

Notice to Participants of AEMO's decision on making the STTM Procedures version 11.0

This notice advises all Registered Participants (Participants) and other interested stakeholders that consultation for changes to the STTM Procedures under the procedure change consultative process prescribed in rule 135EE of the National Gas Rules (NGR), related to the change to definition of material involuntary curtailment, concluded on 7 August 2015.

This notice should be read in conjunction with a separate notice for the decision on changes regarding the addition of EGP Wilton CTP, as version 11 of the STTM Procedures will incorporate both changes.

Taking into account the assessment provided in the Impact and Implementation Report (IIR) *IIR 15-001 Change to Definition of Material Involuntary Curtailment*, and comments received on the proposed STTM Procedures, AEMO has decided to make amendments to the STTM Procedures as shown in Appendix A.

The changes to the STTM Procedures version 10.1 are summarised as follows:

Reduce the scope of the definition of Material Involuntary Curtailment by linking the definition of Material Involuntary Curtailment to Contingency Gas trigger events (Rule 440). As such the DPflag (which is set for settlement purposes when Material Involuntary Curtailment occurs) is only set for curtailment events associated with a gas supply emergency at an STTM hub.

AEMO received one submission in response to the impact and implementation report in support of this change. This is summarised in Appendix B.

The changes to the STTM Procedures are unchanged from those proposed in the Impact and Implementation Report (IIR).

AEMO considers that this change meets the requirements of the National Gas Objective for efficient operation and use of natural gas services for the long term benefit of consumers of natural gas ensuring that localised curtailment events do not have a disproportionate impact on market-wide settlement outcomes.

The IIR and participant feedback from the consultation process are available on the AEMO website at -

<http://aemo.com.au/Consultations/Gas-Consultations/General/STTM-IIR-15-001-Change-to-Definition-of-Material-Involuntary-Curtailment>

As required by Rule 135EE(5), AEMO informs Participants that version 11.0 of the STTM Procedures will be effective from 30 September 2015.

Notice Date: 4 September 2015

Appendix A:

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

material involuntary curtailment means any involuntary curtailment of the delivery of gas to:

(a) *end users* implemented by an STTM distributor ~~in accordance with curtailment tables specified in the applicable access arrangement for its STTM distribution system~~ **that is caused by a contingency gas trigger event as specified in rule 440(1);** or

(b) *deemed STTM distributors*, implemented by the *STTM pipeline operator* by limiting the withdrawal of gas from the *STTM pipeline* to a quantity less than the aggregate quantities of gas in final nominations accepted by the *STTM pipeline operator* for those *deemed STTM distributors*

Appendix B: Summary of stakeholder comments on the proposed changes to the STTM Procedures

Organisation	Summary of comment	AEMO's Response
AGL Energy	Supports the proposed change, noting that local curtailment events could still be managed through renominations and off-market transactions, and that the change is appropriate given the physicality of the STTM markets.	Noted