



Market operator service

Consultation starts on rule change request 13 September 2012

The AEMC has started consultation on a rule change request proposed by the Australian Energy Market Operator (AEMO). The request relates to timing and eligibility aspects of the market operator service (MOS) in the short term trading market (STTM) for natural gas. With its request, AEMO seeks to enhance efficiency and competition in the delivery of this service.

Background

MOS is a daily pipeline balancing service in the STTM which is provided to bridge the difference between actual and scheduled gas flows on a pipeline into the hub. It may take the form of supplying additional gas to the hub, or absorbing excess gas being delivered to the hub. MOS is deemed to have provided this service if it has not otherwise been accounted for by shipper nominations to the pipeline operator.

MOS is managed by AEMO. At quarterly intervals, AEMO invites MOS providers to submit offers for the provision of MOS for the next 'MOS period'. The length of the MOS period is determined by AEMO in the STTM Procedures and is currently set at three months. Under the National Gas Rules (NGR), MOS can be provided by shippers in the STTM who hold a contract with a facility operator, such as a pipeline operator, that allows them to use capacity on that facility to increase or decrease the amount of gas on a pipeline.

Details of rule change request

AEMO's rule change request has two components. It proposes to:

- move certain provisions related to timing aspects of the offering process for MOS from the NGR to the STTM Procedures. The length of the MOS period and timings of the MOS offering process would then all be determined by the same regulatory instrument.
- amend the NGR such that MOS can not only be provided by facility contract holders, but also by trading right holders that have access to a facility via a sub-contracted arrangement with a facility contract holder.

Consultation

The AEMC has published a consultation paper on the request to facilitate stakeholder submissions. Copies of the request and the consultation paper are available on the AEMC website, together with an information note.

Submissions are to be lodged by 11 October 2012.

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