East Coast Wholesale Gas Market and Pipeline Frameworks Review: Public Forum Paper

25 February 2015

1. Introduction

Australian gas markets are experiencing a rapid transition as conventional gas reserves decline, unconventional gas resources become increasingly important and the influence of international price trends increase. The establishment of a liquefied natural gas (LNG) export industry based in Queensland is triggering a shift in supply and demand. These factors have resulted in a renewed focus on market development and gas supply chain efficiency.

In this context, the COAG Energy Council (Council) has requested that the AEMC review the design, function and roles of facilitated gas markets and gas transportation arrangements on the east coast of Australia (the review). The review is to consider the role and objectives of the existing markets on the east coast in light of the changing market dynamics and to set out a road map for their continued development.

To inform the review, the AEMC will hold a public forum for interested stakeholders on 25 February 2015 in Sydney.

Broadly, the Terms of Reference for the review require the AEMC to consider:

- the appropriate structure, type and number of facilitated markets on the east coast, including options to enhance transparency and price discovery, and reduce barriers to entry;
- opportunities to improve effective risk management, including through liquid and competitive wholesale spot and forward markets which provide tools to price and hedge risk; and
- changes to strengthen signals and incentives for efficient access to, use of and investment in pipeline capacity.

The Terms of Reference also ask the AEMC to develop specific actions that can be implemented to strengthen the structure and competitiveness of the east coast gas market, and make recommendations for immediate implementation, where possible.

The review will be conducted over two stages. The first stage will outline the overall direction for the east coast market development. The report will include a fact base of current market outcomes and gap analysis between the Council's vision for Australia's future gas market (see section 2) and the existing arrangements. The AEMC will provide the stage 1 report to the COAG Energy Council in June 2015. The second stage will more fully develop any necessary medium and long term changes. The AEMC intends to release the final report in 2016, following a response from the Council on the draft second stage report.

This paper has been developed to outline some key issues likely to be addressed by the review in order to invite discussion at, and submissions following, the forum. This paper outlines the Council's vision for Australian gas markets to provide a framework for discussion, followed by specific issues relating to the facilitated markets and pipeline frameworks. Given the timetable for the review, the forum and this short paper take the place of a more formal Issues Paper.

2. The COAG Energy Council's vision

At its December 2014 meeting, the Council outlined its vision for Australia's future gas market:[1]

> *The Council's vision is for the establishment of a liquid wholesale gas market that provides market signals for investment and supply, where responses to those signals are facilitated by a supportive investment and regulatory environment, where trade is focused at a point that best serves the needs of participants, where an efficient reference price is established, and producers, consumers and trading markets are connected to infrastructure that enables participants the opportunity to readily trade between locations and arbitrage trading opportunities.*

The vision is supported by four work streams and related outcomes:

1. encouraging competitive supply;
2. enhancing transparency and price discovery;
3. improving risk management; and
4. removing unnecessary regulatory barriers.

The Terms of Reference requests that the AEMC consider issues relating to streams 2 to 4. Stream 1 'encouraging competitive supply' largely relates to issues outside the AEMC's remit. While the review may consider options to support the ability of gas supply to respond flexibly to changes in market conditions, specific matters relating to the investment environment for gas supply and to a "social licence for onshore natural gas development"[2] will not be covered by the review.

The vision is also underpinned by the Gas Market Development Plan.[3] The Development Plan outlines the actions the Council will initiate to improve competitive supply, transparency and price discovery, risk management and remove unnecessary regulatory barriers.

The vision has been developed following a number of recent reviews into the gas industry in Australia. In particular, the AEMC's 2013 *Gas Market Scoping Study* (Scoping Study)[4] identified areas for improvement in the current regulatory and market arrangements, and highlighted the need for a strategic review of the direction the eastern Australian gas market should take over the next 10-15 years. Other reviews, such as the Australian Government's *Eastern Australian Domestic Gas Market Study* and the Victorian Government's *Gas Market Taskforce* have also identified areas for reform.

2.1 Assessment framework

The work of the AEMC is guided by the National Gas Objective (NGO). The NGO is set out in section 23 of the National Gas Law, which states:

> *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 AEMC will develop an assessment framework for the review. This framework will be informed by the Council's vision and underpinned by the NGO. Consistent with the focus of

1 COAG Energy Council, Australian Gas Market Vision, December 2014.
2 COAG Energy Council, Australian Gas Market Vision, December 2014, Outcome 2, p. 3.
3 COAG Energy Council, Gas Market Development Plan, December 2014, available: https://scer.govspace.gov.au/files/2014/12/Gas-Market-Development-Plan-Dec-2014-FINAL.pdf
4 The Scoping Study also provides comprehensive background information on the eastern Australian gas market and market/regulatory arrangements.

the NGO on economic efficiency, the framework will be used to assess whether existing market and regulatory arrangements, as well as any potential developments or enhancements, would best allow gas to flow to where it is most highly valued and for the market to most readily adapt to changing supply and demand conditions over the long term.

The framework will build on factors previously identified and used by the AEMC and others, including whether arrangements:[5]

- impose inefficient or unnecessary costs on parties;
- expose parties to risks that are not allocated efficiently or cannot be effectively managed;
- impede efficient investment decisions;
- act as a barrier to entry or otherwise deter competition; and
- fail to provide timely and accurate information required by the market.

The assessment itself will highlight any particular areas or issues that may benefit from further investigation and/or market or regulatory development. This assessment will be used to identify specific actions that can be implemented immediately,[6] as well as over the medium to long-term,[7] with the intention of progressing (and ideally resolving) any issues identified as being material in nature. These actions will include identifying any rule change recommendations for the Council's consideration.

3. Key issues

3.1 Introduction

Eastern Australia has a number of facilitated gas markets: the Declared Wholesale Gas Market (DWGM) in Victoria, the Short Term Trading Market (STTM) with hubs at Adelaide, Sydney and Brisbane, and the Wallumbilla Gas Supply Hub (GSH).

The different markets were designed in response to specific circumstances and feature different sets of rules and arrangements. The markets supplement bilateral contracts between gas producers and shippers, and provide additional options for trading and managing risks.

There are two sets of pipeline carriage arrangements operating in eastern Australia:

- the market carriage model, which is in use in Victoria and which relies on market outcomes in the DWGM to determine the use of the Declared Transmission System (DTS) operated by AEMO; and
- the contract carriage model, which is in place on all other transmission pipelines in eastern Australia and relies on bilateral contracts between the pipeline owner and the shipper to allocate pipeline capacity.

The AEMC will apply the assessment framework for the review to examine whether the current market arrangements, with two different pipeline capacity management approaches and three types of facilitated markets, as well as bilateral wholesale gas supply and transportation contracts, best facilitate the achievement of the Council's vision and are in the long term interests of consumers.

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5 See, for example: K Lowe Consulting, Gas Market Scoping Study: a report for the AEMC, July 2013, p. 86.

6 Consistent with stage 1 of the review.

7 Consistent with stage 2 of the review.

3.2 Facilitated markets

In the review, the AEMC will consider the appropriate structure, type and number of facilitated markets on the east coast, having regard to the current arrangements and changing gas market conditions. The AEMC will assess short and longer term options to improve outcomes in the markets and to guide their continued development in a coordinated manner. Opportunities to improve the accuracy and transparency of market information will be considered, where these can enhance the price discovery process and support competition in upstream and downstream markets.

Facilitated markets

1. Given their performance to date, are the existing markets able to facilitate transactions required to manage current conditions?
2. Will the current market framework be able to facilitate transactions that may be required to meet future conditions?
3. Are there barriers to using the wholesale markets, for instance for new entrant retailers or for large users wishing to participate directly in the markets?
4. What opportunities are there for improved integration between the markets?

3.2.1 The STTM

The Short Term Trading Market (STTM) is a compulsory market operating at three demand centres on the east coast. Trading at the first two STTM hubs (Sydney and Adelaide) commenced in September 2010, and the Brisbane hub was introduced in late 2011.

The STTM was established by the Ministerial Council on Energy following recommendations by the Gas Market Leaders Group (GLMG) in 2006. The STTM was designed to provide a transparent and efficient market based pricing mechanism that would complement rather than replace the bilaterally negotiated gas supply agreements (GSA) or gas transportation agreements (GTA).[8]

The STTM was established to replace existing gas balancing arrangements at delivery points within the hubs, provide price signals to enable participation of all major gas users and price congestion.[9] The STTM also provides historical and short-term information (less than three days) to participants, including processing and pipeline capacity data, and pipeline flow data to facilitate secondary trading.[10]

AEMO is responsible for operating the market,[11] and participants in the STTM place day-ahead offers to deliver to and bids to purchase gas from the hub. The bids and offers are matched and cleared at a single ex-ante market price that applies to all gas that passes through the hub.[12] Participants that offer gas below the market price are scheduled by AEMO.

Participants that operate according to the ex-ante schedule are charged the ex-ante price for any imbalances in injections and withdrawals. Departures from the schedule are subject to deviation charges.

8 Gas Market Leaders Group, National Gas Market Development Plan, June 2006.

9 Department of Industry, Eastern Australian Domestic Gas Market Study, January 2014, p. 91.

10 Department of Industry, Eastern Australian Domestic Gas Market Study, January 2014, p. 105.

11 However, pipeline infrastructure and the pipeline schedule are the responsibility of the pipeline operator, not AEMO.

12 Department of Industry, Eastern Australian Domestic Gas Market Study, January 2014, pp. 105 & 122.

Is the STTM still fit for purpose?

The Scoping Study found that views about the value of the STTM were mixed. Some stakeholders considered that the market provided them with a useful way to manage their imbalances and had enhanced the level of price transparency in the market. Others, however, questioned the value of the market and suggested that: little trade was actually undertaken through the STTM; prices were not particularly informative; and there was little evidence to suggest smaller players were able to rely solely upon the STTM to purchase gas. These stakeholders considered that the STTM has imposed significant costs on participants and pipeline owners, and given rise to significant risks that cannot be hedged.[13]

The Scoping Study recommended that a detailed review of the STTM be undertaken to determine whether improvements can be made to its design that would better promote the NGO.[14]

The STTM

1. Are the original objectives for the STTM still relevant and compatible with the new Council vision? How have stakeholders' experience with the STTM corresponded to initial expectations?
2. Are all STTM hubs (Sydney, Adelaide and Brisbane) delivering value to market participants?
3. What design features of the STTM could be improved to reduce costs and improve efficiency? (eg is there a role for intra-day trading?)
4. Given that most gas supply is bilaterally contracted, is it realistic to expect that prices in the STTM will signal underlying supply and demand conditions? If not, what is the role and value of STTM within the broader gas market framework?

3.2.2 The Wallumbilla GSH

The GSH commenced at Wallumbilla in 2014 as a voluntary wholesale exchange. The GSH was developed to allow market participants greater flexibility to manage portfolios outside of long-term contracts.[15] The market was established to provide a reference price that would support a financial derivative market to manage risk, guide investment and transactions decisions, facilitate trading through standardisation of contracts, and promote secondary pipeline capacity trading.[16]

The Wallumbilla site was chosen as a result of the anticipated growth in coal seam gas (CSG) development in the region and because it sits at the intersection of three major transmission pipelines: the Roma to Brisbane Pipeline (RBP), the South West Queensland Pipeline (SWQP) and the Queensland Gas Pipeline (QGP).[17]

While these pipelines are connected at Wallumbilla, constraints within the hub mean that there are three physical trading locations: the RBP, the SWQP and the QGP. The pipelines also operate at different pressures and under different contractual arrangements with two

13 K Lowe Consulting, Gas Market Scoping Study: a report for the AEMC, July 2013, pp. 95-96.

14 K Lowe Consulting, Gas Market Scoping Study: a report for the AEMC, July 2013, p. iii.

15 Standing Council on Energy and Resources, NGR Explanatory Material, 2013.

16 AEMO, Detailed Design for a Gas Supply Hub at Wallumbilla (prepared for the Standing Council on Energy and Resources), October 2012.

17 Department of Industry, Eastern Australian Domestic Gas Market Study, January 2014, p. 123.

pipeline owners (APA Group and Jemena). As such, there is no single physical location that allows shippers to trade across the Wallumbilla hub.[18]

In order to improve liquidity and price transparency, AEMO is working with industry to investigate how a single trading zone might be established at Wallumbilla. Consideration is being given to a number of approaches, with the challenge being to minimise complexity and/or cost (for example, the cost of removing the physical constraints at the hub has been estimated at over $100 million).[19] AEMO is also undertaking a similar process to explore how a second supply hub might be implemented at Moomba.

Wallumbilla Gas Supply Hub

1. Is Wallumbilla adding value to the way participants manage their gas portfolios and what directions should the development of the market take?
2. How does trading at Wallumbilla impact on trading in other wholesale markets?
3. Would the establishment of a GSH at Moomba facilitate additional trade? Would a Moomba GSH impact on liquidity at Wallumbilla?
4. How useful is the information provided by the Wallumbilla hub to market participants and what additional information could be provided to improve accuracy and transparency at the GSH?

3.2.3 The Declared Wholesale Gas Market (DWGM)

The Declared Wholesale Gas Market (DWGM) is a compulsory market operating across the DTS in Victoria. It was established by the Victorian Government in March 1999, although some features of the market were revised in 2007.

In the DWGM, market participants trade their daily imbalances, or the differences between forecast injections and withdrawals. However, participants generally endeavour to align their intended daily gas injections and withdrawals to avoid exposure to the spot market.[20]

Gas volumes in the DWGM are scheduled by AEMO, based on demand forecasts and injection and withdrawal bids. Prices are determined through an ex-ante scheduling process and rescheduled a further four times a day.

The outcomes of the DWGM determine the use of the DTS, which is operated as a market carriage system. As such, market participants do not have GTAs or hold firm access rights, but instead pay the pipeline owner a tariff for use of the DTS. Theses tariffs are part of the pipeline owner's access arrangement that is approved by the AER.

The original rationale for the adoption of the DWGM and the market carriage model in Victoria was based on the following factors:[21]

1. The physical characteristics of the DTS: a meshed network with limited linepack and highly variable demand, meaning that it must be closely managed to ensure gas flows in the manner required and the integrity of the system is maintained;
2. Expected to support full retail contestability: the DWGM was seen as a way of encouraging new entry by retailers because they would not need to enter into long

18 AEMO, Gas Supply Hub: Cost and Scoping Report (prepared for the Standing Council on Energy and Resources, May 2012, p. 18.

19 AEMO, Gas Supply Hub: Cost and Scoping Report (prepared for the Standing Council on Energy and Resources, May 2012, p. 23.

20 AEMO, Guide to Victoria's Declared Wholesale Gas Market, February 2012, p. 11.

21 K Lowe Consulting, Gas Market Scoping Study: a report for the AEMC, July 2013, p. 11.

term gas transportation agreements and they would have equivalent access as incumbent shippers to a mechanism to trade imbalances and purchase gas at the spot price; and

3. Designed to encourage diversity of supply and upstream competition: the transparency of pricing provided by the DWGM and the operation of the market carriage model were also expected to encourage the development of new sources of supply and upstream competition.

Some features of the current DWGM, particularly the intra-day rescheduling, were introduced in 2007 to meet the expected increase in participation in the market by gas-fired electricity generators. The intra-day rescheduling provided flexibility by allowing participants to modify their daily requirements. This service was expected to be particularly useful for generators to enable them to meet fluctuations in electricity demand.[22]

Is the DWGM still fit for purpose?

The DWGM and the associated market carriage model are substantially different from the arrangements which operate outside of Victoria. The Scoping Study and the Victorian Gas Market Taskforce therefore considered both the effectiveness of the DWGM in its own right and in the wider context of its interaction with the broader east coast market. These reviews identified a number of areas requiring attention, as follows.[23]

- **Market inconsistencies**
  Inconsistencies between the risk management frameworks adopted in the DWGM and STTM (eg the market price cap, the cumulative price threshold and prudential requirement arrangements) and differences between other market design elements (eg the start of the gas day) may be imposing unnecessary costs on market participants operating across the two markets.

- **Inadequate investment signals**
  The lack of firm access rights on the DTS impedes market-led investment in pipeline capacity expansions. It has also been suggested that the framework for regulated investment in the DTS may not be responsive enough to allow this form of investment to meet the needs of the market participants (eg as regulatory periods may delay investment decisions by the owner of the pipeline). The Scoping Study recommended that the regulatory investment process should be reviewed, as should the prospects for introducing tradeable transmission rights into the DTS.[24]

- **Limitations of existing capacity instruments**
  The DWGM features two instruments – Authorised Maximum Daily Quantity (AMDQ) and AMDQ credit certificates (AMDQ cc) – which provide some physical capacity rights (tie breaking rights and protection against curtailment under certain conditions). They also provide a hedge against some price risks arising from uplift charges.[25] However, they do not provide a hedge against all forms of uplift charges, and concerns have also been identified regarding their liquidity and complexity.

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22 VENCorp, Victorian Gas Market Pricing and Balancing Review: Recommendations to Government 30 June 2004, 2004, pp. 21-24.

23 K Lowe Consulting, Gas Market Scoping Study: a report for the AEMC, July 2013, pp. 109-110, 113-121; and Victorian Government, Gas Market Taskforce: Supplementary Report, October 2013, pp. 78-82.

24 K Lowe Consulting, Gas Market Scoping Study: a report for the AEMC, July 2013, p. iii.

25 Uplift charges are levied on participants to fund Ancillary Payments when there is a need to inject out of merit order gas (ie high priced gas).

- **Financial hedging products**
  The AEMC understands the ASX Wholesale Gas Futures product provides a hedge against the 6am ex-ante market price. However, this product has rarely been used and is a limited tool in terms of the ability to manage all price risks in the market.

- **Complexity of market arrangements**
  Concerns have been raised that perceived complexity in the market may be impeding market entry, risk management practices and the emergence of risk management products, and efficient investment. In particular, the Reith Review suggested that the difficulty in obtaining firm capacity and the need to manage 'unhedgeable' price risks may have led some gas-fired generators to have decided not to connect to the DTS.[26]

- **Difficulties in exporting gas**
  The issues identified above all appear to have contributed to concerns regarding the ability to use the DTS to export gas away from Victoria. While the main focus of these concerns has been on export to NSW via Culcairn, they may also extend to exports to South Australia via the Port Campbell to Iona (PCI) pipeline. This issue is likely to become of increasing importance as gas flows change in response to LNG exports.

The DWGM

1. Are the original objectives and rationale for the DWGM relevant and compatible with the Council's vision?
2. Is investment in the DTS occurring in an efficient and timely manner? Or are there limitations with the current investment and/or regulatory framework?
3. Do the DWGM arrangements inhibit the transportation of gas between the DTS and interconnected pipelines?
4. How could the market design be amended to provide additional tools for participants to manage price and volume risk in the DWGM?

3.3 Transmission pipelines

The current gas access regime has its genesis in a series of COAG agreements in the 1990s. Based largely on the national access regime in Part IIIA of the *Trades Practices Act 1974* (TPA),[27] the Gas Pipeline Access Law and Gas Code were introduced in 1997.

The objectives of the Gas Code were to:[28]

a) facilitate the development and operation of a national market for natural gas;
b) prevent abuse of monopoly power;
c) promote a competitive market for natural gas in which customers may choose suppliers, including producers, retailers and traders;
d) provide rights of access to natural gas pipelines on conditions that are fair and reasonable for both service providers and users; and
e) provide for resolution of disputes.

A key element of the Code was the provisions that governed which pipelines would be covered by it. Largely mirroring the declaration and access undertaking provisions of Part

26 Victorian Government, Gas Market Taskforce: Supplementary Report, October 2013, p. 80.
27 Now the Competition and Consumer Act 2010.
28 Gas Code, p. 1.

IIIA of the TPA, these provisions allowed a pipeline to become covered if it satisfied all of the coverage criteria and for coverage to be revoked if one or more of these criteria were not satisfied. Most of the pipelines that had been built before the Code came into effect were covered from its commencement.

Following a series of reviews, including the 2002 COAG (or "Parer") review of energy market reforms, the Productivity Commission's 2003-04 review of the gas access regime and the 2006 Expert Panel report on energy access pricing, a new regulatory framework was introduced in 2008 in the form of the National Gas Law (NGL) and National Gas Rules (NGR). This new framework included a number of revisions to the gas access regime:

- the criteria for a pipeline to be covered under the regime were updated to bring them into line with the declaration criteria in Part IIIA of the TPA. In particular, access would need to promote a "material" increase in competition;
- the option of a lighter handed form of regulation was introduced to reduce the regulatory burden in those cases where a service provider is unable to exercise a substantial degree of market power; and
- a 15 year no-coverage option was also introduced to address concerns that the prospect of regulation might have a "chilling effect" on investment in new pipelines.

These revisions also established the National Gas Services Bulletin Board, introducing obligations on both regulated and unregulated market participants to provide information to AEMO. The objective of the Bulletin Board was to facilitate improved decision making and gas trade through the provision of readily accessible and up-to-date system and market information.[29]

Is the current gas access regime fit for purpose?

As discussed earlier in this paper, the gas market environment has changed significantly in recent years. Many new pipelines have been constructed, most recently the LNG pipelines in Queensland and, prior to that, the Eastern Gas Pipeline, the SEA Gas pipeline and QSNLink, amongst others. As a result, there is now much greater interconnection across the east coast than in the 1990s, with most large demand centres now having access to multiple sources of gas.

A major difference in the regulatory environment has been a reduction in the number of covered transmission pipelines. Of the major transmission pipelines, only the RBP and the DTS are subject to full regulation,[30] with relatively few others subject to light regulation.[31]

In the Scoping Study, a number of issues were identified with the market and contract carriage models and it was suggested that: [32]

- a review be carried out on how investment under the market carriage model could be improved (see above); and
- consideration be given to how to reduce search, transaction and co-ordination costs associated with spot or very short term capacity trades to facilitate this form of capacity trading by shippers using contract carriage pipelines (eg through the development of standardised contracts or through a listing service on the Bulletin Board).

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29 Gas Market Leaders Group, National Gas Market Development Plan, Report to MCE, June 2006, p. 3.

30 The Central Ranges Pipeline is also subject to full regulation.

31 The Carpentaria Gas Pipeline, the Central West Pipeline and part of the Moomba to Sydney Pipeline are subject to light regulation.

32 K Lowe Consulting, Gas Market Scoping Study, A report for the AEMC, July 2013, p. 124.

The COAG Energy Council has also considered the latter of these issues through a Regulation Impact Statement process. The conclusion of this process was that the Council's Senior Committee of Officials (SCO) recommended a package of measures including improvements to the Bulletin Board, development of standardised contracts, and the provision of additional information on pipeline utilisation and capacity trading on the Bulletin Board.[33]

Improvements to the capability of the Bulletin Board, including the establishment of a capacity listing service, were implemented in December 2013.[34] However, the provision and publication of additional information on the Bulletin Board will require changes to be made to the NGR through the submission of a rule change request to the AEMC.[35]

More recently, other reviews have made suggestions for more fundamental reform to the current gas access regime. For example, the *Eastern Australian Domestic Gas Market Study* recommended that consideration be given to whether the contract and market carriage models will best serve the needs of the future market.[36]

The Victorian Gas Market Taskforce recommended investigating options to develop uniform transmission capacity rights and to facilitate more transparent and liquid trade in transmission capacity. The review found that different arrangements for access to pipelines across different regions may restrict the ability of parties to trade.[37]

Similarly, the then Victorian Government released an Energy Statement in 2014, which advocated the creation of a single set of principles or rules for access to all east coast pipelines, with the aim of promoting the trade of pipeline capacity and the sale by pipeline owners of unused capacity, including the provision of clear and transparent information on the availability of capacity.[38]

Transmission pipelines

1. Are the original objectives of the gas access regime still relevant and compatible with the Council's vision?
2. Is the current low number of covered transmission pipelines a cause for concern or a measure of competition?
3. Are there impediments to short term trading of pipeline capacity trading? (ie why is secondary trading not occurring?) If so, how should these best be addressed?
4. Does the increasingly interconnected nature of gas pipelines and markets on the east coast form a driver for greater harmonisation of regulatory arrangements (eg a single carriage model or greater integration of market and pipeline frameworks)?
5. How useful is the information provided on the Bulletin Board to market participants and what additional information could be provided to facilitate secondary trading?

33 Standing Council on Energy and Resources, Regulation Impact Statement, Gas Transmission Pipeline Capacity Trading, Decision Paper, 2 December 2013, pp. ii, 40.

34 The AEMC also understands that APA Group and Jemena have developed their own listing services.

35 Standing Council on Energy and Resources, Regulation Impact Statement, Gas Transmission Pipeline Capacity Trading, Decision Paper, 2 December 2013, pp. ii, 40.

36 Department of Industry and Bureau of Resources and Energy Economics, Eastern Australian Domestic Gas Market Study, 2013, p. 100.

37 Gas Market Taskforce, Final Report and Recommendations, October 2013, pp. 36-38.

38 Victorian Government, Victoria's Energy Statement, October 2014, p. 58.

4. Submissions

The AEMC welcomes views from participants on the issues and questions raised by this paper, both at the forum and in writing. Submissions will close on 26 March 2015.

The AEMC expects to release a draft of the Stage 1 report in April 2015, with the final report being submitted to the Council in June 2015. It is intended that a draft Stage 2 report will be provided to the Council ahead of its December 2015 meeting, and the AEMC anticipates that stakeholders will be invited to engage further with the AEMC in the second half of the year in support of this work.

Other comments or issues

1. The AEMC welcomes stakeholder views on any issues or questions raised in this paper, particularly regarding current market outcomes.
2. Are there any issues or concerns relating to the wholesale gas market and pipeline frameworks not covered by this paper?