

Futures Offset Arrangements

Public hearing

10.00 am – 12.00 noon

Thursday 12 February 2009

AEMC offices

John Tamblyn
Chairman

AEMC Office
12 February 2009

AEMC

Agenda

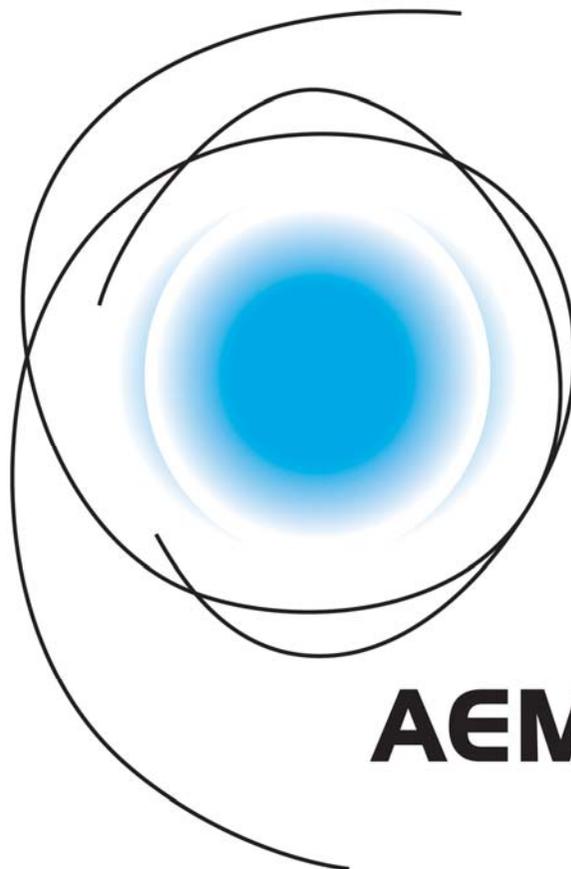
- Introduction
- Stakeholder presentations
- Other stakeholder comments
- Closing remarks

Introduction

- Rule change request on Future Offset Arrangement (FOAs) received from Australian Power & Gas, Infratil Energy and Momentum Energy
 - Utilise electricity futures prices for Maximum Credit Limit (MCL)
 - Lower prudential requirements by using FOAs
- Commission published draft determination on 22 January 2009
 - Determined not to make the Rule
 - Noted merits of the proposal and decided to conduct a review under section 45 of the NEL
- Australian Power & Gas and d-cyphaTrade requested a public hearing under section 101 of the NEL

Draft determination

- The Commission formed the view that a number of threshold issues need to be addressed to make the proposed model workable
- Complexity of the issues involved and need to engage a broader stakeholder group on a detailed level means the option of making a more preferable Rule is not appropriate
- The Commission welcomes the request for the public hearing and looks forward to receiving the views of stakeholders on the draft determination



AEMC