

Notice to Participants on the making of amendments to the STTM Procedures

This Notice advises all Registered Participants and Bulletin Board Participants (Participants) of the making of changes to the Short Term Trading Market (STTM) Procedures for the Brisbane hub.

The changes relate to several sections through the STTM Procedures:

Topic	Affected clauses
Brisbane hub definition	2.3
Gas Day	7.1.4, 8.1, 8.2.2, 8.2.6
Contingency Gas	1.2, 9.2.2, 9.3.3, 9.3.4
Administered Market States	1.2, 8.2.2, 8.2.5
STTM distribution system allocations	7.2.4, 7.2.5 (new)
Withdrawals from a hub	8.4.3, 10.1.1, 10.1.2, 10.1.3, 10.8
Transitional Provisions	12.1, 12.2, 12.3

There was one submission received on the Implementation and Impact Report. A summary of issues raised together with AEMO's response is provided at Attachment A of this notice.

The amended changes are consistent with the Proposed Rule Changes that have been submitted by AEMO to the Australian Energy Market Commission (**AEMC**).

Taking into account the assessment outlined in the Proposed Procedure Change Report, the Implementation and Impact Report, and submissions received by stakeholders, AEMO hereby gives notice that:

- it has decided to amend the proposed procedures (see Attachment A for details); and
- it has decided to make these amended procedures, with an effective date of the Brisbane hub commencement date, as defined in the National Gas Rules at Part 3, clause 13(2) of Schedule 1 – Transitional Provisions”, being a date specified by the Queensland Government in a notice published in the Queensland Government Gazette or a later date determined and published by AEMO.

A notice confirming the implementation date will be published with the STTM Procedures at least 15 business days prior to the effective date of the STTM Procedures.

Notice Date: 14 April 2011

Attachment A: AEMO response to submissions

AEMO published an amended Impact and Implementation Report on 18 February 2011 on its proposed changes to the STTM Procedures for implementation of the STTM at the Brisbane hub. Stakeholder comments were sought by 18 March 2011. AEMO received one submission from AGL on 18 March 2011.

The issues raised, together with AEMO's response, are provided below.

Stakeholder Submission

"Rule 372A(3) of the NGR expressly provides for Division 8 of Part 20 to not apply to facilities taken to be an STTM distribution system in the Brisbane hub.

The changes we are making to the Procedures are to ensure that facilities taken to be an STTM distribution system, whilst they are unable to initiate a contingency gas event, are nonetheless able to offer in contingency gas when called.

Against this backdrop, the changes to 9.1.1(a)(iii) contemplate substitution of "the location of the contingency gas offer" for "the identifier of the STTM distribution system or the identifier of the STTM facility".

In the context of Adelaide and Sydney, we understand the "location" to be one of the two pipelines feeding the hub. In the Brisbane context, this rewording may be confusing, more so because the term "location" is now to be defined by changes to the STTM Interface Protocol.

AGL trusts that a valid contingency gas offer submission will still be one that nominates RBP as the facility as we hold firmly to the view that contingency gas is a hub concept".

AEMO response

AEMO has amended its Proposed Rule Changes prior to submission to the AEMC as follows. The general exclusion that applied to Transmission connected STTM Users and deemed STTM distributors as been replaced with a specific exclusion, by:

- Proposing that the AEMC modify rule 372A(3) by removing the exclusion from it applying to Division 8 of Part 20, thereby allowing Transmission connected STTM Users to submit CG offers and CG bids on a deemed STTM distribution system; and
- Proposing that the AEMC insert a new rule 439A in Division 8 Subdivision 2 (Contingency gas trigger event) that specifically excludes deemed STTM distribution systems and deemed STTM Distributors (being users) from triggering a CG event or being party to a CG assessment conference.

The proposed changes to the STTM Procedures have been amended from those published in the Implementation and Impact Report as follows:

- No change will be made to clauses 9.1.1(a)(iii), 9.1.1(e)(iii), 9.1.2(a)(iii), 9.1.2(e)(iii), 9.1.3 (a) or (b).
- Minor drafting changes will be made to the definition of material involuntary curtailment and clause 9.2.2(b) to incorporate a new defined term of 'deemed STTM distributor'

Under the current regulatory framework, the 'location' to which a CG offer or CG bid applies may be an STTM facility or an STTM distribution system. No change to this arrangement is being proposed and, consequently, is not relevant to this consultation.