

## Terms of Reference

### Reporting of the Monitor and Assessor

Under section 9 of the *Electricity Supply Industry Act 1995*, the Treasurer requests that the Tasmanian Economic Regulator prepare, to be published until such time as there is an express provision in legislation:

- a report containing an annual energy security review that is to be published by mid-November each year;
- a monthly energy in storage 'dashboard' report on a standard set of energy security parameters; and
- a special report, if the situation should arise, whereby the supply/demand balance changes to the extent that a revision to the High Reliability Level (HRL) and Prudent Storage Level (PSL) profiles established under the Energy Security Risk Response Framework should be considered by the Minister for Energy.

### Background

A key learning from the 2015-16 energy security event was that there is a perceived lack of independent oversight and transparent public reporting of energy security, particularly in relation to Hydro Tasmania's water storages. In this context, the Tasmanian Energy Security Taskforce recommended the establishment of a Monitor and Assessor role to provide this function, including the publication of an assessment of Tasmania's energy security status at regular intervals together with a dynamic energy security forecast. The Government supported the Taskforce's recommendation that this role be undertaken by the Tasmanian Economic Regulator (TER).

### Scope

1. The TER is to undertake an annual energy security review to be completed in early November after the wet season that:
  - a. examines forecast energy in storage levels and forecast demand, providing commentary on whether energy in storage may drop below the PSL and/or HRL profiles; and
  - b. reviews changes to the Tasmanian energy supply/demand balance to ensure the threshold levels for the Energy Security Risk Response Framework (ie the PSL and HRL profiles) remain set at an appropriate level to maintain security of energy supply.
2. The TER is to undertake monthly energy in storage 'dashboard' reporting on a standard set of energy security parameters. The parameters to be reported on shall be determined by the TER.
3. If the situation arises whereby supply/demand balance changes to the extent that a revision to the HRL and PSL profiles established under the Energy Security Risk Response Framework should be considered by the Minister for Energy, the TER is to prepare a special report to the Treasurer providing evidence for the need for a change to those profiles to be considered.

The TER should be guided by the following documents when determining the scope of its reporting requirements:

- Tasmanian Energy Security Taskforce Interim Report (released December 2016).
- Tasmanian Energy Security Taskforce Final Report (released August 2017).
- Functional Specifications prepared by the Taskforce for the Monitor and Assessor / Energy Security Coordinator roles.

#### **Key deliverables and timeframes**

1. A report from the TER to the Treasurer, containing an annual energy security review, is due by mid-November each year. The TER is to publish that report on the TER's website within seven days of providing that report to the Treasurer.
2. The TER shall provide monthly energy in storage 'dashboard' reports to the Treasurer on a standard set of energy security parameters. The first report is to be produced by mid-November 2017 and further reports are to be provided monthly thereafter. The TER is to publish each monthly report on the TER's website within seven days of providing that report to the Treasurer.
3. If the situation arises whereby supply/demand balance changes to the extent that a revision to the HRL and PSL profiles should be considered by the Minister for Energy, the TER shall provide a special report to the Treasurer detailing evidence that a change to those profiles should be considered. The TER shall also consider natural gas supply adequacy to the extent it affects thermal electricity generation at the Tamar Valley Power Station, and its availability to the broader Tasmanian gas market (as per the Functional Specifications for the Monitor and Assessor).
4. All reports to the Treasurer listed in these Terms of Reference are also to be provided to the Minister for Energy at the same time as they are provided to the Treasurer.