

National Electricity Market - Regional Structure

31 March 2004

Overview

- MCE Recommendations;
- Context - Past Reviews and Moratorium;
- Review Approach; and
- Process and Timetables

MCE Recommendations

- MCE in December agreed:
 - new process for assessing wholesale regional boundaries, while maintaining jurisdictional boundaries for *retail customer pricing*.
- Also MCE agreed:
 - commission independent economic study
 - Appointment of Charles River Associates;
 - new process must include lead time to address economic and commercial considerations; and
 - include broad market consultation.

Context

- Past reviews:
 - issues and difficulties
 - failure to address economic and commercial considerations.
 - split responsibilities between institutions
 - application and enforcement.
- Moratorium - applied by NEMMF.

Approach

- Review and develop regional boundary criteria.
- Options for changing wholesale regional boundaries or means of managing network congestion.
- Revised mechanism for wholesale regional boundaries and criteria underpinning it.
- Basis for AEMC to progress Code changes.

Process and Timetable

- Purpose of the forum.
- Draft Report released for consultation 7 June & Final Report to MCE in August 2004.
- AEMC to progress Code changes - August 2004 onwards