

Notice to Participants on the making of STTM Procedures - Versions 7

This Notice advises all Registered Participants and Bulletin Board Participants (Participants) that consultation for changes to the Short Term Trading Market (STTM) Procedures under the expedited procedure change consultative process prescribed in rule 135EE of the National Gas Rules (NGR) concluded on 14 November 2011.

The procedure changes to version 7.0 are as follows:

- Section 7.3 Market schedule variations has been amended to establish the MSV window in the procedures and extend it from four to seven days.
- Section 8.2.2 Material involuntary curtailment has been amended to clarify the requirement to set the *dpflag* during material involuntary curtailment

The amendments are provided at Attachment A.

AEMO received no submissions to the proposed procedure change (PPC) and impact and implementation report (IIR) released for comment on 24 October 2011.

Taking into account the Australian Energy Market Commission's final decision on the associated changes to the NGR, the assessment outlined in the proposed procedure change and impact and implementation report, AEMO is giving notice that:

- it has decided to make these procedures; and
- these procedures will be made effective as of 13 December 2011.

STTM Procedures version 7 has now been published on the AEMO website and can be located at the following URL: <http://aemo.com.au/STTM/sttmrules.html>

Notice Date: 17 November 2011

ATTACHMENT A – Amendments to the STTM Procedures from previous version
Blue represents additions. Red and strikeout represents deletions – Marked up changes

7.3 Market schedule variations

- (aa) For the purposes of rule 423(1), a *market schedule variation* is to be submitted:
- (i) after 6½ hours after the beginning of the immediately preceding *gas day*; and
 - (ii) before 5:00pm on the 7th *gas day* after the *gas day* to which that *market schedule variation* relates.
- (a) For the purposes of rule 423(2)(a), information required about the nature and quantity of the proposed *market schedule variation* is:
- (i) the *gas day* to which the proposed *market schedule variation* relates;
 - (ii) the quantity of the proposed *market schedule variation*, which must be a positive value expressed in GJ; and
 - (iii) whether the quantity of the proposed *market schedule variation* is to increase or decrease the *modified market schedule quantity* of the *originating STTM Shipper*.
- (b) For the purposes of rule 423(2)(b), the information required about the *originating STTM Shipper* is:
- (i) the *identifier* of the *originating STTM Shipper*;
 - (ii) whether the proposed *market schedule variation* relates to gas:
 - (A) supplied to the *hub*; or
 - (B) withdrawn from the *hub*, by the *originating STTM Shipper*; and
 - (iii) the *STTM facility* in respect of which the *modified market schedule quantity* of the *originating STTM Shipper* is to increase or decrease by the quantity in the proposed *market schedule variation*.
- (c) For the purposes of rule 423(2)(c), the information required about the *receiving Participant* is:
- (i) the *identifier* of the *receiving Participant*;
 - (ii) whether the proposed *market schedule variation* relates to the *receiving Participant* as an:
 - (A) *STTM Shipper* supplying gas to the *hub*; or
 - (B) *STTM Shipper* withdrawing gas from the *hub*; or
 - (C) *STTM User*; and
 - (iii) where the proposed *market schedule variation* relates to gas:
 - (A) supplied to the *hub* by the *originating STTM Shipper*; and
 - (B) withdrawn from the *hub* by the *receiving Participant* as an *STTM Shipper*,

the *STTM facility* in respect of which the *modified market schedule quantity* of the *receiving Participant* is to increase or decrease by the quantity in the proposed *market schedule variation*.

- (d) Except in the circumstances described in clause 7.3(c)(iii), AEMO must assume that:
- (i) if the proposed *market schedule variation* relates to the *receiving Participant* as an *STTM User*, the *STTM distribution system* in respect of which the *modified market schedule quantity* of the *receiving Participant* is to increase or decrease under the proposed *market schedule variation* is the *STTM distribution system* at the hub to which the *STTM facility* specified under clause 7.3(b)(iii) is connected; or
 - (ii) if:
 - (A) the proposed *market schedule variation* relates to the *receiving Participant* as an *STTM Shipper* supplying gas to the *hub*; or
 - (B) the proposed *market schedule variation* relates to both the *originating STTM Shipper* and the *receiving Participant* as *STTM Shippers* withdrawing gas from the *hub*,
 the *STTM facility* in respect of which the *modified market schedule quantity* of the *receiving Participant* is to increase or decrease under the proposed *market schedule variation* is the *STTM facility* specified under clause 7.3(b)(iii).
- (e) For the purposes of rule 423(3), when both the *originating STTM Shipper* and the *receiving Participant* are *STTM Shippers* and the proposed *market schedule variation* relates to:
- (i) one *STTM Shipper* supplying gas to the *hub* and the other *STTM Shipper* withdrawing gas from the *hub*, the *STTM Shipper* that is supplying gas to the *hub* must be the *originating STTM Shipper*; or
 - (ii) both *STTM Shippers* supplying gas to the *hub*, the *STTM Shipper* that is to increase its *modified market schedule quantity* for flow to the *hub* must be the *originating STTM Shipper*; and
 - (iii) both *STTM Shippers* withdrawing gas from the *hub*, the *STTM Shipper* that is to increase its *modified market schedule quantity* for flow from the *hub* must be the *originating STTM Shipper*.
- (f) The *originating STTM Shipper* must ensure that both the *originating STTM Shipper* and the *receiving Participant* have *registered trading rights* that are consistent with the increase or decrease in their respective *modified market schedule quantities* under the proposed *market schedule variation*.
- (g) For the purposes of rule 423(5):
- (i) the details to be made available by AEMO to the *receiving Participant* are the details provided for in rule 423(2), which includes those detailed in this clause; and
 - (ii) the *receiving Participant* is to confirm the *proposed market schedule variation* before 5:00pm on the 7th gas day after the gas day to which that *market schedule variation* relates.

- (h) For the purposes of rule 423(6), AEMO must make information regarding the status of a proposed *market schedule variation* available to the *originating STTM Shipper* and the *receiving Participant* until 5:00pm on the 7th *gas day* after the *gas day* to which that *market schedule variation* relates.

8.2.2 Material involuntary curtailment

- (a) An *STTM distributor* must notify AEMO of any *material involuntary curtailment* of end users connected to its *STTM distribution system* for a *gas day D*:
- (i) no earlier than the commencement of *gas day D-1*; and
 - (ii) no later than 1½ hours after the beginning of *gas day D+1*.

- (a1) An *STTM pipeline operator* must notify AEMO of any *material involuntary curtailment* it implements for a *gas day D*:
- (i) no earlier than the commencement of *gas day D-1*; and
 - (ii) no later than 1½ hours after the beginning of *gas day D+1*.

Note: Under the Rules, if a notice is received under paragraph (a) from an *STTM distributor* or under paragraph (a1) from an *STTM pipeline operator* in time for AEMO to make a determination of an *administered price cap state* no later than 6½ hours after the beginning of *gas day D-1*, then the effect of the trigger will be to cap the prices in the *ex ante market schedule* as well as the *ex post* prices. If the determination is made after that time, the effect of the trigger will be to cap only the *ex post* prices.

- (b) A notice given to AEMO under paragraph (a) must include:
- (i) the *hub* and *gas day D* to which the notice relates;
 - (ii) a statement that *material involuntary curtailment* occurred, or the *STTM distributor* reasonably expects *material involuntary curtailment* to occur (as applicable), on the *gas day* to which the notice relates;
 - (iii) the time(s) at which *material involuntary curtailment* occurred, or is expected to occur, on *gas day D*; and
 - (iv) the basis on which *material involuntary curtailment* was, or will be, initiated.
- (c) If AEMO is notified ~~Where an administered price cap state applies for a gas day as a result of that~~ *material involuntary curtailment* has occurred, AEMO must set the DPFlag(d) to value 1 for the relevant *hub* and *gas day* for the purposes of:
- (i) calculating the cumulative price threshold under clause 8.1; and
 - (ii) running settlements for that *gas day* under Chapter 10.

Note: The DPFlag corresponds with an "Administered Deviation Price Cap State". The settlement rules and procedures implement this design feature through settlement equations rather than through a market administered state.