



# Gas Market Parameter Review 2018

GWCF Workshop 12 February 2018

# Agenda

1. Recap - Gas Market Parameter Review 2018
2. Submissions in response to consultation paper
3. Market Reform modelling presentation
4. Next steps

# introduction

- Gas Market Parameter Review 2018
  - Review DWGM and STTM market parameters together and in parallel with NEM reliability panel review
  - AEMC has made new STTM rule to review STTM parameters by 30 Apr 2018

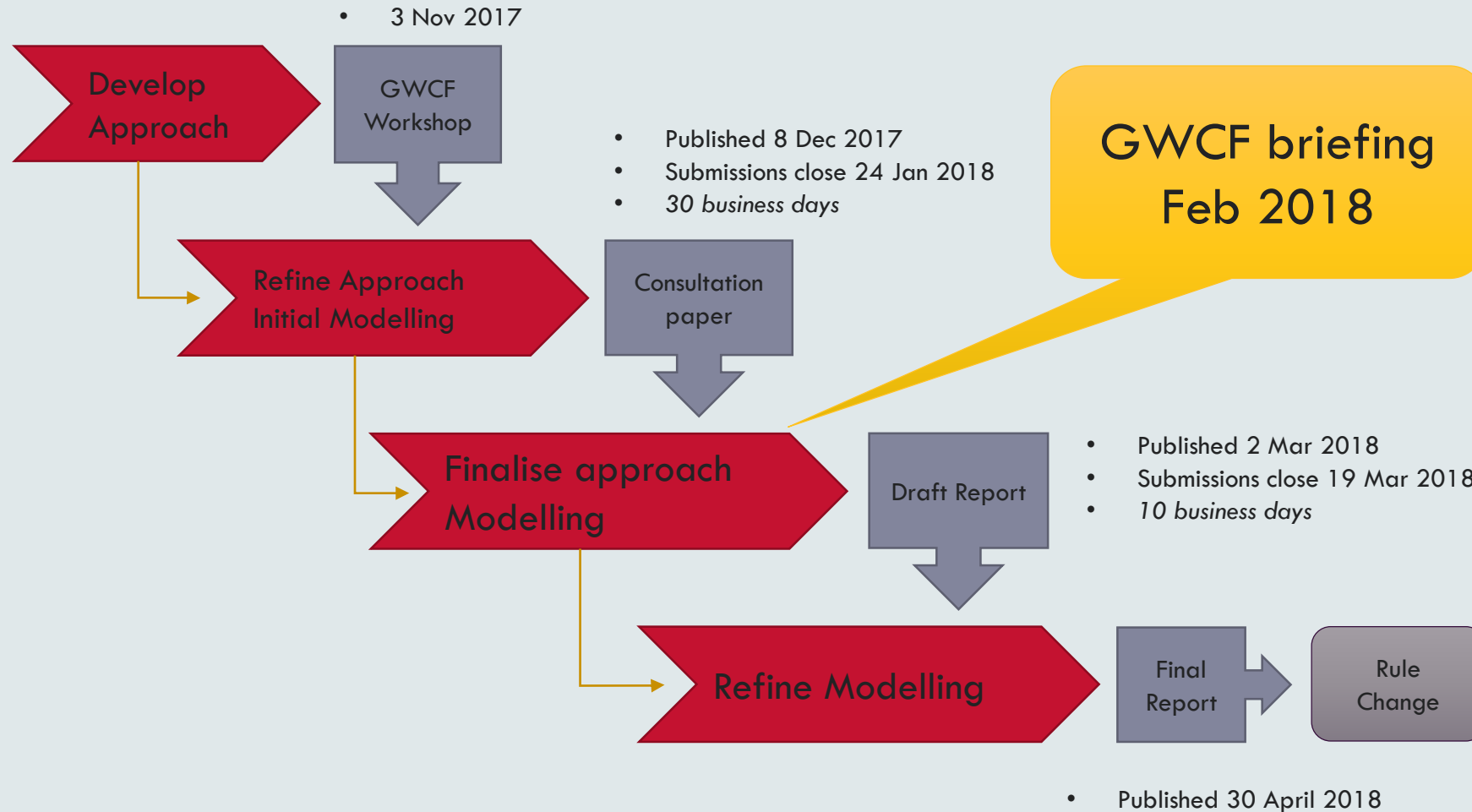
Market Parameter	STTM	DWGM
Market Price Cap (MPC) / VoLL	\$400 / GJ	\$800 / GJ
Cumulative Price Threshold (CPT)	\$440 (MMP +10%)	\$1,800
Administered Price Cap (APC)	\$40 / GJ	\$40 / GJ
CPT Horizon	7 gas days	35 intervals
Minimum Market Price (MMP)	\$0 / GJ	\$0 / GJ

# Approach

- Market parameters should:
  - Be valid for a long period
  - Change only when they are:
    - Found to be defective in some aspect
    - Subject to changes in cost structure
- Review used to identify any deficiencies
  - MMP
  - CPT Horizon
- Modelling used to explore potential deficiencies and cost structure changes
  - MPC / VoLL
  - CPT
  - APC

# Gas market parameter review 2018

## Timeline



# Submissions to consultation

- Two submissions received
  - Snowy Hydro Limited
  - Origin Energy Limited
- Both generally supportive of approach
- Origin Energy:
  - Noted Market Price Caps & Cumulative Price Thresholds in NEM had increased over time
  - Suggested that the modelling consider a range of contract covers (physical hedge) for different participant types
- Submissions will be published on the review's webpage

# Market Reform presentation

# Next steps

- AEMO will publish Draft Report by 2 March 2018
  - Includes Market Reform draft report
  - Open for submission to 19 March 2018
- AEMO will publish Final Report by 30 April 2018 (rule requirement)
  - Includes Market Reform final report