



# National Electricity and Gas Rules Update 2019

April 2019 | Rule changes as at 1 May 2019



## National Electricity Rules

There have been five new rule change requests since the last Update. These seek to: (i) increase the transparency of new generation projects; (ii) introduce a voluntary short term forward market; (iii) require AEMO to apply the regional reference node test to the RERT; (iv) apply the compensation threshold for an intervention event to an intervention event period; and (v) improve the processes relating to compensation and settlements after AEMO interventions.

There have been two final rule determinations made since the last Update. Namely: (i) with limited exception, DNSPs and TNSPs can now submit a contingent project application to the AER in the 90 business days before the end of a regulatory year; and (ii) to streamline the regulatory process for a TNSP that has completed a regulatory investment test for transmission.

There have been no new draft determinations published since the last Update.



## National Energy Retail Rules

There have been no new rule change requests or final determinations since the last Update.

There has been one new draft determination made on the rule change request relating to the bill contents for customers with interval meters.



## National Gas Rules

There have been no new rule change requests or draft determinations since the last Update.

There has been one new final determination since the last Update. This rule enables exempt sellers of gas to participate in various retail gas markets by registering them under the NGR as either a self-contracting user or a retailer.



## Opportunities for Stakeholders

**NER** — Submission on the five new rule change requests are due throughout May.

**NERR** — Submissions on the draft determination regarding bill contents for customers with interval meters are due 30 May 2019.

**NGR** — A workshop on the Victorian declared wholesale gas market rule changes will be held on 16 May 2019 in Melbourne. Register for attendance [here](#). In addition, submissions following the hearing on the Northern Gas Pipeline rule change request are due by 23 May 2019.



## Energy Reform

New regulation of retail electricity prices will commence on 1 July 2019 by way of the Default Market Offer (**DMO**) in New South Wales, South Australia, and South-Eastern Queensland and the Victorian Default Offer (**VDO**) in Victoria. These forms of pricing regulation are likely to have material impacts on the electricity market.

These regulations have arisen in response to recommendations from the ACCC's 2018 Retail Electricity Pricing Inquiry, and the Independent and Bipartisan Review of the Electricity and Gas Retail Markets in Victoria. Both reviews found that the cost of electricity is too high, particularly for vulnerable consumers who are unable or unwilling to seek out competitive market offers.

Both the DMO and VDO are designed to protect residential and small business customers who are not engaged in the electricity market. Under the DMO, retailers cannot charge more than the DMO price set by the AER for customers on standing offers. Similarly, retailers cannot charge customers on standing offers more than the VDO price. The DMO and VDO prices are calculated differently which, for the time being, results in the DMO prices being higher than the draft VDO prices.

Subject to the passage of legislative instruments, the DMO and VDO will come into effect on 1 July 2019 and will have the following implications for energy market participants:

- retailers must comply with the relevant default offer;
- retailers must calculate discounts using the DMO or VDO as a reference point;
- exempt sellers must not charge more than the DMO or VDO; and
- parties who on-sell electricity to embedded network customers will need to check that their pricing is compliant – solar power purchase providers, shopping centre and airport owners, and landlords of multi-unit residential and commercial properties are therefore likely to be affected.

The AER has issued its final determination on the DMO price and the Essential Services Commission has published a draft advice on the price of the VDO. Final determination is expected to be published this month.

For more information regarding the DMO see [here](#), and regarding the VDO see [here](#).

## Introduction

The document lists all rule change requests for the NER and NERR (section 1) and the NGR (section 2), currently under consideration by the AEMC. The status of each proposed Rule is regularly updated on the AEMC website and this document is amended on a monthly basis to reflect those changes.

## National Energy Retail Rules

Since 1 July 2012, the AEMC has held the role of rule maker for the Australian retail energy markets. This includes the power to amend the NERR which are part of the NECF. The NECF has commenced in South Australia, New South Wales, Queensland, Tasmania and the Australian Capital Territory. Victoria has implemented the NECF in so far as it applies to Chapter 5A of the NERR. Western Australia and the Northern Territory do not propose to implement the NECF. The AEMC may amend the NERR independently to, or in conjunction with, amendments to the NER.

## Glossary

In this document the following definitions apply:

<b>NER</b>	National Electricity Rules	<b>NEM</b>	National Electricity Market
<b>NERR</b>	National Energy Retail Rules	<b>AER</b>	Australian Energy Regulator
<b>NGR</b>	National Gas Rules	<b>DNSP</b>	Distribution Network Service Provider
<b>AEMC</b>	Australian Energy Market Commission	<b>TNSP</b>	Transmission Network Service Provider
<b>NECF</b>	National Energy Customer Framework	<b>NSP</b>	Network Service Provider
<b>AEMO</b>	Australian Energy Market Operator	<b>COAG</b>	Council of Australian Governments
<b>ESB</b>	Energy Security Board	<b>DER</b>	distributed energy resources

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# ➤ National Electricity Rules & National Energy Retail Rules

## Rule Change Requests

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
New rule change requests					
Transparency of new projects	Australian Energy Council, AEMO, Energy Networks Australia	18 April 2019	Consultation on rule change request	23 May 2019	<p>On 18 April 2019 the AEMC consolidated this rule change request with the 'NEM information for project developers' and the 'TNSP exemptions from confidentiality requirements' rule change requests (below). They are being considered as a single request.</p> <p>These rule change requests seek to amend the NER to increase the transparency of new generation projects. The requests propose to:</p> <ul style="list-style-type: none"> <li>• codify AEMO's generation information page which reports on generation projects in the NEM;</li> <li>• require intending participants to notify AEMO of any changes to information it has provided during the registration process in order to ensure that AEMO has the most accurate and up to date data on new projects;</li> <li>• allow AEMO to disclose confidential information where that information exists in the public domain;</li> <li>• allow TNSPs to publish information (the name, size, location, estimated completion date, primary technology and broad function) of a connection enquiry or application in order to coordinate connections by TNSPs and increase efficiency; and</li> <li>• allow developers to register as intending participants for the purposes of building a grid-scale generating system or an industrial development in order to allow for necessary system information to be disclosed by AEMO, even if the developer is not intending to register as a market participant and will sell the project prior to connection to the grid.</li> </ul> <p>On 18 April 2019 the AEMC published a consultation paper on this consolidated rule change request. Submissions on these proposed changes are due 23 May 2019.</p> <p>Read more <a href="#">here</a>.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
NEM information for project developers	AEMO	31 December 2018	Consultation on rule change request	23 May 2019	<p>On 18 April 2019 the AEMC consolidated this rule change request with the 'Transparency of new projects' rule change request. They are being considered as a single request.</p> <p>For details, refer to 'Transparency of new projects' (above).</p> <p>Read more <a href="#">here</a>.</p>
TNSP exemptions from confidentiality requirements	Energy Networks Australia	15 March 2019	Consultation on rule change request	23 May 2019	<p>On 18 April 2019 the AEMC consolidated this rule change request with the 'Transparency of new projects' rule change request. They are being considered as a single request.</p> <p>For details, refer to 'Transparency of new projects' (above).</p> <p>Read more <a href="#">here</a>.</p>
Short term forward market	AEMO	11 April 2019	Consultation on rule change request	23 May 2019	<p>This rule change request seeks to amend the NER to introduce a voluntary short term forward market (<b>STFM</b>) that would allow participants to contract for electricity in the week leading up to dispatch. This request is based on the AEMC's recommendation in the 2018 Reliability Frameworks Review.</p> <p>The introduction of the STFM seeks to give participants more price certainty and enable greater levels of demand side response.</p> <p>The STFM would function as follows:</p> <ul style="list-style-type: none"> <li>• AEMO would be the market operator;</li> <li>• the STFM would operate alongside the NEM;</li> <li>• the market would involve the trade of standardised short term electricity contracts on a daily basis between participants;</li> <li>• trading would take place on a rolling basis from a day ahead of the trading day and up to seven days in advance; and</li> <li>• participation would be voluntary.</li> </ul> <p>On 11 April 2019, the AEMC published a consultation paper on this rule change request. Submissions on these proposed changes are due 23 May 2019.</p> <p>Read more <a href="#">here</a>.</p>



Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
Application of the Regional Reference Node Test to the Reliability and Emergency Reserve Trader	AEMO	4 April 2019	Consultation on rule change request	16 May 2019	<p>This rule change request seeks to require that AEMO apply the regional reference node test (<b>RRN test</b>) to the Reliability and Emergency Reserve Trader (<b>RERT</b>).</p> <p>Currently, the RRN test is only used to determine whether to apply intervention pricing when a direction is issued. Directions are used to address issues with signal strength and the RRN test asks if the issue that created the need for the direction is region-wide or localised. Intervention pricing will only apply where the issue is region-wide. Intervention pricing preserves the price signals that would have been seen but for the intervention.</p> <p>The RERT is another form of intervention designed to maintain adequate system strength. AEMO proposes to extend the application of the RRN test to apply to the RERT. Accordingly, where the RERT is activated, the application of the RRN test would mean that intervention pricing could only apply if the issue is region-wide.</p> <p>In addition, the request seeks to amend the wording of NER to improve the clarity of the RRN test.</p> <p>This request is being considered as part of the AEMC's investigation into intervention mechanisms and system strength in the NEM. For more information see <a href="#">here</a>.</p> <p>On 4 April 2019, the AEMC published a consultation paper on this investigation. Submissions on the consultation paper are due 16 May 2019.</p> <p>Read more <a href="#">here</a>.</p>
Threshold for participant compensation following market intervention	AEMO	4 April 2019	Consultation on rule change request	16 May 2019	<p>This rule change request seeks to amend the NER to vary the application of the threshold that applies to compensation payable following an intervention event. AEMO proposes that the threshold should apply to an intervention event period as opposed to a trading interval.</p> <p>There is currently a \$5000 threshold which applies per trading interval for compensation adjustments and claims made that are made by affected participants and directed participants. In the event that there is a long intervention event, the compensation amount could exceed \$5000 but not meet the \$5000 threshold for a trading interval. In recognition of this, it is proposed that the threshold should apply to an intervention event as opposed to a trading interval.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>This request is being considered as part of the AEMC's investigation into intervention mechanisms and system strength in the NEM For more information see <a href="#">here</a>.</p> <p>On 4 April 2019, the AEMC published a consultation paper on this investigation. Submissions on the consultation paper are due 16 May 2019.</p> <p>Read more <a href="#">here</a>.</p>
Intervention compensation and settlement processes	AEMO	4 April 2019	Consultation on rule change request	2 May 2019	<p>This rule change request seeks to amend the NER to improve the administrative processes relating to compensation and settlements after AEMO interventions, and to ensure that the respective timetables are aligned. This is a consolidated rule change request that incorporates two rule change requests by AEMO.</p> <p>The new rule would amend the administrative processes for compensation and settlement by:</p> <ul style="list-style-type: none"> <li>• increasing the deadline for additional compensation claims from seven business days to 15 business days;</li> <li>• inserting a deadline of 15 business days for additional compensation claims by directed parties;</li> <li>• amending the compensation process to refer to 20 and 30 week routine revised statements instead of referring to business days in order to ensure consistency with the settlement process;</li> <li>• extending the intervention settlement provisions to fully incorporate the Reliability Emergency Reserve Trader (<b>RERT</b>) interventions and the RERT recovery amounts; and</li> <li>• amending the intervention settlement provisions to ensure consistency with the intervention compensation provisions (for example, inserting references to settlement statements for billing periods for any AEMO intervention event).</li> </ul> <p>On 4 April 2019, the AEMC published a consultation paper on this consolidated rule change request. Submissions on these proposed changes are due 2 May 2019.</p> <p>Read more <a href="#">here</a>.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
Existing rule change requests					
Bill contents – customers with interval meters	Mr Craig Whybrow	31 January 2019	Consultation on draft determination	30 May 2019	<p>This rule change request by Mr Craig Whybrow seeks to amend the NERR so that energy retailers include meter reading start and end values on bills for all customers with advanced interval meters. Currently, the NERR requires retailers to include the values of meter readings at the start and end of the billing period but includes a transitional provision permitting retailers not to display these values for interval meter customers if the metering data is not reasonably available. Mr Whybrow's proposed rule change would remove this transitional provision.</p> <p>On 18 April 2019, the AEMC published a draft determination on the rule change request and decided not to make the draft rule. The AEMC's analysis indicated that the rule change is not beneficial to customers and that the issue raised by the rule change request was not material enough to make the proposed change. Submissions on this draft determination are due 30 May 2019.</p> <p>Read more <a href="#">here</a>.</p>
Enhancement to the Reliability and Emergency Reserve Trader	AEMO	21 June 2018	Preparation of draft determination	Deadline passed (21 March 2019)	<p>AEMO submitted a rule change request to the AEMC proposing broad changes to the design of the Reliability and Emergency Reserve Trader (<b>RERT</b>) framework. These changes include a longer time horizon for procuring RERT contracts prior to identified shortfalls, redesign of the RERT trigger and the introduction of standardised RERT products.</p> <p>On 7 February 2019 the AEMC published a draft determination and a more preferable draft rule. The draft rule will allow AEMO to procure emergency reserves for the 2019-20 summer, if needed. Submissions on the draft determination and the draft rule were due 21 March 2019. Final determination is to be published on 2 May 2019.</p> <p>Read more <a href="#">here</a>.</p>
Market making arrangements in the NEM	ENGIE	20 December 2018	Preparation of draft determination	Deadline passed (7 February 2019)	<p>This rule change request by ENGIE seeks to establish a tender for voluntary market making services in the NER. Market making services are services within the financial contract market that allow parties the opportunity to buy and sell contracts at a price. This rule change aims to increase liquidity and transparency in the market through a voluntary market, as opposed to a compulsory market considered in</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>recent reports by the Energy Security Board and ACCC. ENGIE proposes a tender process run by the AER for voluntary market making services, with the AEMC reviewing its operation before each new tender period commences.</p> <p>On the 20 December 2018, the AEMC published a consultation paper on this rule change request and submissions were due 7 February 2019. Draft determination is to be published on 27 June 2019.</p> <p>Read more <a href="#">here</a>.</p>
Wholesale demand response mechanism	Public Interest Advocacy Centre, Total Environment Centre, The Australia Institute	15 November 2018	Preparation of draft determination	Deadline passed (21 December 2018)	<p>This rule change request seeks to amend the NER and NERR to introduce a wholesale demand response mechanism, responding to one of the recommendations from the AEMC's recent Reliability Frameworks Review. The proposed change would create a new category of market participant, a Demand Response Service Provider (<b>DSRP</b>), which would submit demand response offers to the wholesale market that would be scheduled in a manner similar to bids from generators. The DSRP would receive the spot price for the reduction in demand which it would then share with its customers.</p> <p>On 15 November 2018, the AEMC published a single consultation paper covering this rule change request and two other recent requests relating to wholesale demand response (described below).</p> <p>Submissions on the paper were due 21 December 2018. Draft determination is to be published on 18 July 2019.</p> <p>Read more <a href="#">here</a>.</p>
Wholesale demand response register mechanism	Australian Energy Council	15 November 2018	Preparation of draft determination	Deadline passed (21 December 2018)	<p>This rule change request by the Australian Energy Council also seeks to amend the NER and NERR to introduce a wholesale demand response mechanism into the NEM. The proposed change would define a new category of market participant, a Demand Response Aggregator (<b>DRA</b>), which would control demand response and behind-the-meter generation at a connection point. AEMO would maintain a register of the demand side capabilities of DRAs and loads registered with a DRA would participate in the spot market as a scheduled load.</p> <p>On 15 November 2018, the AEMC published a single consultation paper covering this rule change request and two other recent requests relating to wholesale</p>



Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>demand response (described above and below).</p> <p>Submissions on the paper were due 21 December 2018. Draft determination is to be published on 18 July 2019.</p> <p>Read more <a href="#">here</a>.</p>
Mechanisms for wholesale demand response	South Australian Minister for Energy	15 November 2018	Preparation of draft determination	Deadline passed (21 December 2018)	<p>This rule change request by the South Australian Government also seeks to amend the NER and NERR to facilitate a demand response mechanism in the wholesale electricity market. Similar to the rule change proposed by the Public Interest Advocacy Centre and others above, the proposed change would create a new category of market participant, a Demand Response Service Provider (<b>DRSP</b>), which would submit demand response bids into the wholesale market that would then be dispatched in the same manner as a scheduled generator.</p> <p>On 15 November 2018, the AEMC published a single consultation paper covering this rule change request and two other recent requests relating to wholesale demand response (described above).</p> <p>Submissions on the paper were due 21 December 2018. Draft determination is to be published on 18 July 2019.</p> <p>Read more <a href="#">here</a>.</p>

## Rule Changes: recent and not yet commenced

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Final rule determinations since last Update				
Application period for contingent project revenue	2 May 2019	NER 2019 No. 4	26 April 2019	<p>This rule amends the NER so that DNSPs and TNSPs are no longer prevented from submitting a contingent project application to the AER in the 90 business days before the end of a regulatory year, unless that regulatory year is the second last year of a regulatory control period.</p> <p>This new rule provides that:</p> <ul style="list-style-type: none"> <li>a contingent project application can be submitted at any time (except in the last 90 business days before the end of the second last year of a regulatory control period); and</li> <li>any incremental revenues approved by the AER for a contingent project application submitted during the last 90 business days of a regulatory year cannot be recovered until the second regulatory year that commences after the application is submitted.</li> </ul> <p>Read more <a href="#">here</a>.</p>
ISP priority projects – SA Energy Transformation	11 April 2019	NER 2019 No. 2	4 April 2019	<p>On 14 March 2019 the AEMC consolidated this rule change request with the 'Early implementation of ISP priority projects' rule change request. They were considered as single request.</p> <p>For details, refer to 'Early implementation of ISP priority projects' (below).</p> <p>Read more <a href="#">here</a>.</p>
Early implementation of ISP priority projects	11 April 2019	NER 2019 No. 2	4 April 2019	<p>On 14 March 2019 the AEMC consolidated this rule change request with the 'ISP priority projects – SA Energy Transformation' rule change request (above). They were considered as a single request.</p> <p>This rule amends the NER to streamline regulatory processes for a TNSP that has completed a regulatory investment test for transmission (<b>RIT-T</b>) in relation to the following three projects:</p> <ul style="list-style-type: none"> <li>the Queensland-New South Wales Interconnector (QNI),</li> <li>the Victoria-New South Wales Interconnector (VNI); and</li> <li>the proposed interconnector between South Australia and New South Wales</li> </ul>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>known as Project EnergyConnect.</p> <p>This new rule provides that the following three processes (where applicable) are to be conducted concurrently:</p> <ul style="list-style-type: none"> <li>the 30 day period for notification of disputes in relation to the RIT-T;</li> <li>the AER's analysis of the preferred investment option identified in the RIT-T; and</li> <li>for contingent projects, application for, and assessment of a revenue adjustment.</li> </ul> <p>The first process is not applicable to Project EnergyConnect.</p> <p>Whilst these processes are to be conducted concurrently (as opposed to sequentially), the final rule does not change the order of the steps. For example, a TNSP can submit an application for a RIT-T preferred option assessment during the 30 day period for dispute notifications. However, the AER cannot make a determination on the preferred option until the 30 day period has lapsed.</p> <p>Read more <a href="#">here</a>.</p>
Other rules not yet commenced				
Meter installation – advanced meter communications	1 July 2019	NER 2019 No. 1	21 March 2019	<p>This rule amends the NER to allow a metering coordinator to deactivate the communications on an installed type 4 meter if requested by a customer. Before doing so, the metering coordinator and retailer need to ensure that the customer has sufficient information to make an informed decision on whether to deactivate the communications.</p> <p>Read more <a href="#">here</a>.</p>
Global settlement and market reconciliation	13 December 2018 6 February 2022	NER 2018 No. 14	6 December 2018	<p>This AEMO-initiated rule change introduces a new framework for settling the demand side of the wholesale National Electricity Market, using a 'global settlement' framework instead of the current 'settlement by difference' approach.</p> <p>The rule adopts a soft start of global settlement on 1 July 2021 alongside the full commencement of five minute settlement (described below). Global settlement will fully commence on 6 February 2022.</p> <p>Read more <a href="#">here</a>.</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Participant compensation following market suspension	22 November 2018 20 December 2018 1 July 2021	NER 2018 No. 13	15 November 2018	<p>This rule establishes a framework for the compensation of market participants who suffer loss due to pricing during market suspension. The purpose of the change is to encourage participants to keep the power system operating during periods of market suspension instead of waiting for direction from AEMO.</p> <p>Read more <a href="#">here</a>.</p>
Five Minute Settlement	19 December 2017 1 July 2021	2017 No. 15	28 November 2017	<p>This rule amends the NER to reduce the settlement interval from 30 minutes to five minutes. As a result, the spot price for electricity on the wholesale market will be determined for each five minute trading interval instead of the average of dispatch prices across a 30-minute timeframe. This change aligns the operational dispatch and financial settlement periods, with a view to encouraging contestability of demand response technology and improving incentives for more efficient generation. The rule applies differently between meter specifications. Types 1, 2 and 3 meters will need to record and provide five minute data from 1 July 2021. With certain exceptions, data from types 4, 4A, 5 and 6 meters that have already been installed will be profiled to five minute intervals by AEMO. From 1 December 2018 and 1 December 2019 all new or replaced type 4 and type 4A meters, respectively, have been required to provide five minute data.</p> <p>The rule provides for a transition period starting on 19 December 2017 and coming into full effect on 1 July 2021.</p> <p>Read more <a href="#">here</a>.</p>



# National Gas Rules

## Rule Change Requests

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
New rule change requests since last Update					
No new rule change requests.					
Existing rule change requests					
Application of constraints in the declared transmission system	AEMO (on behalf of EnergyAustralia)	14 March 2019	Preparation of draft determination	Deadline passed (26 April 2019)	<p>On 14 March 2019 the AEMC consolidated this rule change request with the 'DWGM simpler wholesale price' rule change request. They are now being considered as a single rule change request.</p> <p>For details, refer to 'DWGM simpler wholesale price' (below).</p> <p>Read more <a href="#">here</a>.</p>
DWGM simpler wholesale price	Victorian Minister for Energy, Environment and Climate Change	14 March 2019	Preparation of draft determination	Deadline passed (26 April 2019)	<p>On 14 March 2019 the AEMC consolidated this rule change request with the 'Application of constraints in the declared transmission system' rule change request (above). They are now being considered as a single rule change request.</p> <p>This consolidated rule change request seeks to simplify wholesale gas prices for the Victorian Declared Wholesale Gas Market (<b>DWGM</b>) by amending the NGR to:</p> <ul style="list-style-type: none"><li>• change the method for recovering congestion uplift payments (by replacing the current cost to cause methodology with a pro rata method for spreading the payments across market participants);</li><li>• decouple the cost of congestion from the authorised maximum daily quantity (<b>ADMQ</b>) regime, which will assist in simplifying current market processes; and</li><li>• enable physical constraints on scheduled withdrawals to be represented in AEMO's pricing schedule.</li></ul> <p>AEMO and the Minister seek these changes to uplift payments on the basis that the current methodology for calculating these payments is acting as a barrier to effective risk management and trade due to the current regime's complexity and ineffective allocation of cost and risk.</p>



Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>The AEMC published a consultation paper seeking stakeholder feedback on the rule change request. Submissions on the paper were due 26 April 2019.</p> <p>The AEMC is considering this rule change request in conjunction with the 'DWGM improvement to ADMQ regime' and 'DWGM forward trading market' rule change requests (see below).</p> <p>The AEMC is holding a public workshop in Melbourne on 16 May 2019 on the three rule change requests that relate to the Victorian DWGM. Stakeholders must register by 6 May 2019. See <a href="#">here</a>.</p> <p>The draft determination is to be published 4 July 2019.</p> <p>Read more <a href="#">here</a>.</p>
DWGM forward trading market	Victorian Minister for Energy, Environment and Climate Change	14 March 2019	Preparation of draft determination	Deadline passed (26 April 2019)	<p>This rule change request seeks to establish a forward trading market over the declared transmission system in Victoria, which will make it easier for participants to manage spot price variability by securing fixed forward gas prices in the Victorian Declared Wholesale Gas Market (<b>DWGM</b>).</p> <p>Amongst other matters, the proposed market would:</p> <ul style="list-style-type: none"> <li>• operate as a voluntary, anonymous gas trading exchange;</li> <li>• facilitate the trading of forward contracts for gas products;</li> <li>• be based on the design of the Gas Supply Hubs currently operating in Wallumbilla and Moomba; and</li> <li>• offer a range of contract tenures (e.g. daily, monthly, seasonal).</li> </ul> <p>Currently the DWGM allows market participants to make agreements outside of the DWGM in order to hedge against price risk exposure in the spot market, however it does not facilitate the negotiations of these agreements formally. The rationale for this rule change request is that a formalised trading platform would decrease the transaction time and costs required to negotiate these agreements and increase transparency of the reference price.</p> <p>The AEMC published a consultation paper seeking stakeholder feedback on the rule change request. Submissions on the paper were due 26 April 2019.</p> <p>The AEMC is considering this rule change request in conjunction with the 'DWGM simpler wholesale price' and 'DWGM improvement to ADMQ regime' rule change</p>

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					<p>requests (see above).</p> <p>The AEMC is holding a public workshop in Melbourne on 16 May 2019 on the three rule change requests that relate to the Victorian DWGM. Stakeholders must register by 6 May 2019. See <a href="#">here</a>.</p> <p>The draft determination is to be published 4 July 2019.</p> <p>Read more <a href="#">here</a>.</p>
DWGM improvement to AMDQ regime	Victorian Minister for Energy, Environment and Climate Change	14 March 2019	Preparation of draft determination	Deadline passed (26 April 2019)	<p>This rule change request seeks to improve the Authorised Maximum Daily Quantity (<b>AMDQ</b>) regime by making it easier for participants to trade and allocate pipeline capacity rights in the Victorian Declared Wholesale Gas Market (<b>DWGM</b>).</p> <p>Based on AEMC's recommendations as set out in its final report of the DWGM Review, the request seeks to:</p> <ul style="list-style-type: none"> <li>introduce separate, tradeable entry and exit AMDQ rights;</li> <li>introduce an exchange to improve secondary trading of AMDQ rights and benefits; and</li> <li>make AMDQ available for a range of different tenures.</li> </ul> <p>The Minister seeks this rule change on the basis that the existing AMDQ regime is overly complex, does not provide firm capacity rights and creates a number of restrictions on the ability of market participants to trade AMDQ.</p> <p>The AEMC published a consultation paper seeking stakeholder feedback on the rule change request. Submissions on the paper were due 26 April 2019.</p> <p>The AEMC is considering this rule change request in conjunction with the 'DWGM simpler wholesale price' and 'DWGM improvement to ADMQ regime' rule change requests (see above and below).</p> <p>The AEMC is holding a public workshop in Melbourne on 16 May 2019 on the three rule change requests that relate to the Victorian DWGM. Stakeholders must register by 6 May 2019. See <a href="#">here</a>.</p> <p>The draft determination is to be published 4 July 2019.</p> <p>Read more <a href="#">here</a>.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
NT Emergency Gas Supply Arrangements	Northern Territory Government	7 February 2019	Preparation of draft determination	Deadline passed (14 March 2019)	<p>This rule change request by the Northern Territory Government seeks to implement changes to the NGR to exempt LNG related facilities in the Northern Territory (<b>NT</b>) from having to be registered as Bulletin Board participants, which would require them to report information on their operations on an ongoing basis.</p> <p>The Government seeks this exemption on the basis that the circumstances surrounding NT LNG producers are unique and therefore demand different treatment from those in the rest of east coast gas markets.</p> <p>The AEMC published a consultation paper seeking stakeholder feedback on the rule change request and submissions were due 14 March 2019. Draft determination is to be published on 23 May 2019.</p> <p>Read more <a href="#">here</a>.</p>
Northern Gas Pipeline – Derogation from Part 23	Environmental Justice Australia, Institute for Energy Economics and Financial Analysis	15 November 2018	Further consultation on draft determination	23 May 2019	<p>This proposed rule change would revoke the derogation in the NGR that exempts the Northern Gas Pipeline (<b>NGP</b>) from the framework for arbitration and information disclosure. The NGP is being developed by Jemena between the Northern Territory and Queensland with the derogation running for 15 years.</p> <p>The proponents contend that the derogation allows Jemena to set tariffs for the NGP without adequate oversight and that this results in an information asymmetry, producing an unregulated monopoly.</p> <p>The AEMC published a draft determination which explains its decision not to make the proposed rule, and stakeholder feedback in response to this determination was due 4 April 2019. However, in response to a request by the proponents, the AEMC is now holding a hearing at its offices on 7 May 2019, and will invite submissions on issues raised at the hearing until 23 May 2019. Stakeholders wishing to attend the hearing must register by 5pm on 2 May 2019.</p> <p>Read more <a href="#">here</a>.</p>

## Rule Changes: recent and not yet commenced

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Final rule determinations since last Update				
Recognition of exempt sellers in retail market	8 August 2019	NGR 2019 No. 2	18 April 2019	<p>This rule enables exempt sellers of gas to participate in various retail gas markets by registering them under the NGR as either:</p> <ul style="list-style-type: none"> <li>a self-contracting user (if they are selling gas to a related business); or</li> <li>a retailer (if they are selling gas to an unrelated business).</li> </ul> <p>Read more <a href="#">here</a>.</p>
Other rules not yet commenced				
Regulation of covered pipelines	21 March 2019 21 April 2019 21 June 2019 21 July 2019	NGR 2019 No. 1	14 March 2019	<p>The rules improves information disclosure, support more effective negotiation and improve access by pipeline users to covered pipelines. Specifics include:</p> <ul style="list-style-type: none"> <li>a new process for determining which services will have reference tariffs (the price that pipeline operators can charge their customers) set by the regulator;</li> <li>clarify how regulators calculate costs so reference tariffs can be set at more efficient levels;</li> <li>strengthen reporting obligations to support more balanced negotiations (i.e. pipeline owners will be required to provide more relevant, timely and accessible information for pipeline users through the Natural Gas Bulletin Board or on their websites);</li> <li>give stakeholders more input into the regulator's decisions; and</li> <li>set a clear trigger for pipeline users to start arbitration if negotiations fail.</li> </ul> <p>Read more <a href="#">here</a>.</p>
Gas day harmonisation	1 April 2021	NGR 2017 No. 2	16 February 2017	<p>This rule amends the NGR to implement a recommendation of the AEMC <a href="#">Stage One Final Report</a> on the East Coast Wholesale Gas Market and Pipeline Frameworks Review, relating to its proposal to harmonise the gas day start time of the eastern Australian facilitated gas markets.</p> <p>From 1 April 2021, a single definition of 'gas day' will apply, bringing the gas day start times in the Short Term Trading Markets and the Wallumbilla Gas Supply Hub into conformity with the Victorian Declared Wholesale Gas Market. The 'gas day' is a 24 hour period during which gas flows are measured. The purpose of this</p>

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Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>amendment is to remove unnecessary complexities and inconsistencies between the different markets to incentivise inter-regional trade and reduce compliance costs.</p> <p>The commencement date of the rule (1 April 2021) has been set to coincide with the expected completion of the integration of the east coast gas markets.</p> <p>Read more <a href="#">here</a>.</p>



## Disclaimer

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