Distribution Network Service Providers* in performing his or her duties or in exercising any right, power or discretion; and
 - (2) a *Local Retailer/Market Customer Member* may take into account the interests of *Local Retailers* and *Market Customers* in performing his or her duties or in exercising any right, power or discretion.

5. Meetings

5.1 Meetings

- (a) Subject to clauses 5.1(d) and 5.6(a), the Committee may meet together for the dispatch of business, adjourn and otherwise conduct *Meetings* as it thinks fit.
- (b) Any *Member* may call a *Meeting* by giving notice in writing to the *Secretary*. The notice must set out the reasons for calling the *Meeting*.
- (c) The Committee must meet within 20 *business days* of a notice being given to the *Secretary* under clause 5.1(b).
- (d) The Committee must meet at least once every three months.

5.2 Notice of Meeting and agenda

- (a) The *Secretary* must at least 15 *business days prior* to a *Meeting* give notice of that *Meeting* to the *Members* and cause that notice to be *published*.
- (b) Any notice for a *Meeting* must include:
 - (i) the reasons for the *Meeting*;
 - (ii) details of the business to be considered at that *Meeting*;
 - (iii) the place, date and time of the *Meeting*; and
 - (iv) details for attending the *Meeting* by electronic means, if any.
- (c) The *Secretary* must at least 10 *business days prior* to a *Meeting* give briefing materials in relation to each item of business to be considered at that *Meeting* to the *Members* and cause those briefing materials to be *published*.

5.3 Meetings by electronic means

- (a) If:
 - (i) the *Members* confer by radio, telephone, closed circuit television or other electronic means of audio or audio-visual communications;

- (ii) all of the *Members* who are entitled to receive notice of a *Meeting* receive notice of the conference and have access to the means by which the conference is to take place; and
- (iii) each of the *Members* taking part in the conference is able to hear each of the other *Members* taking part in the conference,

then all of the provisions of this Operating Manual relating to *Meetings* apply to the conference as if the conference were a *Meeting* and as if the *Members* taking part in the conference were physically present together at a *Meeting* and any resolution passed by the conference is deemed to have been passed at a *Meeting* held:

- (iv) on the day on which and at the time at which the conference was held; and
 - (v) at the place agreed on by the *Members* taking part in the conference, provided that at least one of the *Members* present at the *Meeting* was at that place for the duration of the *Meeting*.
- (b) The fact that a *Member* is taking part in a conference must be made known to all other *Members* taking part and no *Member* may intentionally disconnect or otherwise cease to take part in the conference unless they make known to all other *Members* taking part that they are ceasing to take part in the conference.
 - (c) Until a *Member* makes it known that they are ceasing to take part in a conference or it is otherwise apparent to the remaining *Members* that a *Member* has ceased to take part in the conference, they will be deemed to continue to be present and to continue to form part of the quorum.

5.4 Adjournment

- (a) The *Chairperson* of a *Meeting* may adjourn the *Meeting* from time to time and place to place, but the only business that may be transacted at the reconvened *Meeting* is the business left unfinished at the adjourned *Meeting*.
- (b) If a *Meeting* is adjourned for more than 5 *business days* then notice of the reconvened *Meeting* must be given in accordance with Clause 5.2 of this Operating Manual above.

5.5 Resolutions in writing

A resolution in writing signed by the requisite number of *Members* being entitled to vote at that *Meeting* is valid and effective as if it had been passed at a duly convened *Meeting*. Any such resolution may consist of several identical documents each signed by one or more *Members*.

5.6 Quorum

- (a) The quorum for a meeting of the Committee is five *Members* comprising two *Distribution Network Service Provider Members*, two *Local Retailer/Market Customer Members* and either an *Independent Member* or the *AEMO Member*.

- (b) A *Member* having an interest in any matter to be considered or determined at a *Meeting* may be counted in a quorum, notwithstanding that interest.

5.7 Other attendees

- (a) Consumer or other affected stakeholder representatives may be invited to attend *Meetings* as observers, but may not vote.
- (b) All *Meetings* are open and the *Chairperson* may determine who, other than the *Members*, may have speaking rights at any *Meeting*, provided that a request by any interested person to speak at a meeting is not to be unreasonably denied.

6. Minutes

6.1 Secretary to take minutes

The *Secretary* must take, or arrange to take, and keep minutes of each *Meeting*.

6.2 Secretary to deliver minutes and cause them to be published

- (a) The *Secretary* must deliver a copy of the minutes of a *Meeting* to each *Member* and *Alternate* within 5 *business days* after the *Meeting* has taken place.
- (b) The *Members* and *Alternates* present at the *Meeting* to which the minutes relate must confirm the contents of the minutes within 5 *business days* of receipt of the minutes from the *Secretary*. If a *Member* or *Alternate* does not provide confirmation or otherwise provide comments on the minutes to the *Secretary*, that *Member* or *Alternate* is deemed to have confirmed the contents of the minutes.
- (c) If the *Members* and *Alternates* present at the *Meeting* to which the minutes relate provide any comments on the minutes, the *Secretary* must amend the minutes accordingly and re-circulate the minutes for confirmation within 5 *business days* of the date on which the last comments on the minutes pursuant to clause (b) above were received.
- (d) The *Members* and *Alternates* present at the *Meeting* to which the minutes relate must confirm the contents of the amended minutes within 5 *business days* of receipt of the amended minutes from the *Secretary*. If a *Member* or *Alternate* does not provide confirmation or otherwise provide comments on the minutes to the *Secretary*, that *Member* or *Alternate* is deemed to have confirmed the contents of the minutes.
- (e) The procedure outline in clauses (c) and (d) above must be repeated until the minutes are confirmed.
- (f) Within 3 *business days* of confirmation of the contents of the minutes the *Secretary* must cause them to be *published*.
- (g) The *Secretary* must keep hard copies of the minutes of a *Meeting* at the offices of AEMO for a period of 5 years.

6.3 Contents of minutes

The minutes of a *Meeting* must record, as a minimum:

- (a) date and location of the *Meeting*;
- (b) those present at the *Meeting*;
- (c) a record of business discussed;
- (d) decisions made, including proposals approved, not approved or deferred, and the supporting and contrary arguments for the decisions or a reference to the documentation containing the supporting and contrary arguments for the decisions; and
- (e) for each decision made, the voting results in a manner that shows how each *Member* and *Alternate* (if applicable) voted.

7. Publishing

7.1 Matters to be published

- (a) The *Secretary* must ensure that all decisions of the Committee are *published* as part of the minutes.
- (b) The *Secretary* must ensure that any decisions *published* are accompanied by a report of the decision, including the main reasons for the decision and a short executive summary which must summarise the key issues and recommendations relating to the decision. Where the decision is to make a Committee recommendation and that decision is to be included in a final report under the *Rules consultation procedures*, a separate report of the decision need not be published under this clause.
- (c) The *Secretary* must publish a list of current *Members* and *Working Groups*.

8. Voting

8.1 General

- (a) Subject to clause 10.1(f), each *Member* has one vote in relation to any question or matter arising at a *Meeting*.
- (b) In the case of an equality of votes, the *Chairperson* of the *Meeting* will not have a second or casting vote and the resolution will fail.
- (c) A *Member* must not take part in any decision or determination of the Committee where it is considered, in accordance with clause 10.1, that the *Member* has a material conflict of interest in the matter to be decided or determined by the Committee, in which case, the procedures in clause 10.1(f) and (g) must be followed.

9. Decision making

9.1 Recommendations under the approved process

- (a) This clause 9.1 applies to decisions of the Committee on recommendations relating to the making of *Retail Market Procedures* under the *approved process*.
- (b) *Members* must endeavour to achieve consensus on recommendations, and to ensure that all recommendations are consistent with the *national electricity objective* and the retail market principles. Any conflict between those principles is to be resolved in a manner consistent with the *national electricity objective*.
- (c) A recommendation requires the support of [six] or more *Members*. Dissenting views will be recorded and provided to *AEMO* with any non-unanimous recommendations to *AEMO*, or where the Committee is unable to make a recommendation.

9.2 Other decisions

- (a) Any decision to approve the *Works Programme* requires the support of [six] or more *Members*.
- (b) Any other decision by the Committee requires the support of [five] or more *Members*.

10. Conflicts of interest

10.1 Conflicts of interest

- (a) The Secretary must prepare, and *Members* must sign, declarations of interest recording the existence or absence of issues which may give rise to conflicts on a personal level. All disclosures must be as full as possible and should make clear the extent of the conflict. The declaration must also include a prominent statement reminding the person signing it that they should also declare any future conflicts that might arise.
- (b) The agenda for all *Meetings* must include a standing item relating to declaring conflicts of interest.
- (c) If any interests are declared or are otherwise discovered, their materiality must be considered by the Committee and any decision taken, and the reasons for it, minuted or recorded.
- (d) Whether a conflict is material will depend on the circumstances. As a guide to this assessment, section 191 of the Corporations Act requires a director who has a “material personal interest” in a matter to give notice of that interest, and section 195 prohibits the director from being present at the *Meeting* which considers the matter or from voting on the matter. In this context, “material” is synonymous with “substantial” and an interest which gives rise to a “real sensible possibility of conflict” will be considered to be material.
- (e) Although a conflict may appear trivial, those outside the decision making process may have a different perception. Courts use an objective “fair minded observer” test to determine some conflicts. Even if a perceived conflict may not satisfy this test, it may nevertheless damage

the *Committee's* credibility or reputation. External perceptions must therefore be taken into account.

- (f) If a material conflict arises, the relevant person must be excluded from the entire decision making process to which the conflict relates.
- (g) If a person is excluded from a *Meeting* in respect of a single agenda item because of a conflict of interest in relation to that item, then their leaving the *Meeting* for that item and rejoining it after the item is dealt with must be clearly recorded in the relevant minutes.

11. Consultation

Each *Member* and *Alternate* must consult:

- (a) in the case of the *Distribution Network Service Provider Members*, with such *Distribution Network Service Providers* as is reasonable in the circumstances,
- (b) in the case of *Local Retailer/Market Customer Members*, with such *Local Retailers* and *Market Customers* as is reasonable in the circumstances, and
- (c) in the case of the *Independent Member[s]*, with such *Distribution Network Service Providers* and *Local Retailers* and *Market Customers* as is reasonable in the circumstances, concerning items of business to be raised or considered at a *Meeting*.

12. Reporting and costs

12.1 [Annual reports]

[The Committee must ensure that an annual report of the activities of the Committee is provided to AEMO for publication within 3 months after the end of each calendar year.]

12.2 Budget

The *Secretary* must prepare an annual budget for the *Committee* in accordance with AEMO's normal budget processes and in consultation with the *Committee*. When *AEMO publishes* its budget for a *financial year* pursuant to clause 2.11.3 of the Rules, *AEMO* must advise the *Committee* of the final budget for the *Committee* for that *financial year*.

12.3 Cost recovery

- (a) The costs of developing of the *Retail Market Procedures*, establishing and operating the *Committee*, any operational services provided by *AEMO* to facilitate retail market transactions and the costs of an *Independent Member* will be paid by *AEMO* in the first instance and recovered by *AEMO* through *Participant fees*.
- (b) The cost of *Distribution Network Service Provider Members* and *Local Retailer/Market Customer Members* and involvement of other individuals in the *Working Groups* is not to be borne by *AEMO*.

- (c) The cost to a *Local Retailer, Market Customer* or *Distribution Network Service Provider* of implementing and maintaining the necessary systems and processes to ensure compliance with *Retail Market Procedures* must be met by that *Local Retailer, Market Customer* or *Distribution Network Service Provider*.

13. Notices

13.1 Notified address

- (a) Each *Member* and *Alternate* must notify the *Secretary* of contact details (which must include a postal address, a facsimile number, a fixed and mobile phone number and an electronic mail address) within Australia to which notices may be served on or delivered to him or her.
- (b) Each *Member* and *Alternate* must notify the *Secretary* within 7 *business days* of any change in his or her notified address.

13.2 Service of notices

- (a) Any notice required by this Operating Manual to be given to a *Member* or *Alternate* may be given by:
- (i) serving it on the *Member* or *Alternate* personally;
 - (ii) leaving it at the *Member's* or *Alternate's* notified address;
 - (iii) sending it by prepaid post addressed to the *Member's* or *Alternate's* notified address;
 - (iv) sending it by facsimile transmission addressed to the *Member* or *Alternate* at the *Member's* or *Alternate's* notified facsimile number; or
 - (v) sending it by electronic mail to the *Member's* or *Alternate's* notified electronic mail address.
- (b) Any notice served on the *Member* or *Alternate* personally or left at the *Member's* or *Alternate's* notified address is deemed to have been served when delivered.
- (c) Any notice sent by post is deemed to have been served 48 hours after the envelope containing the notice is posted and, in proving service, it is sufficient to prove that the envelope containing the notice was properly addressed and posted.
- (d) Any notice served on the *Member* or *Alternate* by facsimile transmission is deemed to have been served when the transmission is sent and the sender has received electronic or other confirmation that the facsimile transmission has been successfully sent.
- (e) Any notice served on the *Member* or *Alternate* by electronic mail is deemed to have been served when the electronic mail is sent, provided that the sender has not received electronic notification that the electronic mail was not deliverable or otherwise not successfully delivered to the *Member* or *Alternate*.

13.3 Notices to the Committee

Notices from *Members, Alternates and Registered Participants* to the Committee must be sent to the *Secretary*. The *Secretary* must *publish* a contact name, postal address, facsimile number, a fixed and mobile phone number and an electronic mail address for provision of such notices. Clauses 13.2(b) to (e) inclusive apply to the provision of such notices.

14. Amendments to the Operating Manual

14.1 General

- (a) This Operating Manual may only be amended in accordance with the procedure provided in clause 14.2, and with the support of:
- (1) more than 75% of all *Registered Participants* registered by AEMO as *Distribution Network Service Providers* under clause 2.5.1 of the *Rules*; and
 - (2) more than 75% of that class of *Registered Participants* comprising:
 - (A) *Registered Participants* who are included on the list of *Local Retailers* published by AEMO; and
 - (B) *Market Customers* who are not included on the list of *Local Retailers* published by AEMO and who are not a *related body corporate* of a *Local Retailer*.

14.2 Procedure for amendments

- (a) Where the Committee has developed proposed amendments to the *Operating Manual*, it must provide the proposal to AEMO. AEMO must prepare and distribute to *Eligible Voters* a ballot paper in which the proposal is presented with a box for a vote in favour of each amendment and a box for a vote against each amendment.
- (b) In order to be counted, the ballot paper must be completed as per any instructions accompanying the ballot paper and served on AEMO:
- (1) by 5 pm on the *Return Date*;
 - (2) to the name of a person noted as the person to whom the ballot paper should be returned; and
 - (3) at the address noted as the address for the return of the ballot paper.
- (c) Each *Eligible Voter* within the meaning of clause 4.2 of the *Election Procedures* is entitled to 1 vote.
- (d) Each *Eligible Voter* within the meaning of clause 4.3 of the *Election Procedures* is entitled to 1 vote.
- (e) Voting is by way of a mark in the preferred box.
- (f) If a ballot paper has more than one mark in relation to an amendment or is otherwise unclear, such vote is invalid and must not be included in any vote count.

14.3 Determination and publication of results

AEMO must determine the outcome of the vote within 5 *business days* of the *Return Date* and must within a further 5 *business days* *publish* the results of the vote and an updated version of the *Election Procedures* or the *Operating Manual* if necessary.

Schedule 1 - Definitions and Interpretation

1. Definitions

In this Operating Manual:

Alternate means a person appointed as an alternate for any *Member* in accordance with this Operating Manual.

Chairperson means a person appointed under clause 4.2 to preside at a *Meeting*.

Meeting means a Meeting of the *Committee*.

Retail market principles are the following principles applicable to *Retail Market Procedures*:

- (1) where practical and reasonable having regard to the relative costs and benefits, there should be a uniform approach to retail market processes in all *NEM* jurisdictions, except for processes associated with franchise end-use-customers and subject to specific jurisdictional requirements;
- (2) the procedures should provide operational and procedural details and technical requirements that result in efficient, effective and reliable retail market processes; and
- (3) there should be no unreasonable discrimination between *Distribution Network Service Providers* and Local Retailers/ Market Customers.

Secretary means a person acting as the secretary to the Committee under clause 4.3.

Working Groups means the groups established by the Committee to assist with the *Works Programme*.

Work Programme means a work programme to be prepared and maintained by the Committee in respect of the development, implementation and operation of the *Retail Market Procedures* and related matters.

2. Interpretation

Headings are for convenience only and do not affect interpretation of this Operating Manual.

The following rules apply unless the context requires otherwise.

- (a) Words in the singular include the plural and vice versa.
- (b) Words importing a gender include each other gender.
- (c) Words and phrases which are given a special meaning by the Rules have the same meaning in this Operating Manual.

- (d) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (e) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (f) A reference to **conduct** includes, without limitation, an act, omission, statement or undertaking, whether or not in writing.
- (g) A reference to **person** and words importing persons includes partnerships, associations and corporations, unincorporated and incorporated by Ordinance, Act of Parliament or registration as well as individuals.
- (h) A reference to **writing** or **written** includes printing, typing, lithography, facsimile and other modes of reproducing words in a visible form.
- (i) Mentioning anything after **includes, including, for example** or similar expression, does not limit what else might be included.
- (j) A reference to a clause, paragraph, part, schedule is to a clause, paragraph, part or schedule of this Operating Manual.
- (k) Where a given number of days' notice or notice extending over any other period is required to be given the day of service is not to be reckoned in the number of days or other period.