

Notice to Participants of AEMO's decision to update STTM Procedures to version 13.0

This Notice advises all Registered Participants (Participants) and other interested stakeholders that consultation on changes to the STTM Procedures under the expedited procedure change consultative process, prescribed in rule 135EE of the National Gas Rules (NGR), concluded on 14 November 2016.

Taking into account the assessment provided in the Impact and Implementation Report (IIR) *IIR 16-001 Contingency Gas Evidentiary Changes Clarification*, and comments received on the proposed STTM Procedures, AEMO has decided to make amendments to the STTM Procedures as shown in Appendix A.

The changes to the STTM Procedures version 12.0 are summarised as follows:

- Correct and clarify aspects of the procedures made under the Contingency Gas Evidentiary Changes Rule 2015
- Align the notification and communication of contingency gas trigger event with NGR 440(4).

AEMO received one submission in response to the IIR in support of the first set of changes. This is summarised in Appendix B.

The changes made in version 13.0 of the STTM Procedures are the same as those proposed in the Impact and Implementation Report (IIR).

AEMO considers that the changes meet the requirements of the National Gas Objective by removing ambiguity that could reduce the effectiveness of measures to promote the efficient provision, operation and use of contingency gas.

The IIR and participant feedback from the consultation process are available on the AEMO website at -

<http://aemo.com.au/Stakeholder-Consultation/Consultations/STTM-IIR-16001-CONTINGENCY-GAS-EVIDENTIARY-CHANGES-CLARIFICATION>

As required by Rule 135EE(5), AEMO notifies Participants that version 13.0 of the STTM Procedures will be effective from 3 January 2017.

Notice Date: 9 December 2016

Appendix A:

Blue represents additions **Red** and ~~strikeout~~ represents deletions – Marked up changes

9.4.1 Confirmation of availability

[...]

- (fa) A *Trading Participant* may, instead of confirming availability for its *contingency gas offer* or *contingency gas bid* as a whole, confirm the matters in paragraph (f) in respect of **each of the** individual *price steps*, provided that:
- (i) the *Trading Participant* ~~must not~~ **may only** confirm a greater quantity of *contingency gas* for ~~any price step other than~~ the highest-priced *price step* in its *contingency gas offer* or **the lowest-priced price step in its** *contingency gas bid*;
 - (ii) the *Trading Participant* **may only confirm a lesser quantity of contingency gas (including zero) for a price steps** ~~are~~ associated with a **facility** ~~ies~~ that ~~was~~ **were** registered under paragraph (g) at least 5 *business days* prior to the date of confirmation; and
 - (iii) ~~the price steps are~~ **associated with registered facilities must be** consistent with the relevant information **provided** ~~registered~~ under paragraph (g).

[...]

- (i) If the *Trading Participant* has confirmed individual price steps under paragraph (fa), AEMO must set the availability of each price step in accordance with that confirmation. ~~(or to zero for any price step that was not confirmed).~~

9.3.2 Notification and communication

- (a) A notice *published* by AEMO under *rule 441(1)* regarding a *contingency gas trigger event* must:
- (i) ~~either:~~
 - ~~(A)~~ **specify whether if** AEMO was notified of the *contingency gas trigger event* under *rule 440(2)(a)*, or whether **AEMO considers that the contingency gas trigger event has occurred as contemplated in rule 441(1)(b); and** ~~identify the party that notified AEMO; or~~
 - ~~(B)~~ ~~state that AEMO considers that the contingency gas trigger event has occurred as contemplated in rule 441(1)(b); and~~
 - (ii) [...]

Appendix B: Summary of stakeholder comments on the proposed changes to the STTM Procedures

Organisation	Summary of comment	AEMO's Response
AGL Energy	Supports the proposed change to clause 9.4.1 as these changes will help to simplify what is currently a complicated process	Noted
AGL Energy	<p>Removing the requirement to identify the party that informed AEMO of a CG Trigger event is not a positive change for the STTM.</p> <p>AGL is concerned that the proposed change will lead to an increase in CG assessment conferences.</p> <p>During a CG event, the open and transparent flow of information is key to ensuring an appropriate outcome.</p>	<p>Removing the requirement to identify the party that informed AEMO of a CG Trigger Event does not prevent AEMO from disclosing that information if it is necessary for the purposes of assessing or responding to a contingency gas trigger event, as provided in NGR 440(4).</p> <p>There is currently a potential for inconsistency between the requirement for confidentiality in the NGR and the STTM Procedures requirement to disclose the identity of the informant. The proposed change will remove the risk of inconsistency arising.</p> <p>Under NGR 440(3), a person required to provide information to AEMO under NGR 440(2) must do so in good faith, which is a civil penalty provision. Under NGR 497, AEMO must, within 30 business days after the conclusion of a reviewable event, prepare and publish a report which assesses the actions taken by Market Participants in relation to the reviewable event. These provisions, together with AEMO's discretion to disclose all information required for assessment and response by relevant operators, alleviate any concerns regarding unnecessary CG conferences or lack of transparency.</p>