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MD appointed as Geothermal Industry Representative to Energy Market Review's Advisory Committee

Managing Director of Petratherm Limited, Mr. Terry Kallis has been appointed to the Stakeholder Advisory Committee of the Australian Energy Market Commission's (AEMC) Review of Australia's Energy Markets. The Review will assess how the national electricity and gas market frameworks will operate in light of the Federal government's climate change policies and renewable energy targets.

Geothermal Industry Representation on the AEMC Energy Market Review Advisory Committee

Mr. Kallis is also Deputy Chairman of the Australian Geothermal Energy Association (AGEA) and is leading the Association's National Electricity Market Policy Committee that is determining the geothermal energy industry's policy position on changes to the energy markets (refer overleaf). Mr. Kallis has been appointed as the geothermal energy industry representative to the AEMC Energy Market Review Advisory Committee.

Mr. Kallis has extensive knowledge and experience in the Australian Energy Market having developed both conventional and renewable power stations (coal, gas & wind) and distribution and transmission infrastructure (including inter-connectors) in the South Australian energy market.

As a former CFO of ETSA Corporation and an architect of the original design of the National Electricity Market he is well positioned to provide valuable and balanced input as to how the future market frameworks can incorporate the delivery of renewable energy to meet the nation's future energy demands and climate change challenges.

AEMC – Terms of Reference for Energy Market Review

The Ministerial Council on Energy (MCE) has provided the Terms of Reference to the Australian Energy Market Commission (AEMC). The Review will focus on assessing how the introduction of the Carbon Pollution Reduction Scheme (CPRS) and the 20 per cent Renewable Energy Target (RET) may affect Australia's energy market frameworks and determine if any amendments to the Law, rules or regulations are required so that energy markets can continue to operate efficiently and reliably in the interests of consumers.

Chair of AEMC and the Advisory Committee, Dr. John Tamblyn, has announced that the outcomes of the Review will be made in light of objectives set down by the National Electricity Law (NEL) and the National Gas Law (NGL) which are to promote efficient investment in, and efficient use of, electricity and natural gas services for the long term-interests of consumers in regard to process, quality, reliability and security of supply. The Review will provide advice to the MCE on what, if any, changes are needed to how energy markets function, including how these changes should be implemented.

The reporting timeframe for the Advisory Committee is as follows:

30 Sept 2008 Scoping paper due
31 Dec 2008 First Interim Report due
Early 2009 Public Forum
30 Jun 2009 Second Interim Report due
Sept 2009 Final report presented to Energy Ministers

Public consultation will form an essential part of the process and written submissions will be sought at key junctures throughout the Review process.

AGEA Policy and Advocacy on a range of related issues

The appointment to the Advisory Committee comes at an ideal time for AGEA as it develops its policy positions on various matters, including but not limited to;

- Carbon Pollution Reduction Scheme (and the design of the Emissions Trading Scheme)
- 20% Renewable Energy Target by 2020 (and the design of the future MRET Scheme)
- Garnaut Climate Change Review
- Renewable Energy Fund
- Legislation and Regulation governing Geothermal Energy

About AGEA's National Electricity Market (NEM) Policy Committee

Provides AGEA's policy input into the review of the NEM and the necessary NEM Policy and Rule changes required to accommodate a new Emissions Trading Scheme and achieve the 20% Renewable Energy Target by 2020.

The NEM Policy Committee will assess and advocate on, the role that geothermal energy technology can play in meeting Australia's desired energy mix and how this can be achieved in a least cost way and quantify the net benefits to the Australian economy.

The recently completed report by McLennan Magasanik & Associates for AGEA will provide a starting point for the work of the AGEA NEM Policy Committee. That AGEA Committee will aim to work closely, and contribute to, a number of government policy initiatives – and have a particular focus on the Ministerial Council of Energy's review of the NEM being undertaken by the Australian Energy Market Commission that commenced in June 2008.

Further information regarding the Review can be found at www.aemc.gov.au and www.mce.gov.au

Further information on AGEA's Policy Committee and related issues can be found on www.agea.org.au

Regular updates on the progress of the NEM Policy Committee and the Energy Market Review will be provided on the AGEA and Petratherm websites www.petratherm.com.au

Yours faithfully



Terry Kallis
Managing Director

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