

## **DRAFT TERMS OF REFERENCE**

### **DEMAND SIDE MANAGEMENT WORKING GROUP**

The Working Group is to consider and assess the current terms and conditions under which demand side management (DSM) is provided. The Working Group is to discuss and consider any issues raised and develop improvements that can be implemented to enhance the operation of DSM in the Reserve Capacity Mechanism of the Wholesale Electricity Market.

Draft changes to the Market Rules may need to be developed where necessary.

In order to complete its scope of work, the Working Group is requested to:

- Assess current DSM provisions in light of experience gained in the Wholesale Electricity Market.
- Develop a set of DSM Terms and Conditions that will apply to DSM in the Reserve Capacity Mechanism.
- Develop a range of proposals that will allow DSM to be used more effectively while ensuring consistency with the Wholesale Electricity Market Objectives.
- Propose any necessary amendments to the Market Rules that come out of the Working Group's consideration and provide their assessment against the Wholesale Electricity Market Objectives.
- Submit its assessment, analysis, conclusions and draft rule change proposals in a report to MAC.

The make up and operation of the Working Group is:

- Members of the Working Group are appointed by MAC.
- The members of the Working Group are:

Chair, IMO

Industry Representative, Synergy

Industry Representative, Verve Energy

Industry Representative, Energy Response

Industry Representative, Alinta

Industry Representative, Griffin Power

Industry Representative, Water Corporation

System Management

IMO, Representative

- The Working Group must provide its report of the assessment and any proposed revised Market Rule amendments, in February 2007.
- The Working Group will focus on the relevant provisions of Chapter 4 of the Market Rules.
- The Working Group will refer any other issues that emerge back to MAC for consideration.
- MAC may review, amend and extend these terms of reference, as necessary.