



Allocation of settlement surplus and shortfall in the STTM for gas

INFORMATION

Stakeholder submissions invited on rule change request

The Australian Energy Market Commission (AEMC) has commenced its public consultation on a rule change request that seeks to amend a principle that guides the allocation of the settlement surplus and shortfall to Trading Participants in the Short Term Trading Market (STTM).

Rule change request

In this rule change proposal, the proponent, the Australian Energy Market Operator (AEMO), is seeking an amendment to the National Gas Rules for the purpose of rectifying unintended potential financial consequences for STTM Trading Participants arising from a previous rule made in June 2013, and prior to that rule starting on 1 May 2014.

Additionally, AEMO is seeking a delay to the start date of the previously made rule, such that both it and the proposed rule change (if made) commence on 1 November 2014.

AEMO has requested the rule change request be considered as an urgent rule.

Expedited rule change process

The AEMC will assess this rule change under an expedited rule making process, subject to receipt of any written objections from stakeholders by no later than 6 March 2014.

If no objections are received, then under the expedited process, the AEMC will publish a final rule determination on 3 April 2014.

Submissions

To facilitate stakeholder submissions, the AEMC has published a consultation paper setting out some of the key issues on the request. Copies of the consultation paper and the 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 20 March 2014.

Background

AEMO submitted this rule change request on 1 November 2013. AEMO considers the proposed rule is required to rectify a component of a previously made rule (*The National Gas Amendment (STTM Deviations and the Settlement Surplus and Shortfall) Rule 2013*).

The previously made rule introduced a principle to guide the allocation of any settlement surplus or shortfall between STTM Trading Participants. AEMO considers that this principle impedes its ability to make STTM Procedures for the recovery of settlement shortfalls in a way that is equitable under all circumstances, as it is likely to prevent the equitable distribution of settlement shortfall charges where they are not attributable to identifiable causers.

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