

IMPACT & IMPLEMENTATION REPORT – SUMMARY SECTION

Issue Number	Wholesale Market Rule Consultation Procedures (Victoria) IIR 16-001		
Proponent	Australian Energy Market Operator (AEMO)	Date of submission	23 June 2016
Affected gas markets	Declared Wholesale Gas Market (DWGM)	Consultation process (Ordinary or Expedited)	Ordinary
Industry consultative forums used	Gas Wholesale Consultative Forum (GWCF)	Date industry consultative forums consultation concluded	14 June 2016
Short description of change	AEMO recommends that the Wholesale Market Rule Consultation Procedures be updated to: <ul style="list-style-type: none"> • Enable alignment between the Wholesale Market Rule Consultation Procedures with the National Gas Rules (NGR). 		
Procedures or documentation impacted	Wholesale Market Rule Consultation Procedures (Victoria) Version 2.0		
Date I&IR published	23 June 2016	Date consultation under 135EE or 135EF concludes	21 July 2016
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IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

ASSESSMENT OF PROPOSAL

Summary and rationale for the changes

(see Attachment A for the full set of changes)

The Wholesale Market Rule Consultation Procedures (Victoria) developed under the rule 357(2) provides information on how AEMO consults on proposals for change to amend Part 19 of the National Gas Rules (NGR): Declared Wholesale Gas Market Rules, submitted by a person other than AEMO under rule 356.

In response to a review on AEMO's Procedures to confirm alignment of AEMO's current procedures with the rules and laws, AEMO has identified necessary changes in the Wholesale Market Rule Consultation Procedures.

The first and only published version of the Wholesale Market Rule Consultation Procedures was published on the 1st of July 2009 and was based on Version 2 of the NGR (effective from 01/07/09 to 26/05/2010). This Procedures therefore requires updating to align with the current NGR Version 29.

The Procedure change requires additional information to be included and changes in references' misalignments with the current NGR. AEMO is proposing to change the Procedures to the current AEMO Procedures' template, add an additional section on Decision for completion and correct misalignments to the NGR clauses references.

Proposed changes to the Wholesale Market Rule Consultation Procedures (Victoria) are detailed below:

SECTION	CHANGE TO PROCEDURE
General	Procedures format and structure update in new template.
1.1	Misalignment of NGR rule 359 (renumbered to 357(2)) and 358 (renumbered to 356).
1.1	Added section on interpretation to align the Procedures with both the NGR and the NGL.
1.2.2	Added section to state principles of interpretation set out in Schedule 2 of the NGL.
2.1	Misalignment of NGR rule 358 (renumbered to 356(2))

	<table border="1"> <tr> <td data-bbox="560 197 735 432">Deleted previous 3.2</td> <td data-bbox="735 197 1391 432"> <p>Deletion of previous sections 'Determination of applicable consultation process' title.</p> <p>Subsections 'Standard Consultation Process' and 'Expedited Consultation Process' (added to new sections 3.1 and 3.2, respectively).</p> </td> </tr> <tr> <td data-bbox="560 432 735 577">3.2(2)</td> <td data-bbox="735 432 1391 577"> <p>Misalignment of Procedures numbering, exceptions 4(a) to (d) (renumbered to 3.1(3) to (6)).</p> </td> </tr> <tr> <td data-bbox="560 577 735 743">5</td> <td data-bbox="735 577 1391 743"> <p>Added section on 'AEMO decision on Rule Proposal' as it was not covered in the previous Wholesale Market Rule Consultation Procedures (Victoria) version 1.0.</p> </td> </tr> </table>	Deleted previous 3.2	<p>Deletion of previous sections 'Determination of applicable consultation process' title.</p> <p>Subsections 'Standard Consultation Process' and 'Expedited Consultation Process' (added to new sections 3.1 and 3.2, respectively).</p>	3.2(2)	<p>Misalignment of Procedures numbering, exceptions 4(a) to (d) (renumbered to 3.1(3) to (6)).</p>	5	<p>Added section on 'AEMO decision on Rule Proposal' as it was not covered in the previous Wholesale Market Rule Consultation Procedures (Victoria) version 1.0.</p>
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3.2(2)	<p>Misalignment of Procedures numbering, exceptions 4(a) to (d) (renumbered to 3.1(3) to (6)).</p>						
5	<p>Added section on 'AEMO decision on Rule Proposal' as it was not covered in the previous Wholesale Market Rule Consultation Procedures (Victoria) version 1.0.</p>						
<p>Cost estimate (and/or cost/benefit analysis)</p>	<p><u>Costs</u></p> <p>The Procedures changes will not have a material impact on AEMO or market participants as they simply update the official Wholesale Market Rule Consultation Procedures including references to the appropriate NGR clauses, and new section on Decision in accordance with the current version of the NGR.</p> <p><u>Benefits</u></p> <ul style="list-style-type: none"> Changes in the Wholesale Market Rule Consultation Procedures will align AEMO's Procedures with the current NGR Version 29. 						
<p>The likely implementation effect of the change(s) on stakeholders</p>	<p>The proposed changes to the Wholesale Market Rule Consultation Procedures will provide accurate and up to date information to market participants and the general public in regards to the Wholesale Market Rule Consultation process.</p>						
<p>Testing requirements</p>	<p>Changes applied to the Wholesale Market Rule Consultation Procedures will not require changes in any AEMO systems, therefore, there are no testing requirements associated with the change.</p>						
<p>AEMO's preliminary assessment of the proposal's compliance with section 135EB:</p>	<p><u>Consistency with NGL and NGR</u></p> <p>AEMO's view is that the proposed changes described in this document are consistent with the National Gas Law (NGL) and the NGR.</p> <p><u>National Gas Objective (NGO)</u></p> <p><i>"Promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas."</i></p>						

	<p>AEMO considers that the proposed Procedures are likely to contribute to the NGO in promoting detailed, clear and up to date information and assisting gas market participants to make decisions in regards to proposed changes to the Declared wholesale Gas Market and the appropriate consultation procedures.</p>
<p>Consultation forum outcomes</p>	<p>AEMO discussed this procedure change with the GWCF at its meeting on 14 June 2016. No concerns were noted to be addressed in this Impact & Implementation Report.</p> <p>The paper and minutes of this meeting will be available through the following link - http://www.aemo.com.au/About-the-Industry/Working-Groups/Wholesale-Meetings/Gas-Wholesale-Consultative-Forum</p>

RECOMMENDATION(S)	
Should the proposed Procedures be made, (with or without amendments)?	Taking into account the consultation that has occurred, AEMO recommends the proposed Procedures change should be made as described in Attachment A.
Proposed effective date for the proposed change(s)	<p>AEMO invites feedback on the draft Wholesale Market Rule Consultation Procedures.</p> <p>Subject to participant feedback through this consultation, AEMO will publish a final decision and any associated notices on its website within 20 business days after the closing date for submissions.</p> <p>In accordance with Rule 135EE(5) of the NGR, the effective date for any Procedures change must be at least 15 business days after this.</p>

ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)

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

Comments may be used to explain changes to the document

Please refer to (**Attachment A**) for the change marked copy of the Wholesale Market Rule Consultation Procedures v2.0 Draft.