

26 September 2017

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
Via electronic submission

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Dear Mr Pierce

**Consultation paper – National Gas Amendment (Changes to periodic review of market parameters in STTM) Rule 2017**  
**Project reference GRC0042**

AEMO welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) consultation paper on changes to periodic review of market parameters in the Short Term Trading Market (STTM).

As the proponent of the rule change, AEMO has no comments to make on the questions posed in the consultation paper, as this already reflects AEMO's rule change proposal.

The AEMC has subsequently sought views from the Gas Wholesale Consultative Forum on an alternative that allows AEMO to delay the completion of the STTM parameter review for up to six months after the completion of the NEM reliability review.

AEMO notes that this change means that the STTM review would need to be completed by the end of November. This would not alter the implementation date for revised parameters (which would normally be on first of July in the second year after the completion of the review). This delay would ensure that any changes to the NEM parameters could be incorporated in the STTM review. However, this delay would also mean that the NEM review would not necessarily have access to proposed changes to any STTM parameters.

In section 1 of our rule change proposal, AEMO stated:

*'Following completion of the combined STTM/DWGM review, AEMO will consider proposing more comprehensive changes to the NGR and the National Electricity Rules (NER) so that market parameters for all energy markets are reviewed on a similar basis and timeframe.'*

AEMO remains of the view that all energy market parameters should be reviewed on a similar basis and timeframe, but that a change of this magnitude is beyond the scope of this non-controversial rule change and so should be considered separately.

The alternative proposed by the AEMC would still allow AEMO the flexibility to decide to conduct the review in a similar timeframe to the NEM review if there was benefit in doing so. AEMO therefore supports the alternative.

If you would like to discuss the contents of this submission further, please contact Mr Roger Shaw on 03 9609 8585.

Yours sincerely



Peter Geers  
**Executive General Manager, Markets**