



Consultation on Approved Process changes

Final Decision –
Standard consultative procedure
under the National Gas Rules

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Executive summary

The publication of this final decision concludes the standard consultation procedure conducted by AEMO to amend the Approved Process required by Rule 135EC (**proposal**) under the National Gas Rules (**NGR**). This consultation is being undertaken in accordance with the standard consultative procedure as required by Rule 135EC is described in NGR 8.

AEMO thanks all stakeholders for their feedback on the proposal.

The key changes to the Approved Process as outlined in the initiation to the consultation were:

- New requirement for AEMO to include a summary of the significant changes to the existing procedures in the IIR. This change clarifies AEMO's existing process in the Approved Process.
- Removal of requirement on AEMO to provide a recommendation in the IIR on whether the expedited or ordinary consultation should be used. Instead, if the expedited process is applicable, the reason for the expedited consultation will be included in the IIR.
- Amendment to requirement on AEMO to engage with a consultative forum prior to the Procedure consultation. Engagement with the consultative forums in addition to the Procedure consultation is not always practical or necessary in the context of a Law or Rule required Procedure change.
- Drafting changes to improve clarity.

AEMO received one submission to the draft decision. After considering the submission received, AEMO has determined that no changes are required to the Approved Process as a result of the submission. Since the draft decision, AEMO has made some minor editorial amendments to the approved process for clarity.

AEMO's final decision is to amend the Approved Process in the form published with this final decision with a proposed effective date of 23 January 2025.

Contents

Executive summary	3
1. Stakeholder consultation process	5
2. Background	6
2.1. Context for this consultation	6
2.2. The national gas objective	6
3. Final decision on proposal	7
Appendix A. List of Submissions and AEMO Responses	8

1. Stakeholder consultation process

As required by rule 135EC(2) of the National Gas Rules (**NGR**), AEMO has consulted on the Approved Process changes (the **proposal**) in accordance with the standard consultative procedure in NGR 8.

Note that this document uses terms defined in the NGR, which are intended to have the same meanings.

AEMO's process and timeline for this consultation are outlined below.

Table 1 Consultation process and timeline

Consultation steps	Dates
Initiation published	30 September 2024
Submissions closed on Initiation	21 October 2024
Draft decision published	18 November 2024
Submissions closed on draft decision	9 December 2024
Final decision published	9 January 2025

AEMO's consultation webpage for the proposal is at [AEMO | Amendment of approved process](#), containing all published papers and reports, written submissions, and other consultation documents or reference material.

AEMO received one submission in response to its draft decision on the proposal.

AEMO considered this submission and other relevant information in making its final decision on the proposal.

AEMO thanks all stakeholders for their feedback on the proposal throughout this consultation, which has been considered in making this final decision.

2. Background

2.1. Context for this consultation

The Approved Process outlines the process for examining and assessing a proposal for the making of Procedures and the preparation of an Impact and Implementation Report (IIR).

The proposed changes to the Approved Process include the following:

- Addition of requirement on AEMO to include a summary of the significant changes to the existing procedures in the IIR. This change clarifies AEMO's existing process in the Approved Process.
- Removal of requirement on AEMO to provide a recommendation in the IIR on whether the expedited or ordinary consultation should be used. Instead, if the expedited process is applicable, the reason for the expedited consultation will be included in the IIR.
- Amendment to requirement on AEMO to engage with a consultative forum prior to the Procedure consultation. Engagement with the consultative forums in addition to the Procedure consultation is not always practical or necessary in the context of a Law or Rule required Procedure change.
- Amendments include editorial amendments for readability and usability (including those detailed above); removal of requirements already detailed in the Part 15B; and adoption of the latest AEMO template.

2.2. The national gas objective

Within the specific requirements of the NGR applicable to this proposal, AEMO has sought to make a decision that is consistent with the national gas objective (NGO) and, where relevant, to select the option best aligned with the NGO.

The NGO is expressed in section 23 of the National Gas Law as:

to promote efficient investment in, and efficient operation and use of, covered gas services for the long term interests of consumers of covered gas with respect to:

- (a) price, quality, safety, reliability and security of supply of covered gas; and*
- (b) the achievement of targets set by a participating jurisdiction —*
 - (i) for reducing Australia's greenhouse gas emissions; or*
 - (ii) that are likely to contribute to reducing Australia's greenhouse gas emissions.*

AEMO considers the proposed amendments to the Approved Process meet this assessment criteria.

3. Final decision on proposal

Having considered the matters raised in submissions to the consultation paper and on the draft decision, AEMO's final decision is to amend the Approved Process in the form published with this final decision.

Effective date

The effective date for the decision is 23 January 2025, in accordance with rule 8 of the NGR.

Appendix A. List of Submissions and AEMO Responses

No.	Stakeholder	Issue	AEMO response
1	Origin Energy	<p>Material Procedures changes</p> <p>Origin supports the proposed amendment to clause 4(a), which should ensure procedural changes that may have a material impact on market participants continue to be transparently reported through AEMO's consultative forums.</p> <p>To complement this and facilitate an efficient procedural change process, AEMO should consider publishing an initial assessment outlining the industry participants likely to be impacted by a given change, along with a relative measure of implementation cost and effort involved to understand the materiality of the changes and inform whether it should be presented to a relative consultative forum. The assessment could also provide indicative guidance to stakeholders to focus their own review of the proposed changes. We note similar assessments have been provided by AEMO for recent procedural update processes related to the NEM.</p>	<p>Support for the amendment to clause 4(a) noted.</p> <p>While we recognise the suggestions for additional assessments and guidance, AEMO considers that the current framework as noted in the Approved Process made in this final decision provides sufficient transparency and opportunities for stakeholder input. No changes to the Approved Process are deemed necessary.</p>
2	Origin Energy	<p>Head of power for consultative forums</p> <p>The addition of clauses 4(f) and (g) to describe the head of power for consultative forums, recognition that the terms of reference of a forum may change over time, and a description of who may join those consultative groups, provides flexibility to navigate topics as the energy transition evolves. Allowing <i>'all participants and other stakeholders whose interests are directly affected by that market'</i> ensures that as energy markets and their relevant stakeholders change, all parties may contribute to the review of procedure changes and highlight aspects of amendments that are less obvious and might not have been fully considered.</p>	<p>Support for addition of these clauses noted.</p>