

ENERGY SECURITY WORKING GROUP (ESWG)

MEETING TWO SYNOPSIS

ESWG meeting two was held on Friday 31 October 2008 at NEMMCO's offices, William St, Melbourne and was chaired by Mr Chris Locke (Commonwealth).

MEETING OUTCOMES

AEMO Timetable and Legal Issues Update

Ms Jenny Francis, Australian Government Solicitor Senior Legal Counsel for the AEMO Working Group, gave an update on the AEMO project and answered members' questions.

Ms Francis advised legislation for amendments to the National Electricity Law and the National Electricity Rules was being drafted.

With regards to gas, the transfer of the Victorian wholesale gas market Market and System Operation Rules to the National Gas Law and National Gas Rules is well progressed. Work has also commenced on the proposed transfer to the national framework of retail market rules (RMRs) for South Australia, Victoria, New South Wales and the ACT and Queensland.

It was agreed ESWG should continue its dialogue with the AEMO Working Group.

Emergency Arrangements Stock Take and Discussion Paper

Members discussed the stock take and each jurisdiction gave a summary of issues they identified with their emergency arrangements and the transition to AEMO. The general view was the work for electricity was relatively straight forward and gas was more complex with some legislative issues to be resolved. All members were confident their jurisdictions had any outstanding issues in hand and that they are being addressed through the AEMO Working Group.

Areas discussed included AEMO's pre-emergency communication with jurisdictions and NGERAC's role after AEMO commenced its market operator functions.

Members agreed the broad principle for emergency management should be to let the market and industry address any immediate issues/ short falls and for a market operator/ jurisdiction to intervene only when market failure occurs.

The way forward to develop a discussion paper was agreed with a sub group to develop a draft discussion paper for consideration at the next meeting.

Revised Work Plan

The group agreed to develop a revised work plan for MCE SCO approval by year's end, and to post the terms of reference and meeting synopses on the MCE website.

The Chair will write to the AEMO CEO and industry groups listed in the terms of reference advising them of the ESWG's work and intention to consult.

Members agreed the next meeting will be a teleconference to be held in the last week of November.