



Gas day harmonisation

Stakeholder submissions invited on new rule change request

The AEMC has commenced consultation on a rule change request received from the Council of Australian Energy Governments (COAG) Energy Council seeking to harmonise the gas day start time of the facilitated gas markets in eastern Australia to 6:00am Eastern Standard Time (EST).

Overview of the rule change request

The gas day harmonisation rule change request from COAG Energy Council is the first rule change request to be submitted in response to recommendations from the AEMC's East Coast Wholesale Gas Market and Pipeline Frameworks Review.

The rule change request proposes changes to the National Gas Rules (NGR) to harmonise the gas day start times of the Short Term Trading Market (STTM) and the Gas Supply Hub (GSH) with the 6:00am gas day start time of the Victorian Declared Wholesale Gas Market. The rule change request seeks to achieve this by:

- prescribing a single gas day definition in the NGR for all STTM hubs, with a start time of 6:00am EST; and
- inserting a new rule in the NGR that establishes the GSH gas day start time as 6:00am EST.

The gas day start time for the GSH is currently defined in the GSH Exchange Agreement as 8:00am EST. Therefore, if the proposed rule is made, consequential amendments would be required for the Exchange Agreement to be consistent with the NGR.

Issues for consultation

The COAG Energy Council identifies some broad benefits to making the proposed rule. These include reducing complexities across the facilitated gas markets and increasing the opportunities for trade and arbitrage between regions.

If the proposed rule is to be implemented, a program of operational, commercial and procedural work will need to be undertaken by AEMO and industry. Currently, AEMO and market participants' systems, procedures and contractual arrangements are generally aligned to the specific gas day in the relevant market. If the gas day start time in the STTM and the GSH is amended, AEMO and market participants are likely to incur a number of one off costs to implement the new gas day start time.

The consultation paper and COAG Energy Council's rule change request are both available on the AEMC's website. Stakeholders are invited to make written submissions in response to the rule change request and issues raised in the consultation paper by **31 March 2016**.

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3 March 2016