

## **TERMS OF REFERENCE ELECTRICITY REFORM IMPLEMENTATION STEERING COMMITTEE**

### **Establishment**

ERISC has been established under the authority of Cabinet's decision dated 25 November 2002.

### **Membership**

- Anne Nolan, Coordinator of Energy, Office of Energy - Chair
- John Langoulant, Under Treasurer, Department of Treasury and Finance
- Cheryl Gwilliam, Director General, Department of Local Government & Regional Development
- Nenad Ninkov, Director of Reform Program Office, Western Power Corporation
- John Kelly, independent member
- Mike Megaw, Chief of Staff, Office of the Minister for Energy
- Tim Sharp, State Solicitor
- Steve Edwell, Executive Director, Electricity Reform Implementation Unit

### **Overall Purpose**

To implement the Electricity Reform Task Force's recommendations endorsed by Government in accordance with the timetable outlined in these Terms of Reference.

### **Objectives and Deliverables**

The Steering Committee will lead, oversee and provide overall direction to the implementation of the Task Force's recommendations accepted by Cabinet, and in particular:

- the disaggregation of Western Power into four separate entities: State Generation; State Networks; State Retail; and Regional Power Corporation over the next 18 months;
- the establishment of a wholesale electricity market by July 2005;
- the establishment of an Electricity Access Code;
- the reduction of the access threshold for contestability to 5.7kW average load (50MWh per annum) on 1 January 2005;
- the implementation of regulatory and consumer protection measures;
- the facilitation of the renewable energy sector, distributed generation and demand management; and
- the immediate development and implementation of transitional arrangements to encourage a competitive electricity industry.

The Steering Committee's first priority will be to develop a strategic work program with clearly specified key milestones.

The Steering Committee will undertake, and report to Cabinet and the Expenditure Review Committee on:

- further investigation to determine whether the precise nature of the wholesale market design model proposed by the Task Force is efficient and effective;

- more detailed analysis of the cost of disaggregation and establishment of a wholesale electricity market;
- identification of any further impediments to the development of an effective competitive electricity market;
- review of the timetable for reform to identify opportunities to achieve early milestones in the reform process, including:
  - a transitional balancing service specifically for renewable energy generators;
  - a general transitional balancing (top-up and spill) service;
  - provision of transitional standby capacity; and
  - transfer of the Coordinator of Energy's electricity transmission and distribution access functions to the Economic Regulation Authority.
- further examination of the Task Force's recommendation No.11 which relates to the role and function of the Regional Power Corporation.

### **Reporting, Process and Timetable**

The Steering Committee reports directly to the Minister for Energy.

The Steering Committee will require the Implementation Unit to develop and implement a communication management plan which provides for updates and opportunity for input and participation where appropriate, by all relevant stakeholders including the Union Consultation Committee, industry, relevant Government Agencies and regional, renewable and consumer stakeholders.

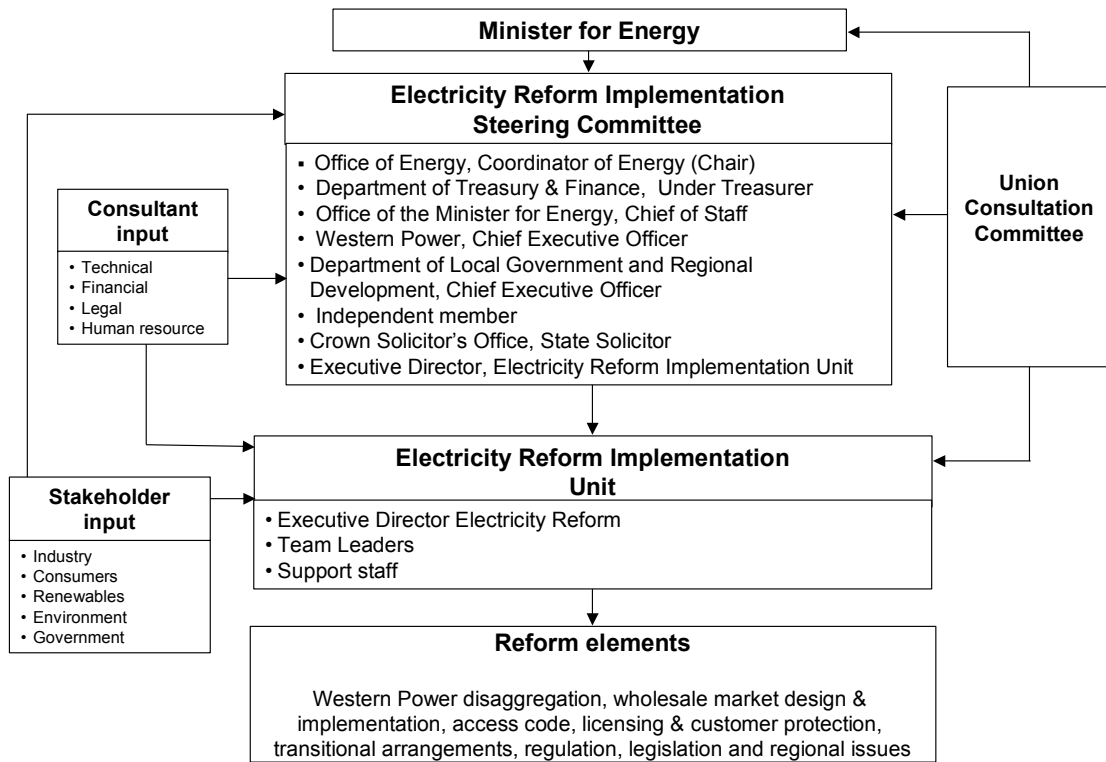
Regular reports will also be provided to Cabinet and the Expenditure Review Committee on implementation progress.

### **Information**

The Government requires that the Steering Committee be given access to all information in Western Power's possession, which is relevant or impacts on its objectives and deliverables, including any information that the Steering Committee considers relevant or impacts on its objectives and deliverables.

Western Power will provide Information as required. Information that Western Power considers to be commercially sensitive is to remain confidential and is not to be publicly disclosed except in an aggregated form.

Organisational Structure



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