

Settlement Residue Committee

Terms of Reference

Functions

Under clause 3.18.5 of the National Electricity Rules (Rules), AEMO must establish a Settlement Residue Committee (SRC). The functions of the SRC are defined in this clause to be:

- approve any suspension, or removal of a suspension, imposed by AEMO on the conducting of auctions;
- approve proposed amendments to the auction rules developed by AEMO;
- monitor, review and report on the auctions conducted by AEMO under clause 3.18; and
- approve the costs and expenses incurred by AEMO in conducting auctions under clause 3.18 and in entering into and administering auction participation agreements and SRD agreements under clause 3.18.

The Rules and the National Electricity Law prevail over these Terms of Reference to the extent of any inconsistency.

Participation

The membership of the SRC will comprise:

1. an employee AEMO appointed by AEMO, who will act as chairman of the SRC (Chairperson);
2. a person representing Generators;
3. a person representing Market Customers;
4. a person representing Transmission Network Service Providers;
5. a person representing Traders;
6. a person appointed jointly by the relevant Ministers of the participating jurisdictions; and
7. a person appointed by AEMC to represent end use customers of electricity.

(each a “Member”)

It is each Members responsibility to ensure they consult with class of Registered Participants that Member is to represent with respect to any views or decisions made by the SRC.

Resourcing

AEMO will provide chair and secretariat services to the SRC and support for the issues and progression of auction rule changes.

A person providing chair and secretariat services may attend meetings.

Meetings

Meetings will be convened by the Chairperson as necessary and at least every three months. Meetings may be conducted by teleconference.

Alternates

One (1) alternate for each Member may be appointed by the class of Registered Participants that Member represents, to act on the Member's behalf if the Member is unable to attend a meeting.

An alternate must be appointed and removed in the same manner as the appointment and removal of the Member.

An alternate may attend the meeting for which they have been appointed and exercise all the powers and perform all the duties of the Member for which they have been appointed.

Conflicts

Each Member and Alternate must continue to fully and frankly inform and update the SRC of any change to the Member's or Alternate's personal or business interests that could result in the Member or Alternate having, or which would reasonably be considered to result in the Member or Alternate having, a material conflict of interest in a matter which the SRC may decide or determine or with the interests of the class of Registered Participants that Member or Alternate represents ("Material Conflict").

Confirmation of appointment of Member and Alternate

The Chairperson may request the relevant class of Registered Participants that a Member represents to confirm the appointment of the Member or the Alternate of that Member if at any time the Chairperson believes that the Member or the Alternate (as applicable) has a Material Conflict.

The Chairperson may request the relevant class of Registered Participants that a Member represents to confirm the appointment of the Member or the Alternate of that Member once every three (3) years.

Resignation

A Member must resign immediately from the SRC if the Member attend (not including attendance by the alternate for the Member) less than two meetings in a calendar year or less than 50% of the total number meetings in a calendar year, whichever is lesser.

If a Member is required to resign in accordance with this section and refuses to do so, the Chairperson may remove that Member and declare the position vacant.

A Member that resigns or is removed pursuant to this section is eligible for re-appointment.

Other Attendees

Alternates may attend any meeting (but not vote) if the Primary is present. Any Member may seek the Chairperson's approval to invite additional parties to a meeting to provide input (but not vote) on matters the SRC is considering.

A Member must use reasonable endeavours to request approval of the Chairperson at least 2 business days prior to the relevant Meeting and no later than prior to the start of the Meeting.

Quorum

The quorum for a meeting is:

- if the meeting solely concerns matters under Rules clause 3.18.5(b) (3) or (4) (reporting and expense approvals) of the Rules, 3 Members (or their alternate) and the quorum must be present at all times;
- if the meeting solely concerns an amendment to the auction rules in accordance with Rule 3.18.3(d)(2), all Members appointed as at the date of the meeting (or their alternate) and the quorum must be present at all times;
- otherwise, 5 Members (or their alternate) and the quorum must be present at all times.

If a quorum is not present at all times the meeting may continue but resolutions, approvals and decisions cannot be made.

In a meeting of the SRC at which a quorum is present, a resolution of the SRC must be passed by:

- if the meeting solely concerns an amendment to the auction rules in accordance with Rule 3.18.3(d)(2), at least three quarters of the votes cast by Members (or their alternate) present and entitled to vote on the resolution; or
- otherwise, more than half of the votes cast by Members (or their alternate) present and entitled to vote on the resolution.

Each Member has one vote.

In the case of an equality of votes, the Chairperson will not have a second or casting vote but a decision on the relevant matter must be referred to the next available meeting.