



Declared Wholesale Gas Market Operating Schedules

Stakeholder submissions invited on rule change request

The AEMC has commenced consultation on a rule change request that seeks to clarify the process that the Australian Energy Market Operator (AEMO) must follow when producing and publishing operating schedules for the Declared Wholesale Gas Market (DWGM).

The rule change request

The DWGM is a wholesale market for the supply and purchase of gas in Victoria and some parts of New South Wales. In its role as DWGM operator, AEMO produces and publishes gas scheduling instructions to market participants for each gas day.

Gas scheduling instructions take the form of pricing schedules and operating schedules. The pricing schedule determines the market price based on market participants' bids for the gas supply and gas demand forecasts. This compares to the operating schedule which determines the physically achievable (or feasible) gas injections and withdrawals at each injection and withdrawal point for market participants over the gas day, given pipeline constraints, flows and pressures.

In its rule change request, AEMO considers there is uncertainty in the National Gas Rules (Rules) regarding the process AEMO is permitted to use to produce operating schedules and the action AEMO must take if it is unable to produce and publish operating schedules in accordance with rule 215. AEMO is concerned that strict adherence to the existing rule may require it to suspend the operation of the DWGM on a regular basis, unnecessarily.

As a result, AEMO has proposed a rule change that it considers would provide it with greater flexibility in terms of the modelling approach that it is permitted to use to produce feasible operating schedules, as well as clarifying the process in the Rules that AEMO must follow to produce and publish operating schedules under all circumstances.

AEMO has requested the rule change request be considered as a non-controversial rule, as it considers that making the proposed rule is unlikely to have a significant impact on a market for gas or the regulation of pipeline services.

Expedited rule making process

The AEMC will assess this rule change request as a non-controversial rule under an expedited rule making process, subject to receipt of any written objections from stakeholders by no later than 24 September 2015.

If no written objections are received, then under the expedited process, the AEMC will publish a final rule determination and any final rule by 22 October 2015.

Submissions

To facilitate stakeholder submissions, the AEMC has published a consultation paper setting out some of the key issues on the rule change request. Copies of the consultation paper and rule change request are available on the AEMC's website. Submissions on the rule change request and consultation paper are due by no later than 8 October 2015.

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