RULE CHANGE

Australian Energy Market Commission

CONSULTATION PAPER

National Gas Amendment (Removal of Force Majeure Provisions in the DWGM) Rule 2014

Rule Proponent

The Australian Energy Market Operator

10 July 2014

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About the AEMC

The AEMC reports to the Council of Australian Governments (COAG) through the COAG Energy Council. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the COAG Energy Council.

Contents

1 Introduction

On 6 February 2014, the Australian Energy Market Operator (AEMO) submitted a rule change request to the Australian Energy Market Commission (AEMC or Commission).[1] The request seeks to remove force majeure provisions from the National Gas Rules (NGR) as they pertain to the Victorian declared wholesale gas market (DWGM). It also seeks to make clarifications with respect to administered pricing procedures and the cumulative price threshold (CPT).

This consultation paper has been prepared to facilitate public consultation, and to seek stakeholder submissions, on the rule change request.

This paper:

- sets out a background to, and summary of, the rule change request;
- sets out the assessment framework through which to assess the rule change request;
- identifies a number of questions to facilitate the consultation on this rule change request; and
- outlines the process for making submissions.

Submissions to this consultation paper are due by 7 August 2014.

1 The rule change request was published with this consultation paper and is available on the AEMC's website: www.aemc.gov.au.

2 Background

This chapter provides background on force majeure in the DWGM, and other information specific to the issues raised in the rule change request.

2.1 Force majeure

Force majeure is a common legal clause found in contracts that absolves certain parties from having to meet contractual obligations in certain circumstances. These are events beyond the reasonable control of a party that may prevent that party from meeting its obligations. Usually, they are defined in a contract. The concept of force majeure in relation to this rule change request relates to provisions in Part 19 of the NGR, which concern the operation of the wholesale market. The rule change request is not concerned with force majeure provisions in private contracts.

There are two types of force majeure provisions in the DWGM: participant force majeure (PFM) and system force majeure (SFM).

2.1.1 Participant force majeure

PFM absolves a market participant of the requirement to meet its scheduling instructions in respect of a bid if it cannot do so due to the occurrence of a PFM event as listed below.

PFM can be declared by a market participant when it is unable to comply, in part or in whole, with scheduling instructions, due to an event that is beyond the reasonable control of the market participant affected by the event. As contained in rule 216(6)(a) of the NGR, such events include the following:

- acts of God, including earthquake, flood, fires, storms, storm warnings, and navigational and maritime perils;
- labour disputes;
- acts of public enemies, wars, terrorism, civil disturbances, blockades, insurrections, riots, epidemics;
- any law, order, rule, regulation, act, restraint, omission or failure to act of any government authority, civil or military (whether or not in fact legally valid);
- failure of the declared transmission system (which may or may not constitute a system force majeure event);
- accident, premature, partial or entire failure, breakage, freezing, fire, explosion, or other damage or malfunction, resulting in the partial or complete shutdown of any part of a market participant's facilities; or
- any other event, whether similar or dissimilar to those identified above that are beyond the reasonable control of the market participant and results in a failure to meet part or all aspects of its scheduling instructions.

2.1.2 System force majeure

SFM triggers an administered pricing period (APP) for the market. Therein, AEMO applies a price cap - the administered price cap (APC) - to the market for a period of time.[2]

SFM is also one of the preconditions under which AEMO can suspend the market.

SFM can be declared by AEMO, either when a PFM event has been declared by a market participant, or in the event that a government authority gives directions to AEMO, or a declared transmission system service provider, in respect of the operation of the declared transmission system. However, in order to declare a SFM event, AEMO must also reasonably consider that:[3]

> "(a) either:
>
> (i) the event has resulted in a reduction in the normal capacity of part or all of the declared transmission system and/or the volume of gas which would otherwise normally flow in the declared transmission system; or
>
> (ii) the event has resulted in a reduction in the normal capacity of part or all of a Producer's or Storage Provider's plant or facility reducing the volume of gas which would otherwise normally flow into the declared transmission system; and
>
> (b) that reduction is likely to materially affect the operation of the Market or materially threaten system security."

As stated above, a declaration of SFM triggers an APP. Other triggers of an APP are:

- a declaration of market suspension by AEMO;[4]
- the issue of a suspension notice to a retailer;[5]
- the inability of AEMO to publish a market price or a pricing schedule by the required time under rule 222 of the NGR; or
- exceeding the cumulative price threshold under the Administered Pricing Procedures.[6]

A declaration of a SFM event may allow AEMO to suspend the market. Other conditions under which AEMO can suspend the market include:

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2 An APC attempts to limit any unnecessary losses resulting from exposures to high prices that are redundant in their role of inducing a supply response. A SFM event may be an event where supply is unresponsive, and therefore where an APC may be of use. For example, a natural disaster may inhibit the ability of a supplier to meet its scheduled injections; here, the market price may not induce a supply response. Such events illustrate the usefulness of an APC.

3 Rule 346(1)

4 Rule 349(2)(c)

5 AEMO 2013, *Wholesale Market Administered Pricing Procedures (Victoria)*, 11 October 2013, p. 9. Accessed at: www.aemo.com.au/Consultations/Gas-Consultations/Wholesale-Gas/Wholesale-Market-Administered-Pricing-Procedures-Victoria

6 AEMO 2013, *Wholesale Market Administered Pricing Procedures (Victoria)*, 11 October 2013, p.9.

- an emergency;[7]
- if AEMO has been directed by a government authority to suspend the market or operate all or part of the declared transmission system in a manner that differs from that specified in part 19 of the NGR;[8] or
- if AEMO determines that it is necessary to suspend the market because it has become impossible to operate the market in accordance with the provisions of Part 19 of the NGR.[9]

SFM can only be declared by AEMO. The decision to declare SFM (and therefore an APC) requires assessment on the part of AEMO. Therefore, there is some uncertainty as to when it may be declared. This issue, and the role of the CPT in constituting an *objective* APC trigger, are examined further, in sections 2.4.2 and 3.3 of this paper.

SFM and the APC may affect the distribution of financial impacts of force majeure events, rather than system security. For example, an APC may limit the financial liabilities of a market participant not able to meet its scheduling instruction. SFM is not required to handle emergencies, nor is it essential to suspend the market, if necessary.

2.1.3 Necessity of force majeure provisions in the Victorian wholesale gas market

The DWGM commenced operation in 1999, and its original design featured a gas day with one schedule. Prices were determined the day following the relevant gas day ('ex-post pricing'). There was also no flexibility for market participants to update their planned injections or withdrawals to reflect any changes in their circumstances. Under this design, market participants faced risk to the extent that they found it difficult to forecast the eventual price for the gas day, and to the extent that injections and withdrawals differed from those forecast. The presence of PFM absolved a market participant of having to meet its scheduling instructions in the occurrence of a force majeure event, thereby providing financial protection.

2.2 Evolution of the Victorian wholesale gas market

The DWGM underwent a major redesign in February 2007. This section summarises the key changes in the DWGM as they relate to the rule change request.

2.2.1 Ex-ante pricing and multiple schedules

Since February 2007, an intraday market has operated that features multiple schedules in a gas day and rebidding by market participants into those schedules. Market participants provide information to the market operator on any material changes to their circumstances. On this basis, the market operator can provide an updated scheduling instruction for the next scheduling interval.

In addition, the ex-ante price reflects this new information, and is therefore a more accurate signal as to the supply and demand conditions of the market, to which market

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7 Rule 347(1)(b)

8 Rule 347(1)(c)

9 Rule 347(1)(d)

participants respond. This facilitates a more flexible market, and it conveys information more effectively. It also allows market participants to receive a new schedule to reflect their updated bidding preference. Such flexibility allows the market to provide more efficient supply responses, and increases the ease with which market participants can manage and mitigate the financial impacts of changes to their circumstances.

2.2.2 Introduction of the cumulative price threshold

The CPT was introduced to the DWGM on 1 June 2008 as a mechanism to address unmanageable risk faced by market participants arising from exposure to prolonged periods of high prices. The CPT is reached when the sum of the prices over a certain period (currently 35 consecutive scheduling intervals) are greater than or equal to the threshold (currently $1,800/GJ). Once reached, the APC (currently $40/GJ) is triggered, which places a ceiling on market prices for a period of time.[10]

The CPT was introduced to allow a high value of lost load (VoLL, currently $800/GJ), which is the maximum price allowed in the market. VoLL provides a signal to both short- and long-run decisions to provide high cost supply into the market. If prices remain high for longer than is required to achieve this supply response, the CPT will be reached and unnecessary losses mitigated through the trigger of the APC.

The CPT mechanism must be set at the level that appropriately balances the need to induce a supply response through high prices and to protect market participants from unnecessary losses when supply responses are not forthcoming. The CPT was reviewed in 2013 to assess whether its level was appropriate.[11] The review concluded that the CPT should be reduced from $3,700 to $1,800. The administered pricing procedures have been updated to incorporate this recommendation. The context of the CPT review is discussed in section 2.4.2 of this paper.

2.2.3 Market maturity has diversified sources of supply

In addition to the operational changes in the market, the supply arrangements for the DWGM have also changed since the market commenced. In the early stages of the market, the only injection points were those at Longford and the Dandenong liquefied natural gas facility. There are now a number of additional injection points, including at Culcairn in New South Wales, and at the Iona underground storage facility. The diversity of supply has augmented improvements to market design to make the market more robust to events that may have otherwise led to the declaration of a SFM event.

10 AEMO 2013, *Wholesale Market Administered Pricing Procedures (Victoria)*, 11 October 2013, p.10. AEMO will declare the end of an APC at the end of the gas day following the gas day on which the cumulative price falls below (and remains below) the CPT and when no other condition for an APP is applicable.

11 AEMO 2013 *DWGM CPT Review 2013 - Final Report* Accessed at: www.aemo.com.au/Gas/Market-Operations/Declared-Wholesale-Gas-Market-Cumulative-Price-Threshold-Review

2.3 Other relevant provisions

The NGR contains other provisions that are relevant to this rule change request. This section will outline these, and some important, previously discussed provisions, to provide greater context for the rule change request.

The NGR features rules that have similar effects to PFM provisions. These other provisions are not proposed to be removed, as it is the presence of such provisions that may render PFM redundant. Specifically, rules 216(4)(b) and (c) absolve the market participant of the need to comply with scheduling instructions issued in respect of a bid:

"(a) if, in the case of the Market Participant, not being a Producer, Storage Provider, or interconnected transmission pipeline service provider, having ordered a quantity of gas from a Producer or other person to enable it to comply with that bid and that Producer or other person was only required, under the terms of its contract with that Market Participant, to use its reasonable endeavours to deliver that quantity of gas and that Producer or other person does not in fact deliver that quantity of gas; or

(b) if, in the case of the Market Participant also being a Producer, Storage Provider or interconnected transmission pipeline service provider, that Market Participant has used its reasonable endeavours to deliver that quantity of gas but has not in fact delivered that quantity of gas provided that Market Participant has made its bid in good faith."

Also, rule 213(4) provides that a market participant, who knows or believes that it will not, or is unlikely to, be able to comply in any material respect with its scheduling instruction, must immediately notify AEMO of that fact and the extent of its known or likely non-compliance. Together with the process of rebidding, this has the same effect of PFM in terms of notifying AEMO of any changes to the market participant's circumstances that may affect the market.

Furthermore, the DWGM features market price cap parameters that allow the market to manage and mitigate unforeseen events. These are the CPT, APC and VoLL. As outlined in section 2.2.2 of this paper, the CPT triggers an APC, allowing market participants to manage and mitigate exposure to prolonged periods of high prices. This mechanism may be used instead of SFM. The level of the CPT and APC are determined by AEMO and set out in the administered pricing procedures.[12] Currently, the CPT is not referred to in the NGR, while the APC is primarily referred to in rules 224 and 345.

The other relevant component of the market price cap parameters is VoLL, as first outlined in section 2.2.2 of this paper. VoLL is the maximum price allowed in the market. It is set at a high level ($800/GJ) to incentivise market participants to provide high cost supply. The CPT/APC mechanism works in conjunction with VoLL to reduce the risk of market participants being exposed to prolonged periods of high prices. The price cap parameters are designed to allow a market response to supply disruptions while mitigating the financial impacts of such events. Currently, there is no formal provision or process for determining VoLL either in the NGR or AEMO's procedures.

12 AEMO 2013, *Wholesale Market Administered Pricing Procedures (Victoria)*, 11 October 2013.

As stated in section 2.1.2 of this paper, AEMO may declare the market to be suspended if directed to do so by a government authority, or when AEMO determines it is necessary to do so because it has become impossible to operate the market according to the rules. In this instance, an APC would be triggered. This is a very similar precondition for a discretionary decision from AEMO to trigger an APC in SFM provisions; both market suspension and SFM are able to handle conditions where the market is not functioning effectively. Where the market is operating effectively but prices have been high for an extended period of time, the CPT mechanism provides some protection to market participants by capping prices in the event the CPT is reached. The existing provisions therefore provide a number of protections to market participants and the market more generally to manage and mitigate unforeseen events.

2.4 Reasons for the rule change request

The rule change request was the result of discussions around the necessity and effectiveness of force majeure provisions following from a PFM event in 2009. This section outlines the event and the subsequent discussion and work leading to the rule change request.

2.4.1 Participant force majeure declaration 2008

On 22 November 2008, TRUenergy's Iona gas storage facility was due to restart after a period of maintenance. TRUenergy made injection bids into the DWGM in anticipation of the resumption of its supply. However, it recommenced production on 23 November, the day following the planned resumption. It had made bids to inject supply in the 6pm and 10pm schedules, but was unable to meet its scheduling instructions. As the gas day of 22 November featured more withdrawals than injections, a shortage of linepack emerged and the market price went to VoLL in the 10pm schedule. TRUenergy declared a PFM event at 7:25pm, and requested VENCorp[13] consider the imposition of an APC from the 10pm schedule until the PFM event ceased. VENCorp did not declare a SFM event as it did not consider it appropriate given the circumstances.

TRUenergy contested this decision, and the issue was heard by the Dispute Revolution Panel, which was established in accordance with Chapter 7 of the Victorian Gas Industry Market and System Operation Rules (MSOR). The panel found in favour of VENCorp, noting that the operation of the market was not materially affected. This decision was appealed in the Victorian Supreme Court, which upheld the Dispute Resolution Panel's decision. Had the dispute resolution process, or the appeal in the Supreme Court of Victoria, found in favour of TRUenergy, the distribution of the financial impacts of the PFM event would have been affected.

2.4.2 The Gas Wholesale Consultative Forum

The Gas Wholesale Consultative Forum (GWCF) is a forum that facilitates consultation on the operation and development of the DWGM. Market participants and AEMO in the GWCF held a force majeure workshop in June 2012 for participants to discuss the

13 The Victorian Energy Networks Corporation, AEMO's predecessor as market operator of the DWGM.

PFM event of November 2008 and the legal proceedings that followed.[14] The GWCF concluded that force majeure provisions in the NGR were redundant and ineffective and should be removed. Noting the problem of subjectivity involved in the declaration of SFM by AEMO, the GWCF investigated other objective, quantifiable triggers for an APP that may apply in addition to the CPT.[15] However, it was considered that the CPT was an adequate trigger, and should be the only quantifiable trigger.[16]A trigger based on a supply shortfall was not favoured, because it would be a pre-emptive market intervention that prevented market participants from resolving the supply-demand imbalance through market forces.

The planned removal of force majeure provisions would mean that the existing triggers for an APC would be increasingly relied upon. This prompted AEMO to review the CPT to examine whether it was fit for purpose, as discussed in section 2.2.2 of this paper.[17] The review was undertaken concurrently with plans to remove force majeure provisions, although the change to the CPT has been implemented and is not contingent on this rule change request.

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14 AEMO 2012, *Force Majeure Provisions Workshop, 19 June 2012*. Accessed at: www.aemo.com.au/About-the-Industry/Working-Groups/Gas-Wholesale-Consultative-Forum for more detail.

15 AEMO produced a paper for the GWCF for the purpose of consulting with the forum on the appropriate APC trigger to apply in the DWGM in the event of a major upstream supply failure resulting in a significant increase in market prices. Accessed at: www.aemo.com.au/About-the-Industry/Working-Groups/Gas-Wholesale-Consultative-Forum/GWCF-Meeting-Archive/GWCF-Meeting-174_18-September-2012

16 AEMO rule change request pp.6-7. See also September 2012 Minutes for GWCF: www.aemo.com.au/About-the-Industry/Working-Groups/Gas-Wholesale-Consultative-Forum/GWCF-Meeting-Archive/GWCF-Meeting-174_18-September-2012.

17 AEMO 2013, *DWGM CPT Review 2013 - Final Report*

3 Details of the rule change request

This chapter provides detail on, and AEMO's reasons for, the rule change request.

3.1 The rule change request

AEMO's rule change request proposes to remove both PFM and SFM provisions from the NGR. Specifically, AEMO seeks to remove:

- rules 216(2)(c), (4)(a), (5), (6), (7), and (8) pertaining to PFM;
- rules 239(5)(b), 346, 347(1)(a) and 351(1)(c) pertaining to SFM; and
- definitions of PFM and SFM in rule 200 (Definitions).

In addition to removing force majeure provisions, AEMO also seeks to clarify and simplify the rules around administered pricing. Specifically, AEMO seeks to:

- amend rule 224 to clarify AEMO's role in respect of determining the APC and CPT;
- amend rule 224 to ensure the process by which AEMO will consult with market participants on the approach to determining the APC and CPT is set out in the administered pricing procedures;
- remove rules 216(9), (10), which are covered by rules 216(1), (2);
- amend the definition of 'administered price cap' in, and add 'cumulative price threshold' to, rule 200 (Definitions);
- clarify the definition of 'administered price cap' in rule 224 and remove rule 345; and
- define the CPT in the rules (in rule 224).

In its rule change request, AEMO provides its rationale for the rule change. A number of key points raised in the rule change request are summarised as follows.

Note that the rule change request contains an error. "Delete 224(5)(b)" should be replaced with "Delete 239(5)(b)".[18]

3.2 AEMO's rationale for the removal of participant force majeure

AEMO notes that prior to February 2007, when a daily ex-post market operated, PFM provisions gave the following protections:

- System security was enhanced by requiring market participants to notify VENCorp of any problems in meeting scheduling instructions. This allowed VENCorp to take action to maintain system security outside of the single daily schedule.
- Market participants were not subject to conduct provisions for failing to comply with scheduling instructions in the event of a PFM declaration.

18 AEMO rule change request, p. 8.

- The market was provided some protection through the market operator's ability to invoke SFM (and an APC) where a PFM event had materially affected the operation of the market or system security.[19]

AEMO notes that following the introduction of an intraday market with ex-ante pricing in February 2007, alternate provisions were introduced that may have made PFM redundant:

- A market with multiple schedules throughout the gas day allows market participants to re-bid to reflect any changes to their circumstances. The next schedule will reflect any constraints caused by a PFM event.
- Market participants attract deviation payments to cover the costs of the deviation from the scheduling instruction, but are absolved of the need to meet the scheduling instruction.
- PFM is now less likely to trigger a SFM event as it is less likely to affect system security or the operation of the market, because re-bidding and multiple schedules present other options for supply to meet demand.[20]

3.3 AEMO's rationale for the removal of system force majeure

AEMO provides two reasons for the removal of SFM:

- The declaration of a SFM event by AEMO is a decision that does not feature clear criteria as to what might be considered a SFM event. This factor resulted in the legal dispute between AEMO and TRUenergy outlined in section 2.3 of this paper.
- The introduction of the intraday ex-ante market has meant that re-bidding for the upcoming scheduling horizon will reflect updated circumstances and generally allow AEMO to determine a viable schedule from bids. As a result, there is generally no material impact on the market or system security of an unforeseen event that disrupts supply. Therefore, there would be no basis for AEMO to declare a SFM event. The presence of the CPT may mitigate high prices where a viable schedule can be generated, which will trigger an APC. Where a viable schedule cannot be generated, AEMO will deal with the situation under the Threat to System Security or Emergency provisions of the NGR.[21]

AEMO's rule change request specifies the provisions in the NGR that it seeks to remove, and proposes amendments to clarify the rules.

3.4 AEMO's proposed clarifications

In addition to removing the force majeure provisions, AEMO seeks to clarify and simplify the rules around administered pricing. The rules already provide that AEMO must make administered pricing procedures, and that these procedures must specify an administered price cap. While the role of the CPT in administered pricing is clearly

19 AEMO rule change request, p.4

20 AEMO rule change request p.4

21 AEMO rule change request, pp. 4-5.

specified in the administered pricing procedures, AEMO seeks to refer to the CPT in the NGR with respect to its place in the administered pricing procedures.

The rule change request also seeks to specify that the administered pricing procedures must specify the process by which AEMO will consult with market participants on the approach to determining the APC and CPT. This would be done in accordance with the provisions in Part 15B of the NGR. It would formalise the existing consultation process practised by AEMO.

4 Assessment framework

The Commission's assessment of this rule change request must consider whether the proposed rule promotes the National Gas Objective (NGO) as set out under s.23 of the National Gas Law (NGL). The NGO is as follows:

> "The objective of this Law is to promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas."

The relevant aspects of the NGO for this rule change request are:

- efficient use of and investment in natural gas services with respect to price;
- efficient use of and investment in natural gas services with respect to reliability of supply.

In assessing the request against the NGO, the Commission will also consider the likely long-term costs and benefits of the proposed rule compared to the counterfactual of not making the proposed change to the NGR. In doing so, the Commission will consider whether the proposed rule is likely to lead to more efficient and reliable natural gas services for the long term interests of consumers.

To give effect to the NGO, the following concepts will be used to assess the rule change:

- Administrative efficiency: Clarity in the rules that govern the handling of uncertain events may allow market participants to more quickly and confidently make efficient decisions. Any removal or reduction in ambiguity that may lead to legal dispute, or confuse decision making, should improve administrative efficiency.
- Market efficiency: Clarity that allows market participants to make efficient business decisions may result in bids that better reflect the circumstances of the market participant. Clarity of information may be reflected in the price, a signal to market participants of the market conditions. Clear signals and the ability to respond are consistent with market efficiency and reliability.
- Efficient management of uncertainty: Risk involves a degree of foreseeability and measurability in terms of the nature and consequences of an event. As such, risk is often able to be managed effectively and efficiently. Conversely, uncertainty involves events that feature unknown nature, cost and frequency. It is inherently difficult to manage. Force majeure events feature great uncertainty, and mechanisms are designed to attempt to manage such events. Any mechanism will be evaluated in terms of the effectiveness and efficiency with which it manages uncertainty, including the ability to maintain reliability of supply when an unforeseen supply disruption occurs.
- Rules versus discretion: There may be benefits to market participants in having a stable set of rules that enable participants to build more accurate expectations as to what may happen in the future. From these expectations, efficient decisions can be made. However, ex-ante-determined rules may not be able to handle issues that are not considered at the time of rule-making. In this situation, discretion

may be useful. There is an inherent trade-off between rules and discretion, and the rule change request will be evaluated to find the appropriate balance.

Previous issues related to this rule change may also be considered for any relevance and insight. For example, the National Retailer's Forum's code change request of 2002 to the National Electricity Code Administrator seeking the introduction of force majeure provisions into the National Electricity Code, which would trigger an APC in the National Electricity Market in the event of a terrorist attack.

This assessment framework may be reviewed following the receipt of submissions and the AEMC's own analysis.

5 Consultation

To enable the Commission to evaluate the rule change request against the NGO through the proposed assessment framework, a number of questions appear relevant to the rule change request. Stakeholders are encouraged to comment on these questions as well as any other aspect of this paper, including the assessment framework. The consultation paper, including the following questions, is provided for guidance, and the Commission will consider any feedback that aims to enhance the understanding of the rule change request.

Question 1 Participant force majeure

Could you comment on AEMO's claim that PFM is redundant in the current market framework? Does its presence have any benefit?

Question 2 System force majeure

2.1 Do you agree that the CPT is a more robust trigger for an administered price cap than SFM? Is there any role for SFM to trigger an APC? Please explain your reasons.

2.2 Do you consider SFM to be redundant in terms of its role as a condition under which AEMO can declare market suspension? Please explain your reasons.

2.3 Might there be a justification for retaining and improving SFM while removing PFM? Please explain your reasons.

Question 3 Market design

Do you agree that the market has evolved to the extent that force majeure provisions are redundant? Please explain your reasons.

Question 4 Foreseeable market impacts

What impacts on the market do you foresee resulting from the removal of force majeure provisions? Consider the effects on competition and the National Gas Objective.

Question 5 Clarity

5.1 Could you comment on AEMO's claim that the removal of force majeure provisions will improve clarity for market participants on the operation of the market in managing force majeure events?

5.2 Could you comment on the amendments to the provisions on administered pricing procedures and the CPT, outlined in section 3.4 of this paper? Are the suggested clarifications appropriate? Please explain your reasons.

6 Lodging a submission

The Commission has published a notice under s. 303 of the NGL, inviting written submission for this rule change request. Submissions are to be lodged online or by mail by 7 August 2014 in accordance with the following requirements.

Where practicable, submissions should be prepared in accordance with the Commission's Guidelines for making written submissions on rule change proposals.[22] The Commission publishes all submissions on its website, subject to a claim of confidentiality.

All enquiries on this project should be addressed to Matt Unicomb on (02) 8296 7800.

6.1 Lodging a submission electronically

Electronic submissions must be lodged online via the Commission's website, www.aemc.gov.au, using the "lodge a submission" function and selecting the project reference code "GRC0027". The submission must be on letterhead (if submitted on behalf of an organisation), signed and dated.

Upon receipt of the electronic submission, the Commission will issue a confirmation email. If this confirmation email is not received within three business days, it is the submitter's responsibility to ensure the submission has been delivered successfully.

6.2 Lodging a submission by mail

The submission must be on letterhead (if submitted on behalf of an organisation), signed and dated. The submission should be sent by mail to:

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Or by Fax to (02) 8296 7899.

The envelope must be clearly marked with the project reference code GRC0027.

Except in circumstances where the submission has been received electronically, upon receipt of the hardcopy submission the Commission will issue a confirmation letter.

If this confirmation letter is not received within three business days, it is the submitter's responsibility to ensure successful delivery of the submission has occurred.

22 This guideline is available on the Commission's website: www.aemc.gov.au.

Abbreviations

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
APC	Administered Price Cap
APP	Administered Pricing Period
Commission	See AEMC
CPT	Cumulative Price Threshold
DWGM	Declared Wholesale Gas Market
GWCF	Gas Wholesale Consultative Forum
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules
PFM	Participant force majeure
SFM	System force majeure
VENCorp	Victorian Energy Networks Corporation
VoLL	Value of Lost Load