



**EnergyAustralia**

31 March 2016

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Reference GRC0036

Dear Commissioners

## **Consultation Paper – National Gas Amendment (Gas day harmonisation) Rule 2016**

### **1. Introduction**

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EnergyAustralia welcomes the opportunity to comment on the Australian Energy Market Commission's (the Commission) Consultation Paper for a rule change request to harmonise the gas day start times of the Short Term Trading Market (STTM) and Wallumbilla Gas Supply Hub (GSH) with the gas day start time of the Victorian Declared Wholesale Gas Market (DWGM).

We are one of Australia's largest energy companies, with over 2.5 million household and business customer accounts in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. We also own and operate a multi-billion dollar portfolio of energy generation facilities across Australia, including coal, gas and wind assets with control of over 4,500MW of generation in the National Electricity Market.

We support the proposed rule change and agree with the Commission's suggestion that the proposed rule change has the *potential* to enhance the efficient operation of facilitated gas markets and use of natural gas services. Furthermore, we agree that aligning the gas day could enhance the interconnectedness of the facilitated markets and participants' ability to readily trade between regions.

Specific observations about the proposal are as follows:

- The Commission should have regard to pipeline owners' definition of a gas day as there are differences in starting times between owners and across jurisdictions. It is conceivable that a misalignment between the starting times for markets and for pipelines could lead to a situation where shippers are charged or have to maintain park/loan facilities on pipelines; this could be a significant cost.

- EnergyAustralia anticipates that the implementation costs for market participants will be relatively small (involving amendments to existing contracts that specify a particular commencement time, for example). However, we suggest the Commission should consult with pipeline owners to better understand the costs of aligning the commencement of market and pipeline starting times. This will also help to assess a feasible implementation date for the rule change.
- We also believe that AEMO is well placed to administer the implementation given its current role and that both the Commission and AEMO must ensure all market participants have adequate notification of the commencement date.

In summary, we support the proposed rule change as we believe that the benefits are likely to outweigh the costs.

Should you require further information regarding this submission please call me on (03) 8628 1479.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G Hargreaves', with a stylized flourish at the end.

**Geoff Hargreaves**  
Industry Regulation Lead