

31 March 2016

Kate Reid
Project Leader
Australian Energy Market Commission
Submitted via website
AEMC reference - GRC0036

Dear Kate,

Re: National Gas Amendment (Gas day harmonisation) Rule 2016 consultation paper

Thank you for the opportunity to provide comment on the Australian Energy Market Commission's (AEMC's) National Gas Amendment (Gas day harmonisation) Rule 2016 consultation paper (consultation paper). We note the consultation paper has been prepared in response to a rule change request from the Council of Australian Governments (COAG) Energy Council in relation to harmonising 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).

Stanwell's interest in the gas market is as a trader of gas and industrial buyer for the gas-fired Swanbank E and Mica Creek power stations. Swanbank E power station has a capacity of 385MW and is located 10km from Ipswich, QLD. Mica Creek power station is 218MW and is located near Mount Isa, QLD. Stanwell is an active participant in the Brisbane Short Term Trading Market (STTM) and the Wallumbilla hub.

Brisbane STTM market close should remain at 1:30pm

Stanwell supports the gas day being harmonised to 6am EST provided the Brisbane STTM market close remains at 1:30pm. This is to continue to allow gas fired generators adequate time to review the Australian Energy Market Operator's (AEMO's) 12:30pm Pre-dispatch forecast and trade gas prior to the STTM market close. This may also be an opportunity to harmonise the market close of all STTMs to 1:30pm in order to benefit gas fired generators around the NEM.

AEMO's Pre-dispatch forecast of the National Electricity Market (NEM) is first published at 12:30pm and covers the period from 12:30pm to 4am the following day (ie a period of over a day and a half). The publication provides a half hourly schedule of forecast generator unit loading, ancillary service response and spot prices¹. Stanwell uses this publication to further refine the operational profile of our generation assets including Swanbank E. In light of any changes to the operational profile of Swanbank E, Stanwell has the option to buy or sell gas in the 1 hour before the Brisbane STTM market closes (at 1:30pm).

Costs and benefits to Stanwell of harmonisation

Stanwell supports the change to a consistent gas day however we are not currently disadvantaged by the inconsistent gas days as we trade in only the QLD gas market.

¹ <http://www.aemo.com.au/Electricity/Market-Operations/Dispatch/Predispatch-Process-Description>

Stanwell will incur minor costs should harmonisation occur. These costs include minor IT changes and legal costs in relation to changing the definition of "Gas Day" in transportation and gas supply agreements. Changing the gas day to 6am will also better align the gas day with the electricity day which begins at 4am.

Thank you for your consideration of Stanwell's response to the consultation paper. If you would like to discuss any aspect of this submission, please contact Jennifer Tarr on 07 3228 4546.

Regards

A handwritten signature in black ink, appearing to read 'Luke Van Boeckel', with a long, sweeping horizontal line extending to the right.

Luke Van Boeckel
Manager Regulatory Strategy
Energy Trading and Commercial Strategy