



## EXPLANATORY NOTE

### Appointment of representatives to Reliability Panel

The Commission is requesting nominations for individuals to represent Distribution Network Service Providers (DNSPs), Market Customers and Generators on the Reliability Panel.

The Reliability Panel reviews and reports on the safety, security and reliability of the national electricity system. Its work program is driven by specific but critical responsibilities set out in the National Electricity Rules (NER).

It makes a number of technical standards and guidelines, as well as undertaking reviews and providing advice on matters relating to power system security and reliability of supply.

The NER require that the Panel is comprised of the following membership:

- An AEMC Commissioner, as Chair;
- The Chief Executive Officer or delegate of AEMO (permanent delegation to the Panel);
- a person representing Generators;
- a person representing Market Customers;
- a person representing Transmission Network Service Providers;
- a person representing Distribution Network Service Providers; and
- a person representing the interests of end use customers for electricity.

The AEMC also has some discretion to appoint up to three members who may have expertise in areas that are not otherwise represented by other Panel members.

The current representatives on the Panel for the relevant classes of registered participants that we are seeking nominations for are:

- DNSPs: Trevor Armstrong of Ausgrid – Mr Armstrong's term expires on 31 December 2019
- Market Customers: Richard Wrightson of AGL – Mr Wrightson's term expires on 31 December 2019
- Generators: Mark Collette of EnergyAustralia – Mr Collette's term was due to expire on 17 December 2021. However, Mr Collette has recently resigned from the Panel.

All registered DNSPs, Market Customers and Generators are eligible to nominate an individual to represent their class of registered participants on the Reliability Panel. If you wish to make a nomination, please fill out the nomination form for [DNSPs](#), [Market Customers](#) or [Generators](#) (as applicable) and return to [panel@aemc.gov.au](mailto:panel@aemc.gov.au) by **26 September 2019**. Please also include a CV or brief description of the suitability of the nominee for the role.

Please note that there has been a change in approach compared to previous occasions the AEMC has sought nominations for Panel representatives - the AEMC will no longer be contacting participants individually to seek nominations. Instead, the news announcement on the AEMC website is the formal request for nominations.

Under the NER, the Commission must have the approval of one third of the relevant class of registered participant before appointing a person to become the representative for those participants on the Reliability Panel. The Commission will be in contact again in October to seek approval from all participants registered as DNSPs, Market Customers and Generators for the nominations made during the current stage of the process.

The Commission is also commencing the process of appointing a person to represent end-use customers on the Reliability Panel. The current representative for end-use customers is Mr Gavin Dufty of St Vincent de Paul Society. Mr Dufty's appointment expires on 31 December 2019. The appointment process for the

end-use customer representative involves a separate consultation process with representative consumer bodies.

If you have any questions do not hesitate to contact Victoria Mollard on (02) 8296 7872.

Enclosed:

Current membership of the Reliability Panel

Further explanation of the process of appointment of new members to the Reliability Panel

An extract of clause 8.8.2 of the NER

Nomination forms for Representative to the Reliability Panel

### **Current Panel members**

| <i>Member</i>             | <i>Organisation</i>  | <i>Representation</i>            | <i>Term</i>                   |
|---------------------------|--|----------------------------------|-------------------------------|
| Charles Popple (Chairman) | Chairman and AEMC Commissioner   | AEMC                             | Term expires 18 April 2020    |
| Trevor Armstrong          | Chief Operating Officer, Ausgrid   | DNSPs                            | Term expires 31 December 2019 |
| Stephen Clark             | Technical and Economic Lead – Project Marinus, TasNetworks                                 | TNSPs                            | Term expires 17 December 2021 |
| Vacant                    |  | Generators                       |                               |
| Kathy Danaher             | Chief Financial Officer and Executive Director, Sun Metals                                 | Discretionary                    | Term expires 31 August 2021   |
| Gavin Dufty               | Manager Policy and Research, St Vincent de Paul Society, Victoria                          | End use customers of electricity | Term expires 31 December 2019 |
| Chris Murphy              | Strategic Advisor, Meridian Energy and General Manager – Energy Market Interfaces, Telstra | Discretionary                    | Term expires 31 December 2020 |
| Damien Sanford            | Chief Operations Officer, AEMO   | AEMO                             | N/A                           |
| John Titchen              | Managing Director, Goldwind Australia  | Discretionary                    | Term expires 17 December 2021 |
| Richard Wrightson         | Executive General Manager Wholesale Markets, AGL Energy                                    | Market Customers                 | Term expires 31 December 2019 |

### **Statement of process**

The following is an indicative timeframe for the AEMC to appoint a member to the Reliability Panel. The timing may change, subject to the outcome of the approval process.

|   |   |
|---|---|
| Request for nominations   | 12 September 2019   |
| Nominations close (2 weeks)                                       | 26 September 2019   |
| Approval process opens  | 7 October 2019  |
| Approval process closes & candidate shortlist finalised (3 weeks) | 28 October 2019   |
| Commission decision   | November 2019 (We will be seeking to appoint the generator representative as soon as possible, so this appointment may commence in November 2019) |
| Appointment finalised   | Early December 2019   |
| Announce appointment  | Early December 2019   |

The NER requires that the AEMC appoint a person agreed to by at least one third in number of the relevant class of Registered Participants. If no individual nominee receives at least one third approval in the first voting round, the AEMC will provide a second list comprising those persons who received approvals in the first round and request that a second approval round take place. Further approval rounds will take place as required.

The timeframes indicated above for finalising the process have been based on the need for one round of approvals. Those timeframes may be extended to cater for any additional approval rounds. In order to ensure a timely appointment, additional rounds will involve a shortened response period. The relevant period for responses will be indicated at the same time the list for approval is released.

To facilitate the process, all approvals must be strictly by email and sent to [panel@aemc.gov.au](mailto:panel@aemc.gov.au). Approval by letter or telephone will not be permitted.

The AEMC will make its decision based on a shortlist of candidates that receive approvals from at least one third of Registered Participants for each class. In making the appointment, the AEMC will consider the skills and expertise of the candidates and the requirements in clause 8.8.2 of the NER. The clause includes the requirements that Panel members should be representative both geographically and by reference to Registered Participants and participating jurisdictions. Please refer to the extract of clause 8.8.2, provided over the page, for details on the appointment requirements.

**National Electricity Rules clause 8.8.2 extract**

**8.8.2 Constitution of the Reliability Panel**

- (a) The *Reliability Panel* must consist of:
- (1) a commissioner of the *AEMC* appointed by the *AEMC* to act as chairperson for a period of up to three years;
  - (2) the chief executive officer or a delegate of *AEMO*; and
  - (3) at least 5 but not more than 8 other persons appointed by the *AEMC* for a period of up to three years, such persons to include:
    - (A) a person representing *Generators*;
    - (B) a person representing *Market Customers*;
    - (C) a person representing *Transmission Network Service Providers*;
    - (D) a person representing *Distribution Network Service Providers*;
    - (E) a person representing the interests of end use customers for electricity; and
    - (F) at the *AEMC*'s discretion, up to 3 other persons representing interests not otherwise represented, in order to achieve the broad representation described in clause 8.8.2(c)(1).
- (b) Subject to clause 8.8.2(d) any person who has previously served on the *Reliability Panel* is eligible for reappointment to the *Reliability Panel* in accordance with this clause 8.8.2.
- (c) In making appointments to the *Reliability Panel* under clause 8.8.2(a)(3), the *AEMC* must, to the extent reasonably practicable and subject to clause 8.8.2(c1), give effect to the intention that the persons so appointed:
- (1) should be broadly representative, both geographically and by reference to *Registered Participants* and *participating jurisdictions*, of those persons with direct interests in the *reliability* and safety of electricity *supply* under the *market* arrangements and in *power system security*;
  - (2) may include *Registered Participants* or their *representatives* or *participating jurisdictions*;
  - (3) must be independent of *AEMO*; and
  - (4) must, except in the case of the persons representing *Network Service Providers* appointed under clauses 8.8.2(a)(3)(C) and (D), be independent of all *System Operators*,
- and if at any time:
- (5) a person on the *Reliability Panel*, other than the chief executive officer or a delegate of *AEMO*, ceases to be independent of *AEMO*; or
  - (6) a person on the *Reliability Panel*, other than the persons representing *Network Service Providers* appointed under clauses 8.8.2(a)(3)(C) and (D), ceases to be independent of any *System Operator*,

the *AEMC* must remove that person from the *Reliability Panel*.

- (c1) The persons referred to in clauses 8.8.2(a)(3)(A), (B), (C) and (D) must be appointed and removed by the *AEMC* after consultation with the class of *Registered Participants* the person is to represent, and the *AEMC* must:
  - (1) appoint a person agreed to by at least one third in number of the relevant class of *Registered Participants*, having regard to the preference expressed by the majority of the *Registered Participants* in the relevant class who responded in writing to the consultation by the *AEMC*; and
  - (2) commence consultation on the removal of such a person if requested to do so by a member of the relevant class of *Registered Participants*, and must remove that person if so agreed by at least one third in number of the relevant class of *Registered Participants*.
- (d) The *AEMC* may remove any member of the *Reliability Panel*, including the chairperson, at any time during his or her term in the following circumstances:
  - (1) the person becomes of unsound mind or his or her estate is liable to be dealt with in any way under a law relating to mental health; or
  - (2) the person fails to discharge the obligations of that office imposed by the *Rules*.
- (d1) The persons referred to in clauses 8.8.2(a)(3)(E) and (F) must be appointed and removed by the *AEMC* after such consultation as the *AEMC* considers appropriate with the classes of interests those persons represent and, subject to such consultation, may be removed at any time for any reason.
- (e) A person may resign from the *Reliability Panel* by giving notice in writing to that effect to the *AEMC*.
- (f) The *Reliability Panel* must meet and regulate its meetings and conduct its business in accordance with the *Rules*.
- (g) A decision of the *Reliability Panel* on any matter may be made by a majority of the members comprising the *Reliability Panel*. Where the members of the *Reliability Panel* are equally divided on any matter, the chairperson has a casting vote.
- (h) The *AEMC* may appoint a commissioner of the *AEMC* (other than the chairperson of the *AEMC* or the chairperson of the *Reliability Panel*) as the acting chairperson of the *Reliability Panel* on a standing basis. If the chairperson of the *Reliability Panel* is unable to perform the obligations of that office for an extended period of time (including any period in which a scheduled meeting of the *Reliability Panel* is held), the chairperson must notify the acting chairperson. The acting chairperson has the powers and functions of the chairperson of the *Reliability Panel* for such periods of time.