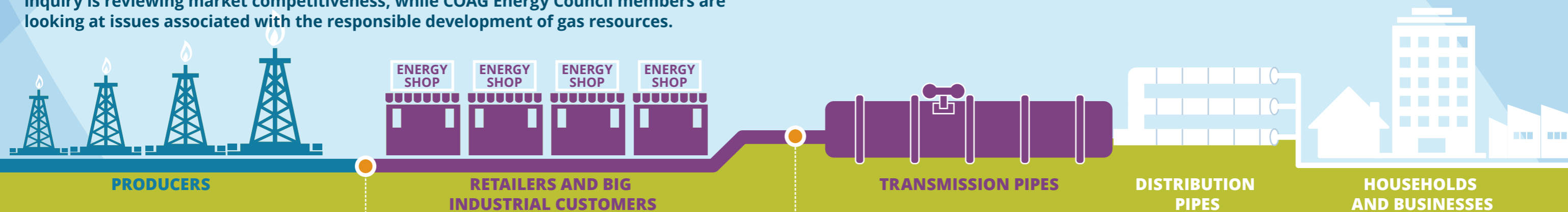


AUSTRALIAN ENERGY MARKET COMMISSION – EAST COAST WHOLESALE GAS MARKET AND PIPELINE FRAMEWORKS REVIEW: STAGE 1 FINAL REPORT 23 JULY 2015

Developing the markets to improve how gas is bought and sold, making it easier to get gas to where it is most valued

The AEMC reviews are looking at how gas – once it leaves the ground – can get to consumers in the most efficient way. This work will provide a framework for developing wholesale gas markets and transmission pipeline arrangements which deliver more transparency and greater flexibility in a rapidly changing sector. The ACCC East Coast Gas inquiry is reviewing market competitiveness, while COAG Energy Council members are looking at issues associated with the responsible development of gas resources.



IMMEDIATE ACTIONS TO MAKE IT EASIER TO BUY AND SELL GAS AEMC STAGE 1 RECOMMENDATIONS

- Improving price transparency**
A new ABS gas price index to show price trends over time starting in 2016.
- Reducing market complexity**
Ensuring the same start-time for gas trading in all markets.
- Level playing field (Victoria)**
Reducing barriers to making rule changes in the Victorian gas market, so all east coast markets align.
- More information to help trading**
Increasing the amount of information available to the market to help increase the use of contracted but unutilised pipeline capacity.



WHOLESALE MARKET REDESIGN

New options to enable gas to be bought and sold in the most efficient way via a liquid wholesale market that delivers a clear reference price. This work will consider both the short-term trading market and gas supply hub models, and options for physical and virtual trading hubs.



Discussion paper on possible wholesale market designs
August 2015

Consultation on discussion paper
September 2015



PIPELINE CAPACITY USAGE AND INVESTMENT

Measures to facilitate the efficient transportation of gas, and how access to transmission pipelines is bought and sold. To include investigation of access to capacity sold by pipelines, and secondary trading of contracted but unutilised pipeline capacity so gas supply can most effectively meet demand.



Discussion paper on options to improve pipeline capacity trading
September 2015

Consultation on discussion paper
September 2015



IMPROVING PRICE TRANSPARENCY (BULLETIN BOARD)

Establishing a one-stop shop for gas market data to improve transparency and improve the operation and monitoring of the market.



Consultation on rule change request
July/August 2015

Working group consultation feeding into Review draft recommendations
August/September 2015

ADDRESSING CHANGE IN THE VICTORIAN DECLARED WHOLESALE GAS MARKET

Identifying whether reforms are required to enhance the liquidity, transparency and flexibility of the Victorian wholesale gas market given the structural changes across the entire East Coast. As Australia's first gas market, with relatively high levels of retail competition and a meshed transmission network, there are material differences between the Victorian system and other jurisdictions.

- Consultation paper
September 2015
- Feedback on consultation paper
September 2015