

# Decision on Gas Retail Market Scheme Procedure Change Proposals IN002/17W and IN003/17W

Submitted by the Australian Energy Market Operator

April 2018

Economic Regulation Authority

WESTERN AUSTRALIA

## Economic Regulation Authority

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## Decision

1. In accordance with section 11ZOM of the *Energy Coordination Act 1994* (Act),<sup>1</sup> the Economic Regulation Authority (ERA) approves the amendments in procedure change proposals IN002/17W and IN003/17W, submitted to the ERA by the Australian Energy Market Operator (AEMO) on 25 January 2018.
2. Approval of the amendments in procedure change proposal IN002/17W is subject to correction of the grammatical and formatting errors identified by the ERA in Appendices 1 and 2 of this decision paper. Approval of the amendment in IN003/17W is as submitted to the ERA by AEMO on 25 January 2018.
3. The amendments in proposals IN002/17W and IN003/17W will be effective from 30 April 2018.

## Reasons

### Background

4. Section 11ZOL of the Act specifies that members of an approved retail market scheme may prepare an amendment to the scheme and submit the amendment to the ERA for approval under section 11ZOM of the Act.
5. The scheme includes AEMO, the Western Australian Retail Market Agreement and the market rules. AEMO is the formal entity responsible for the operation of the scheme. The Western Australian Retail Market Agreement is the main agreement between gas market participants<sup>2</sup>, obligating all members to comply with the market rules. The market rules include:
  - the Retail Market Procedures,<sup>3</sup> which govern the major interactions between gas market participants in the gas retail market;
  - the Specification Pack, which is a suite of documents supporting the operation of the market procedures; and
  - the Full Retail Contestability (FRC) Hub Operational Terms and Conditions that govern the communication protocol within the FRC Hub, which is the information system provided by AEMO.
6. On 25 January 2018, the ERA received a submission from AEMO seeking approval of two amendments to the scheme:
  - IN002/17W – Review of Procedure Change Process; and

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<sup>1</sup> See

[https://www.slp.wa.gov.au/pco/prod/filestore.nsf/FileURL/mrdoc\\_23285.pdf/\\$FILE/Energy%20Coordination%20Act%201994%20-%20%5B04-h0-09%5D.pdf?OpenElement](https://www.slp.wa.gov.au/pco/prod/filestore.nsf/FileURL/mrdoc_23285.pdf/$FILE/Energy%20Coordination%20Act%201994%20-%20%5B04-h0-09%5D.pdf?OpenElement)

<sup>2</sup> Participants include users (i.e. retailers) and network operators.

<sup>3</sup> Prior to the transition of operation of the scheme by AEMO, the procedures were referred to as the retail market rules.

- IN003/17W – Identify Previous Retailer of Transfer Request.
7. Changes to the procedures have a non-substantial impact if they have no effect on the operations of AEMO, participants, interested persons or prescribed persons, and merely correct administrative errors.<sup>4</sup>
  8. Changes to the procedures have a low impact if they do not have a material effect on:
    - the information technology systems of AEMO, market participants, pipeline operators or prescribed persons;
    - consumer protection mechanisms under the retail market rules; or
    - AEMO, participants, pipeline operators or prescribed persons.
  9. Changes to the procedures have a high impact if they do not have a non-substantial impact or a low impact.

## Discussion

### *Legislative requirements for the ERA's Approval*

10. Where an amendment to the scheme is submitted to the ERA, the ERA is to:
  - a. approve it;
  - b. request that it be changed and approve it in a changed form; or
  - c. refuse to approve it.<sup>5</sup>
11. The ERA may approve an amendment to the scheme<sup>6</sup> if it is satisfied that:
  - a. if the amendment is made, the scheme will:
    - i. comply with the Act; and
    - ii. be suitable for the purposes of ensuring that the retail gas market supplied through a distribution system is regulated and operates in a manner that is:
      - a) open and competitive;
      - b) efficient; and
      - c) fair to gas market participants and their customers.<sup>7</sup>
  - b. any other principle, criterion, or requirement that is prescribed for the purposes of this paragraph in the Act has been met.
12. Rule amendments for a distribution system scheme are not to be submitted without consulting potentially affected scheme members, including:

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<sup>4</sup> These include typographical errors, grammatical errors, cross-referencing errors and other similar trivial defects.

<sup>5</sup> In accordance with sections 11ZOO and section 11ZOP of the Act.

<sup>6</sup> Consistent with 11ZOO(1)(a) of the Act.

<sup>7</sup> See section 11ZOB of the Act.

- a. a gas transmission operator whose pipeline is used to transport gas into that system; and
  - b. a prescribed person, including any shipper, swing service provider or self-contracting user.<sup>8</sup>
13. The ERA may only approve retail market rule amendments if it is satisfied that such consultation has taken place and:
- a. each person required to be consulted has agreed to the amendment; or
  - b. if any person required to be consulted has not so agreed, that person has been given a reasonable opportunity in the course of the consultation to provide reasons for not agreeing and any reasons so provided have been considered.<sup>9</sup>
14. When determining whether or not to give an approval, the ERA is to have regard to:
- a. any principles, criteria, or requirements that are prescribed for the purposes of this paragraph in the Act; and
  - b. such other matters as the ERA considers relevant.<sup>10</sup>

## *IN002/17W – Review of Procedure Change Process*

15. AEMO and the Procedure Change Committee have found that the current drafting of chapter nine of the Retail Market Procedures covering the procedure change process is complex and difficult to follow. AEMO considers the challenge in understanding the change process has been a long-term issue.
16. To add clarity and to provide a more efficient procedure change process, AEMO has proposed changes to chapter nine to align the process with Part 15B (Procedures) of the National Gas Rules and the Approved Process<sup>11</sup> administered by AEMO under the National Gas Rules.<sup>12</sup> At the same time, AEMO has sought to remove levels of prescription that it considers are unnecessary. Each of these amendments is dealt with in turn below.

## *Alignment with National Gas Rules*

17. The ERA has compared the new procedure change process proposed by AEMO with the process administered under the National Gas Rules.
18. The new procedure change process is substantially the same as the process administered under the National Gas Rules, differing only where the two jurisdictions vary in regulatory requirements.
19. For example, the Western Australian market is regulated and procedure change proposals must be submitted to the ERA for approval under the principal legislation,

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<sup>8</sup> See section 11ZOL(3) of the Act.

<sup>9</sup> See section 11ZOO(2) of the Act.

<sup>10</sup> Section 11ZOP of the Act.

<sup>11</sup> [https://www.aemo.com.au/-/media/Files/Gas/Retail\\_Markets\\_and\\_Metering/Market-Procedures/2016/Approved-Process-Under-Rule-135EC.pdf](https://www.aemo.com.au/-/media/Files/Gas/Retail_Markets_and_Metering/Market-Procedures/2016/Approved-Process-Under-Rule-135EC.pdf)

<sup>12</sup> The procedures are covered under Part 15B of the National Gas Rules:  
<https://www.aemc.gov.au/regulation/energy-rules/national-gas-rules/current>

which is the *Energy Coordination Act (WA) 1994*.<sup>13</sup> The East Coast gas markets are not regulated and AEMO is responsible for making procedures under the National Gas Rules.

20. AEMO has proposed two main changes that align the procedure change process with the Approved Process. These changes, and the ERAs assessment of the changes, are now considered.

## Classification and administration of procedure change proposals

21. In the current process, procedure change proposals are categorised and processed as having a non-substantial impact, a low impact or a high impact.<sup>14</sup> AEMO is proposing to replace this with the requirement for procedure change proposals to be classified as requiring either an expedited process for making procedures or an ordinary process for making procedures.<sup>15</sup>
22. The expedited process is for making procedures that are non-substantial or that cover urgently needed changes to address extreme events. The ordinary process is for changes that don't come under the expedited process. This classification aligns with the classification for making procedures under the National Gas Rules, differing only in its use of the term non-substantial procedure change, which is retained as part of the expedited process for making procedures in the proposed process.
23. Under the National Gas Rules, procedures are described as 'non-material' if they are unlikely to have a significant financial or operational impact on registered participants or Bulletin Board participants.<sup>16</sup> Bulletin Board participants are not defined in the Western Australian Gas Retail Market scheme. Gas Market Participants that provide information to the Western Australian Bulletin Board are defined in the *Gas Services Information Act (2012)*.<sup>17</sup> The use of the term 'non-substantial change,' which does not refer to Bulletin Board members, is therefore appropriate in Western Australia.
24. The existing definition of a non-substantial change does not make reference to the financial impacts of a procedure change on market participants. However, the definition of a non-substantial change specifies a focus on administrative changes and other 'trivial' procedural defects that should not have a material financial impact.<sup>18</sup> The continued use of the classification of procedure change proposals as non-substantial thus aligns with the classification of procedures as non-material under the National Gas Rules.
25. A mitigation mechanism is employed to protect against conflicts of interest in the new process proposed by AEMO. In particular, new procedure 384(2) ensures that

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<sup>13</sup> [https://www.slp.wa.gov.au/legislation/statutes.nsf/main\\_mrtitle\\_299\\_homepage.html](https://www.slp.wa.gov.au/legislation/statutes.nsf/main_mrtitle_299_homepage.html)

<sup>14</sup> See existing procedures 396(5), 396A, 397, 398, 399A and 400.

<sup>15</sup> See National Gas Rules 135EF and 135EE, respectively.

<sup>16</sup> See National Gas Rule 135EF(2)(b).

<sup>17</sup> See clause 3(1):

[https://www.slp.wa.gov.au/pco/prod/filestore.nsf/FileURL/mrdoc\\_23836.pdf/\\$FILE/Gas%20Services%20Information%20Act%202012%20-%20%5B00-b0-05%5D.pdf?OpenElement](https://www.slp.wa.gov.au/pco/prod/filestore.nsf/FileURL/mrdoc_23836.pdf/$FILE/Gas%20Services%20Information%20Act%202012%20-%20%5B00-b0-05%5D.pdf?OpenElement)

<sup>18</sup> See existing procedure 396(2)(a), page 259.

the expedited process is not employed for changes to the proposed procedures for the recovery of AEMO's costs.

## AEMO as a proponent

26. AEMO is seeking to be a proponent of procedure change proposals when it is also responsible for administration of the procedure change process, in which it is a decision making body.<sup>19</sup> AEMO is also required to review the procedures.<sup>20</sup>
27. AEMO is already heavily committed to proposing procedure changes through its administrative role in the development of procedure change proposals.<sup>21</sup> There have been several instances in the past where AEMO has raised gas market issues, from which rule change proposals are developed, at Procedure Change Committee meetings. AEMO lists itself as the proponent for the current procedure change proposal.<sup>22</sup>
28. Changes to the procedures to allow AEMO to be a proponent would bring the procedures into line with what is actually current practice. It would also align with what occurs under the National Gas Rules, where AEMO (or any other person) can propose the making of procedures.<sup>23</sup> However, AEMO does not have a review function under the National Gas Rules.
29. Conflicts of interest may arise where:
  - AEMO decides whether a procedure change proposal is submitted to the ERA for approval. This decision may be influenced if it is the proponent for a change.
  - If AEMO is the proponent of a procedure change proposal, this may conflict with its assessment of whether it provides reasonable consideration of dissenting views about that proposal.
  - AEMO's review of the procedures may be influenced by its roles in proposing, developing and applying for approval of the procedures.
30. There are mitigation measures in place to address these conflicts:
  - Under the *Energy Coordination Act 1994* (the Act), the ERA's approval is required for procedure change proposals.<sup>24</sup> The ERA is an independent body

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<sup>19</sup> AEMO decides whether or not to submit a procedure change proposal to the ERA for approval.

<sup>20</sup> Part 1.6 of the WA Retail Market Procedures requires that in March 2020, or as soon as practicable thereafter, and every fifth anniversary from that date, AEMO must consult with the procedure change committee on whether a review of the procedures is to be undertaken. It can also determine that a review of the procedures is to be undertaken at any other time, at its discretion.

<sup>21</sup> Previously, REMCo was one of the most common proposers of rule changes under the scheme and was heavily involved in the development of rule change proposals. It was convenient to do this. At this time, the Rule Change Committee was also a voting committee and would vote on whether to proceed with rule change proposals. REMCo held only one vote on that Committee and rule change proposals required approval by the ERA.

<sup>22</sup> Market participants had suggested/agreed that the current rule change process was confusing but AEMO reviewed the chapter and put forward the proposed changes to Chapter 9. It then consulted the Procedure Change Committee for feedback on what it had proposed.

<sup>23</sup> See National Gas Rule 135ED.

<sup>24</sup> See Section 11ZOM of the Act



that can approve a proposal, request that it be changed and approve it in a changed form, or refuse to approve it.<sup>25</sup>

- AEMO must consult with the Procedure Change Committee on any scheme amendments and is required to publish all of its applications to the ERA for approval on its website.<sup>26</sup> Market participants have a six-week consultation period to make submissions to the ERA if they disagree with the views presented in AEMO's application for approval, before the ERA makes its decision.<sup>27</sup> Under the Act, to approve a proposal, the ERA must be satisfied that if any market participants have dissented to the proposed procedure change, they have been given a reasonable opportunity to provide reasons for not agreeing and their reasons have been considered.<sup>28</sup>
- New procedure 378 requires that AEMO can only make procedures that ensure the retail gas market operates and is governed in a manner that is consistent with the objectives of the scheme i.e. it is open and competitive, efficient and fair to gas market participants and their customers.<sup>29</sup> It must also ensure compliance with all applicable laws.
- New procedure 380 includes a requirement for a procedure change request from a proponent (including AEMO) to relate specifically to a matter about which the procedures may be made under the Act, removing any concern around AEMO policy matters shaping the procedures.<sup>30</sup>
- AEMO is an independent body with no incentive to apply to the ERA for procedure changes that are either to the benefit or detriment of a particular market participant or that are inconsistent with the objectives of the scheme.
- While it is not a requirement under the procedures, AEMO facilitates a review/prioritisation session with stakeholders to identify potential changes and improvements to the procedures on an annual basis, setting a program of work for the industry for the next 12 months.<sup>31</sup>

### *Removal of unnecessary prescription*

31. The current procedure change process is part of the original version of the procedures that came into operation with the commencement of the gas retail market in 2004. It remained largely unchanged prior to the transition of operation of the scheme by the Retail Energy Market Company to AEMO on 31 October 2016.
32. The ERA has compared the new process proposed by AEMO with the existing procedure change process in Chapter 9 of the Western Australian Gas Retail Market procedures, taking into account changes in the regulatory framework that occurred with the transition of the operation of the market from REMCo to AEMO.

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<sup>25</sup> See sections 11ZOO and 11ZOP of the Act

<sup>26</sup> See proposed procedure 383(3)

<sup>27</sup> This is provided for under proposed procedures 383(4)(a) and 38(5)(a).

<sup>28</sup> See section 11ZOO(2) of the Act.

<sup>29</sup> Consistent with section 11ZOB of the Act.

<sup>30</sup> See section 11ZOG of the Act, which describes the requirements for retail market rules.

<sup>31</sup> The most recent one for WA in 2018 was conducted at the 7 February 2018 Procedure Change Committee meeting.

33. The new process proposed by AEMO is shorter than the existing process.<sup>32</sup> AEMO has proposed five main changes that remove various levels of prescription that it considers are unnecessary, to make the procedure change process simpler. The proposed changes, and the ERA's assessments of these changes, are outlined below.

### **Removal of prescriptive consultation requirements**

34. AEMO considers that the current requirements for consultation with the Procedure Change Committee are unnecessarily repetitious and onerous. It has proposed a new process that it considers involves the same level of Committee input in a way that is more dynamic and efficient and less rigid and time consuming.
35. The Procedure Change Committee was previously the Rule Change Committee, which had voting rights. The level of prescription in the rules ensured that the Rule Change Committee were provided with the administrative support that they needed to be fully informed on voting matters.
36. With the transition to administration of the market by AEMO from REMCo, the Procedure Change Committee took on an advisory role (rather than voting) and AEMO became the decision making body in the procedure change process. The Procedure Change Committee now requires less administrative support.
37. Mitigation mechanisms exist to ensure that an appropriate consultation process still occurs. To ensure that a procedure change proposal that is submitted to the ERA is approved, AEMO is obliged to satisfy the ERA that each person required to be consulted has agreed to the amendment. If any person required to be consulted has not agreed, AEMO must ensure that the person has been given a reasonable opportunity to provide reasons for not agreeing, and that it has considered these reasons.<sup>33</sup>
38. Additionally, as part of the new Impact and Implementation Report consultation process, anyone can make a submission challenging the recommendation. New procedure 383(3) requires that AEMO includes a summary of all comments received, whether the proposed procedures have been amended on the basis of the feedback, and why. This information forms part of the published notice, which may reduce the regulatory effort required by the ERA in determining whether the consultation requirements for approval have been met.

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<sup>32</sup> There are only 10 proposed rules (8 pages) compared to 30 existing rules (16 pages).

<sup>33</sup> See Section 11ZOO(2) of the Act.

## A more inclusive Procedure Change Committee

39. AEMO has proposed removal of the clauses prescribing membership of the Procedure Change Committee<sup>34</sup> from the Retail Market Procedures and a move to an open Committee that includes all interested organisations and stakeholders. It considers that participation in Procedure Change Committee meetings is better described in the Terms of Reference for that Committee and that an inclusive approach allows all parties to voice their acceptance or non-acceptance of issues and initiatives.
40. Previously, when the REMCo Rule Change Committee had voting rights, prescribing membership of the Committee was important to ensuring equal representation by all participant types. With the transition to administration of the market by AEMO, the Procedure Change Committee took on an advisory role, with prescribed membership becoming less important.
41. AEMO considers that the existing Procedure Change Committee membership is limited, as it excludes parties that have a vested interest in the retail market such as pipeline operators and potential new entrants.
42. AEMO has proposed extending consultation to all participants,<sup>35</sup> pipeline operators, prescribed persons<sup>36</sup> and interested persons,<sup>37</sup> as is reasonably required to meet the objectives set out in the procedure change process. This is similar to the Approved Process under the National Gas Rules, which extends membership of the consultative forums to participants and other persons whose interests are directly affected by that market. It ensures that AEMO is held to account and gives reasonable consideration to all party's views.
43. However, it extends what is required for approval under the Act, which is consultation only with specified parties (a gas transmission operator whose pipeline is used to transport gas into that system; and a prescribed person).<sup>38</sup> This may lead to the consideration of issues that are irrelevant to the operation of the scheme for those considered to be affected under the Act.
44. To mitigate this possibility, AEMO has included itself in the definition of an 'interested person' (along with the ERA), so that it is an entity that can decide whether a person has a legitimate interest in the matters being considered or whether its views are inconsequential to a matter.
45. Additionally, new procedure 382(3) includes a provision allowing AEMO to reject a procedure change request without preparing an Impact and Implementation Report if it reasonably considers that the proposed procedures have not been lodged by a participant, pipeline operator, prescribed person or an interested person.

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<sup>34</sup> See, current procedures 383(2), 384 and 385.

<sup>35</sup> Users and network operators.

<sup>36</sup> A person or class of persons to whom the retail market rules apply, including a swing service provider, a shipper and a self-contracting user.

<sup>37</sup> A government representative, the ERA or someone that the ERA considers has a legitimate interest in the matter.

<sup>38</sup> See section 11ZOL(3) of the Act. A prescribed person is a person or class of persons to whom the retail market rules apply, including a swing service provider, a shipper and a self-contracting user.

46. AEMO considers that, as an interested person, it will also be able to decide whether a person claiming to be an interested person can attend a Procedure Change Committee meeting.<sup>39</sup>
47. AEMO has not sought to reduce its own obligations but has extended them to consultation with other parties that have a legitimate interest in the matters being considered by that committee. This may help AEMO to address all relevant matters in submitting a proposal for an amendment to the scheme for approval to the ERA. It may also be useful to the ERA in making its determination.
48. As part of the move to an open Committee and the removal of prescription around Committee membership, AEMO has proposed that existing procedure 384, which indemnifies the ERA's observer against liability when attending Committee meetings,<sup>40</sup> is removed and footnoted in the Committee's Terms of Reference.
49. The Terms of Reference are not subject to approval by the ERA, and this footnote can be removed at AEMO's discretion. However, there is no incentive for AEMO to remove this information and the ERA can direct AEMO to include this information in the scheme if it is removed from the Terms of Reference.<sup>41</sup>
50. Observers from the ERA's Secretariat attend Market Advisory Committee and Gas Advisory Board meetings. The Wholesale Electricity Market rules and the Gas Services Information rules<sup>42</sup> do not contain clauses about the ERA's participation in committee meetings. The observer's participation at meetings is instead prescribed in the constitutions for these committees.<sup>43</sup> Inclusion of the requirements for ERA's participation in Procedure Change Committee meetings in the Term of Reference for this committee, rather than in the WA Gas Retail Market Procedures, is therefore consistent with practice in other markets.

## Removal of five-business day timeframe for acceptance or rejection

51. AEMO has proposed to remove the existing procedures prescribing a five-business day timeframe for acceptance or rejection of a proposal, and to align the procedure with the National Gas Rules, which allow 40 business days for preparation of an Impact and Implementation Report.
52. This addresses AEMO's concerns about there being insufficient time if the procedure change request is complex, technical and business-to-business in nature, involving transactions between a User and Network Operator. AEMO considers that

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<sup>39</sup> Market Participants expressed concern about media representatives attending Procedure Change Committee meetings.

<sup>40</sup> Clause 384(3) notes that "Nothing said, or done, or omitted to be said or done, by the observer referred to under clause 384(2), fetters the approving body's discretion in approving or not approving an endorsed procedure change submitted to the approving body for approval, or otherwise makes the approving body or the State liable in any way to any person including for negligence.

<sup>41</sup> Section 11ZOZ provides for the ERA to direct the members of a retail market scheme to make a specified amendment to the scheme, within a specified time frame, following consultation with the members. Members must comply with this direction. 11ZPA(1)(b) allows the ERA, by notice in writing to the governing body of a scheme, give directions as to the attendance of a nominee of the ERA as an observer at meetings of the governing body.

<sup>42</sup> The main legislative instruments considered by these Committees, respectively.

<sup>43</sup> Observers from the ERA are entitled to speak at meetings but they are not members and do not formally participate in making recommendations. See clauses 3.4 of <https://www.erawa.com.au/cproot/17917/2/MAC%20Constitution%20-%20May%202017.pdf> and <https://www.erawa.com.au/cproot/17915/2/GAB%20Constitution%20-%20May%202017.pdf>

in these circumstances, it is not necessarily best placed to complete the assessment in isolation and may seek input from WA participants who better understand the business to business details to help it determine whether to accept or reject the procedure change request.

53. The 40 business day timeframe for preparation of an Impact and Implementation Report is generally consistent with the current process under existing procedure 393, which required that AEMO draft an Impact and Implementation Report in 20 business days and provide it to the Procedure Change Committee. AEMO was then required to arrange a meeting of the Procedure Change Committee to consider the draft Impact and Implementation Report within a further 20 business days.

## **Removal of appeals process**

54. AEMO is proposing to remove the procedures prescribing an appeals process allowing a proponent to appeal a decision by AEMO to reject a procedure change request.<sup>44</sup> This will align the Western Australian procedures with the procedures under the National Gas Rules, which also do not include an appeals process.
55. AEMO notes that almost every initiative requiring a procedure change is first presented as a Gas Market Issue, allowing a proponent to raise an issue to the Procedure Change Committee as part of a pre-regulatory process. This allows the initiative to be investigated and possible solutions developed by the Procedure Change Committee, with no time restrictions.
56. AEMO considers that the proponent will understand if the initiative is difficult to justify and will or won't be accepted as part of this pre-regulatory process. A proponent will be unlikely to take the matter to a procedure change request if it is difficult to justify and won't be accepted, and the appeals process is therefore unnecessary.
57. The Act also provides an incentive for AEMO to accommodate market participants and to reach a consensus on proposed rule changes. Before approving a proposal, the ERA must be satisfied that if any market participants have dissented to the proposed procedure change, AEMO has provided them a reasonable opportunity to give reasons for not agreeing and has considered their reasons.<sup>45</sup>

## **Extension of consideration of affected persons to include others**

58. Existing procedure 378(2)(d) requires identification of the anticipated effect of the proposed change to the procedures on 'affected persons.' Affected persons are not defined in the Retail Market Procedures or the Act, but the Act implies that affected persons include transmission operators and prescribed persons only.<sup>46</sup>
59. New procedure 379(3)(d) specifies a list of persons for whom the effects must be considered that includes: AEMO, participants, pipeline operators, prescribed persons, interested persons and customers. This places an obligation on AEMO and other proponents to extend consideration of the effects of procedure change

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<sup>44</sup> See existing rule 395.

<sup>45</sup> See section 11ZOO(2) of the Act.

<sup>46</sup> Section 11ZOL(3) of the Act specifically requires that an amendment to the retail market rules is not to be submitted to the Authority for approval unless the members of the scheme have consulted with any of the following who 'would be affected' by the amendment if it is approved – a gas transmission operator whose pipeline is used to transport gas into that system; and a prescribed person.

proposals beyond those who would be affected (as defined under the Act) if the amendment is approved.

60. Nevertheless, this ensures that the effects of a procedure change proposal on all parties are considered in drafting the proposal, creating efficiencies for AEMO and possibly the ERA, which must assess any other matter that it considers relevant to approving an amendment to the scheme.

### *Classification and consultation on review of procedure change process*

61. AEMO submitted the proposed procedure change to the Procedure Change Committee for consideration on 18 October 2017, and it unanimously agreed that the proposed change is a low impact proposal.
62. AEMO published a final Impact and Implementation Report for IN002/17W on its website on 1 December 2017 and invited each participant, pipeline operator, prescribed person and interested person to lodge an objection to the proposed amendment by 15 January 2018. No objections were received by AEMO. AEMO received a submission from AGL supporting the proposed changes.
63. AEMO notified the market that it had submitted the procedure change proposal to the ERA for approval on 25 January 2018 and invited submissions by 8 March 2018. The ERA received no submissions in response to this consultation process.

### *ERA assessment of review of procedure change process*

64. The ERA identified a number of minor grammatical, formatting and administrative errors in the proposed procedures submitted by AEMO. Where an amendment to the scheme is submitted to the ERA, the ERA can request that it be changed and approve it in a changed form. Appendix 1 provides a summary of the errors identified by the ERA and the required amendments for approval. Appendix 2 provides a draft update of the new procedures in track changes, for clarity.
65. The new procedures align, where possible, with the procedures under the National Gas Rules. Levels of prescription that were developed to support a different regulatory framework have now been removed. Where conflicts of interest may arise, mitigation mechanisms exist to address them.
66. The scheme will continue to comply with the Act following implementation of the proposed procedure change. The amendments to the procedure change process to remove unnecessary levels of prescription and to align the process with the process employed under the National Gas Rules will increase the clarity and efficiency of the process and reduce the regulatory effort required in administering it. The amendments will also allow participants to easily participate in different jurisdictions.
67. The required consultation occurred with each person and there has not been any dissent to the amendments. The ERA therefore considers that each person has agreed to the amendments proposed under IN002/17W.
68. The ERA is satisfied that through the amendments proposed under IN002/17W, the provisions of the scheme will continue to ensure regulation of the market and that the market operates in a manner that is open and competitive, efficient, and fair to gas market participants and their customers.



## ***IN003/17W – Identify Previous Retailer of Transfer Request***

69. In the Retail Market procedures, a 'transfer' refers to the handover of responsibility for gas delivery to a delivery point from the previous retailer to an incoming retailer. A transfer is effected by recording the incoming retailer as the current retailer in the AEMO registry.<sup>47</sup> The identity of the previous retailer is not currently recorded.
70. Transfer errors can occur where a customer is transferred to the incorrect retailer or a retailer mistakenly raises a customer transfer request. Labour and time is then required to identify the previous retailer for the incorrectly transferred customers.
71. Procedure change proposal IN003/17W includes changes to the Retail Market Procedures and the Specification Pack that provide for the identification of the retailer who has raised a transfer request and for the identification of the previous retailer in a customer transfer transaction.<sup>48</sup> This information will assist in the rectification of transfer errors.
72. AEMO submitted the proposed procedure change to the Procedure Change Committee for consideration on 18 October 2017, and it unanimously agreed that the proposed change is a low impact proposal.
73. AEMO published a final Impact and Implementation Report for IN003/17W on its website on 1 December 2017 and invited each participant, pipeline operator, prescribed person and interested person to lodge an objection to the proposed amendment by 15 January 2018. No objections were received by AEMO. AEMO received a submission from AGL supporting the proposed changes.
74. AEMO notified the market that it had submitted the procedure change proposal to the ERA for approval on 25 January 2018 and invited submissions by 8 March 2018. The ERA received no submissions in response to this consultation process.
75. The ERA considers that the scheme will continue to comply with the Act following implementation of procedure change proposal IN003/17W. The procedure change will result in a reduction in the labour and time required in identifying and contacting the previous retailer for incorrectly transferred customers and improved communication between market participants affected by transfer errors. It will also benefit incorrectly transferred customers by allowing the error to be corrected quickly following identification of the error.
76. The required consultation occurred with each person and there has not been any dissent to the amendments. The ERA therefore considers that each person has agreed to the amendments proposed under IN003/17W.
77. The ERA is satisfied that through the amendments proposed under IN003/17W, the provisions of the scheme will continue to ensure regulation of the market and that

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<sup>47</sup> See clause 52(a) of the Retail Market Procedures.

<sup>48</sup> The Specification Pack document that will be amended is the Interface Control Document version 4.6. Using the existing CATSNotification, AEMO systems will be modified to identify the retailer who raised the transfer for transactions sent to the current retailer, and the current retailer for transactions sent to the retailer who raised the transfer request. See section 8 [https://www.aemo.com.au/-/media/Files/Gas/Retail\\_Markets\\_and\\_Metering/Market-Procedures/SA\\_and\\_WA/Specification-Pack-2/SAWA-Interface-Control-Documents-v46-Clean.pdf](https://www.aemo.com.au/-/media/Files/Gas/Retail_Markets_and_Metering/Market-Procedures/SA_and_WA/Specification-Pack-2/SAWA-Interface-Control-Documents-v46-Clean.pdf)

market operation is open and competitive, efficient, and fair to gas market participants and their customers.

## Conclusion

78. The ERA considers that the proposed amendments to the scheme in procedure change proposals IN002/17W and IN003/17W meet the requirements for approval in accordance with sections 11ZOO and 11ZOP of the Act. In accordance with section 11ZOM of the Act, the ERA therefore approves the amendments proposed in procedure change proposals IN002/17W and IN003/17W.
79. Approval of the amendments in procedure change proposal IN002/17W is subject to correction of the grammatical and formatting errors identified by the ERA in Appendices 1 and 2 of this decision paper. Approval of the amendment in IN003/17W is as submitted to the ERA by AEMO on 25 January 2018.



## Appendix 1 Summary of grammatical, formatting and administrative errors, with required amendments for approval

Amendments to grammatical and formatting errors are highlighted in the table below in red font.

Two administrative errors that have already been addressed by AEMO and that do not require further amendment are also summarised in the paragraphs following this table.

New Procedure Number	Proposed Text from AEMO	Required Amendment by ERA
379(3)(a)	The <i>procedure change request</i> must include: (a) draft of the proposed <i>procedures</i> .	The <i>procedure change request</i> must include: (a) <b>a</b> draft of the proposed <i>procedures</i> .
380(1)(b)	On receipt of a <i>procedure change request</i> from a <i>proponent</i> , AEMO must undertake an initial assessment of the <i>procedure change request</i> to confirm that:  (b) it relates to a matter about which the procedures may be made under the Energy Coordination Act 1994 (WA); and	On receipt of a <i>procedure change request</i> from a <i>proponent</i> , AEMO must undertake an initial assessment of the <i>procedure change request</i> to confirm that:  (b) it relates to a matter about which the <b>procedures</b> may be made under the Energy Coordination Act 1994 (WA); and
381 Title	Procedure change committee	<b>Procedure change committee</b>
381(3)	The <i>procedure change committee</i> is to advise AEMO and is to assist AEMO in making a determination on the following matters by the date in clause (4):  (a) Its analysis of the costs and benefits (either tangible or intangible) of making the requested <i>procedures</i> ;  (b) Material issues and risks for the implementation of the <i>procedure change request</i> ;  (c) Its analysis of the testing requirements of the <i>procedure change request</i> ;  (d) A recommendation as to whether or not the <i>procedure change request</i> should be implemented, with or without amendments;  (e) Whether the change to be implemented by the <i>procedure change request</i> is considered urgent or non-material and this includes analysis of whether the Ordinary or Expedited <i>procedure change process</i> is to be used for the consultation;	The <i>procedure change committee</i> is to advise AEMO and is to assist AEMO in making a determination on the following matters by the date in clause (4):  (a) <b>its</b> analysis of the costs and benefits (either tangible or intangible) of making the requested <i>procedures</i> ;  (b) <b>material</b> issues and risks for the implementation of the <i>procedure change request</i> ;  (c) <b>its</b> analysis of the testing requirements of the <i>procedure change request</i> ;  (d) <b>a</b> recommendation as to whether or not the <i>procedure change request</i> should be implemented, with or without amendments;  (e) <b>whether</b> the change to be implemented by the <i>procedure change request</i> is considered urgent or non-material and this includes analysis of whether the Ordinary or Expedited <i>procedure change process</i> is to be used for the consultation;

	<p>(f) Whether the change to be implemented by the proposed <i>procedure</i> complies with clause 378;</p> <p>(g) An assessment of when the proposed <i>procedures</i> should take effect; and</p> <p>(h) If the conclusions on the above matters are not unanimous, any dissenting views of <i>procedure change committee</i> members.</p>	<p>(f) <b>whether</b> the change to be implemented by the proposed <i>procedure</i> complies with clause 378;</p> <p>(g) <b>an</b> assessment of when the proposed <i>procedures</i> should take effect; and</p> <p>(h) <b>if</b> the conclusions on the above matters are not unanimous, any dissenting views of <i>procedure change committee</i> members.</p>
381(4)	The consultation on the matters referred to in (3) must conclude by the date that is 10 <i>business days</i> before the expiry of the applicable time limit for preparation of the <i>impact and implementation report</i> by AEMO.	The consultation on the matters referred to in (3) must conclude by the date that is 10 <i>business days</i> before the expiry of the applicable time limit for preparation of the <i>impact and implementation report</i> by AEMO.
382 Title	Impact and Implementation Report	<b>Impact and Implementation Report</b>
382(2)(a)	the proponent and the date of the submission;	the <b>proponent</b> and the date of the submission;
382(2)(c)	the details of the change to the existing procedures including a draft identifying the amendments with marked changes;	the details of the change to the existing <b>procedures</b> including a draft identifying the amendments with marked changes;
382(3)(d)	<p>(3) AEMO may, without preparing an <i>impact and implementation report</i>, reject a <i>procedure change request</i> if AEMO reasonably considers that the proposed <i>procedures</i>:</p> <p>(d) if the person lodging the <i>procedure change request</i> is not a <i>participant, pipeline operator, prescribed person</i> or an <i>interested person</i>.</p>	<p>(3) AEMO may, without preparing an <i>impact and implementation report</i>, reject a <i>procedure change request</i> if AEMO reasonably considers that the proposed <i>procedures</i>:</p> <p>(d) <b>have been lodged by a person that is not a participant, pipeline operator, prescribed person or an interested person.</b></p>
383(3)(c) and (d)	<p>AEMO must publish a decision on its website within 20 <i>business days</i> after the closing date for submissions that:</p> <p>(a) if the decision is to submit the proposed <i>procedures</i> for approval by the <i>approving body</i> where the <i>approving body's</i> approval to <i>procedure change</i> is required by <i>law</i>, include a copy of AEMO's submission to the <i>approving body</i> that specifies the day on which AEMO proposes the <i>procedures</i> are to take effect</p> <p>(b) If the decision is against submitting the proposed <i>procedures</i> to the <i>approving body</i> - states that the <i>procedure change request</i> has been rejected and gives reasons for its rejection.</p>	<p>AEMO must publish a decision on its website within 20 <i>business days</i> after the closing date for submissions that:</p> <p>(a) <b>include a copy of AEMO's submission to the approving body that specifies the day on which AEMO proposes the procedures are to take effect, if the decision is to submit the proposed procedures for approval by the approving body where the approving body's approval to procedure change is required by law.</b></p> <p>(b) <b>states that the procedure change request has been rejected and gives reasons for its rejection, if the decision is against submitting the proposed procedures to the approving body.</b></p>

384(2)	The expedited process is not applicable if the proposed <i>procedures</i> relates to clause 362A.	The expedited process is not applicable if the proposed <i>procedures</i> <b>relate</b> to clause 362A.
384(4)(b)	After the closing date for submissions, AEMO must publish a decision on its website that:  (b) amend the proposal for submission for approval by the <i>approving body</i> and, subject to approval of the <i>approving body</i> , confirm the proposed effective date or defer the proposed effective date to a later date specified in the notice; or	After the closing date for submissions, AEMO must publish a decision on its website that:  (b) <b>amends</b> the proposal for submission for approval by the <i>approving body</i> and, subject to approval of the <i>approving body</i> , <b>confirms</b> the proposed effective date or <b>defers</b> the proposed effective date to a later date specified in the notice; or
385(1)	AEMO may, by notice published on its website, extend a time limit fixed by or under this chapter if	<b>AEMO</b> may, by notice published on its website, extend a time limit fixed by or under this chapter if
387 Title	<b>Amendment of documents relating to the procedures</b>	<b>Amendment of documents relating to the <b>procedures</b></b>

## Administrative errors

Initially, new procedure 382(6) noted that if AEMO is the proponent, subclauses (1), (3) to (5) do not apply. If AEMO is the proponent and subclause (1) does not apply, unlike other participants, AEMO would not be required to prepare an Impact and Implementation Report for its procedure change requests. AEMO's procedure change requests would not be subject to the same rigour required for development of other procedure change proposals. This would be inconsistent with what is required under National Gas Rule 135ED.

Additionally, procedure 385(1)(a) contained wording that was inconsistent with earlier drafts of the Impact and Implementation Report, without explanation provided for why the wording had changed. It appeared that 385(1)(a) had accidentally been replaced with the wording in subclause 386(1)(a) in the final Impact and Implementation Report and the application to the ERA.

An Email was sent to AEMO requesting clarification as to whether these were intended amendments to the scheme or administrative errors in the development of AEMO's application to the ERA. Correspondence from AEMO on 6 March 2018 indicated that it had made errors. AEMO provided revised Attachments "A" and "I" to its submission to the ERA for approval, correcting these errors.

New procedure 382(6) now reads: "...if AEMO is the proponent, subclauses ~~(1), (3) to (5)~~ **(3) to (5)** do not apply."

AEMO also confirmed that 385(1)(a) should say: "~~notify all participants, pipeline operators, prescribed persons and interested persons; and~~ **the relevant procedure change request raises questions of such complexity or difficulty that an extension of the time limit is justified; or...**"

## Appendix 2: Draft of proposed procedures amended for grammatical, formatting and administrative errors

The extract of Chapter 9 from the Retail Market Procedures presented below has been cut and pasted directly from a word version of the Western Australian Gas Retail Market Procedures provided to the ERA by AEMO.

### Chapter 9 – Procedure change process

{Note 1: This Chapter sets out the procedure change process, however ancillary documents to the *procedures*, some of which are set out in the Appendices, can be amended outside of this procedure change process, as set out in clause 16.}

#### 378. Preconditions for making *procedures*

- (1) *AEMO* may only make *procedures* if *AEMO* is satisfied that the *procedures* are consistent with the following objectives:
  - (a) to ensure that the retail gas market operates and is governed in a manner that is:
    - (i) open and competitive; and
    - (ii) efficient; and
    - (iii) fair to *participants* and their *customers*; and
  - (b) to ensure compliance with all applicable *laws*; and
  - (c) to ensure consultation with all *participants*, *pipeline operators*, *prescribed persons* and *interested persons* as is reasonably required to meet the objectives set out in this *procedure*.

#### 379. Proposal for making *procedures*

- (1) *AEMO*, a *participant*, *pipeline operator*, *prescribed person* or *interested person* may propose the making of *procedures*.
- (2) A proposal for the making of *procedures* must be in the format approved and published by *AEMO* (***procedure change request***).
- (3) The *procedure change request* must include:
  - (a) a draft of the proposed *procedures*;
  - (b) a description of, and an explanation of the reasons for, the proposed *procedures*;
  - (c) except where *AEMO* makes a *procedure change request*, the *GBO identification* or the identity (as applicable) of the person lodging the proposal;

- (d) the anticipated impact of the proposed change to the *procedures* on *AEMO, participants, pipeline operators, prescribed persons, interested persons and customers*; and
  - (e) the proposed time frame for implementation of the proposed change to the *procedures*.
- (4) Within 2 *business days* after receiving a *procedure change request*, *AEMO* must notify the *proponent* confirming that the *procedure change request* was received.

### **380. Initial assessment of *procedure change request***

- (1) On receipt of a *procedure change request* from a *proponent*, *AEMO* must undertake an initial assessment of the *procedure change request* to confirm that:
- (a) it complies with the requirements of clause 379 (2) and (3) ; and
  - (b) it relates to a matter about which the *procedures* may be made under the Energy Coordination Act 1994 (WA); and
  - (c) there is no other reason for *AEMO* to reject the *procedure change request*.
- (2) If a *procedure change request* complies with the requirements of clause 379 (2) and (3) and has not been rejected by *AEMO* under clause 382 (3), or if *AEMO* itself formulates a *procedure change request*, *AEMO* must:
- (a) consider whether, in accordance with clause 385, the time limit for the preparation of an *impact and implementation report* ought to be extended; and
  - (b) publish the *procedure change request* on *AEMO*'s website.

### **381. *Procedure change committee***

- (1) *AEMO* must establish a *procedure change committee* in respect of the WA gas retail market.
- (2) The *procedure change committee* will examine the *procedure change request* and may nominate specialist working groups for this purpose.
- (3) The *procedure change committee* is to advise *AEMO* and is to assist *AEMO* in making a determination on the following matters by the date in clause (4):
- (a) its analysis of the *costs* and benefits (either tangible or intangible) of making the requested *procedures*;
  - (b) material issues and risks for the implementation of the *procedure change request*;

- (c) its analysis of the testing requirements of the *procedure change request*;
  - (d) a recommendation as to whether or not the *procedure change request* should be implemented, with or without amendments;
  - (e) whether the change to be implemented by the *procedure change request* is considered urgent or non-material and this includes analysis of whether the Ordinary or Expedited *procedure change* process is to be used for the consultation;
  - (f) whether the change to be implemented by the proposed *procedure* complies with clause 378;
  - (g) an assessment of when the proposed *procedures* should take effect; and
  - (h) if the conclusions on the above matters are not unanimous, any dissenting views of *procedure change committee* members.
- (4) The consultation on the matters referred to in (3) must conclude by the date that is 10 *business days* before the expiry of the applicable time limit for preparation of the *impact and implementation report* by AEMO.
- (5) Membership to the *procedure change committee* is to be open to *participants, pipeline operators, prescribed persons* and *interested persons* and will be administered on such terms of reference as are required for its roles under this consultation process and the membership under this clause (5).
- (6) If a person provides information about the *costs* or *benefits* of a *procedure change request* that the person identifies as confidential, AEMO must keep that information confidential provided that AEMO may use such information for the purposes of the *impact and implementation report* or any decision under these *procedures* but may only disclose that information in a manner that does not identify the person to whom the information relates.

### **382. *Impact and Implementation Report***

- (1) Within 40 *business days* of formulating, or receiving from some other *proponent*, a *procedure change request* for the making of *procedures*, AEMO must prepare an *impact and implementation report*.
- (2) The *impact and implementation report* must include the following in relation to the *procedure change request*:
  - (a) the *proponent* and the date of the submission;
  - (b) the basis and rationale for the proposed *procedures*;
  - (c) the details of the change to the existing *procedures* including a draft identifying the amendments with marked changes;



- (d) overall cost/benefit (tangible/intangible) analysis and/or the overall cost estimates of the proposal;
  - (e) the likely implementation effect of the proposal on any identified parties;
  - (f) a recommendation on whether the proposed *procedures* should be made, with or without amendments;
  - (g) a recommendation on whether the expedited consultation process as described in clause 384, or ordinary consultation process, as described in clause 383, should be used; and
  - (h) if applicable, a proposed effective date that the proposed *procedures* should take effect.
- (3) *AEMO* may, without preparing an *impact and implementation report*, reject a *procedure change request* if *AEMO* reasonably considers that the proposed *procedures*:
- (a) lie beyond *AEMO*'s power to make *procedures*; or
  - (b) are similar to *procedures* proposed, but rejected, in the previous 12 months;
  - (c) are misconceived or lacking in substance; or
  - (d) have been lodged by a person that is not a *participant*, *pipeline operator*, *prescribed person* or an *interested person*.
- (4) If *AEMO* decides to reject a *procedure change request* under subclause (3), *AEMO* must:
- (a) give the *proponent* written *notice* of the decision and the reasons for it; and
  - (b) publish the decision and the reasons for it on *AEMO*'s website.
- (5) If a *proponent* withdraws its *procedure change request* for the making of *procedures*, the process for making the *procedures* lapses unless *AEMO* decides to adopt the *procedure change request*.
- (6) If *AEMO* is the *proponent*, subclauses 0 to (5) do not apply.

### 383. Ordinary process for making *procedures*

This clause describes the ordinary process for making *procedures*.

#### **Note:**

This clause represents the minimum requirements to which *AEMO* is subject. *AEMO* is not prevented from seeking useful commentary on the proposal by other means and from other sources.

- (1) *AEMO* must publish on its website a *consultation notice*:
  - (a) including the *impact and implementation report*; and
  - (b) inviting *participants, pipeline operators, prescribed persons* and *interested persons* to submit written comments on the *impact and implementation report* to *AEMO* on or before a date (which must be at least 20 *business days* after the date of the *consultation notice*) specified in the *consultation notice*.
- (2) The *consultation notice* under subclause (1) must be published no more than 10 *business days* after completion of the *impact and implementation report*.
- (3) *AEMO* must publish a decision on its website within 20 *business days* after the closing date for submissions that:
  - (a) summarises any comments received on the *impact and implementation report*; and
  - (b) sets out the proposed *procedures* and, if they have been revised in the light of the comments received, describes how and why they have been revised; and
  - (c) include a copy of *AEMO*'s submission to the *approving body* that specifies the day on which *AEMO* proposes the *procedures* are to take effect, if the decision is to submit the proposed *procedures* for approval by the *approving body* where the *approving body*'s approval to *procedure* change is required by *law*.
  - (d) states that the *procedure change request* has been rejected and gives reasons for its rejection, if the decision is against submitting the proposed *procedures* to the *approving body*.
- (4) If the decision is to submit the proposed *procedures* for approval by the *approving body* where the *approving body*'s approval to *procedure* change is required by *law*, *AEMO* must:
  - (a) subject to any requirements of the *approving body* otherwise, provide each *participant, pipeline operator, prescribed person*, and *interested person* with the following information:
    - (i) instructions on how *participants, pipeline operators, prescribed persons* and *interested persons* can make a submission on the proposed *procedures* to the *approving body*; and
    - (ii) the closing date for submissions to the *approving body* by *participants, pipeline operators, prescribed persons* and



*interested persons*, which must be at least 10 *business days* after the publication of the decision on AEMO's website; and

- (b) submit the proposed *procedures* to the *approving body*.
- (5) In determining whether or not to submit the proposed *procedures* to the *approving body* under this clause, AEMO:
  - (a) must take into account all relevant and material comments that it receives by the closing date for comments; and
  - (b) may, but is not required to, take into account any comments that it receives after that date.

### 384. Expedited process for making *procedures*

This clause describes the expedited process for making *procedures*.

#### **Note:**

This clause represents the minimum requirements to which AEMO is subject. AEMO is not prevented from seeking useful commentary on the proposal by other means and from other sources

- (1) The expedited process is applicable if AEMO considers that :
  - (a) the *procedures* are urgently necessary:
    - (i) to ensure the proper operation of the retail gas market; or
    - (ii) to ensure an adequate supply of natural gas; or
    - (iii) to ensure an appropriate response to an emergency; or
  - (b) the *procedures* are non-substantial (i.e. a change to the *procedures* that is being considered has a non-substantial impact if it has no effect on the operations of AEMO, *participants*, *interested persons* or *prescribed persons* and merely corrects typographical errors, grammatical errors, cross-referencing errors or other similar trivial defects in the *procedures*).
- (2) The expedited process is not applicable if the proposed *procedures* relate to clause 362A.
- (3) If the expedited process is applicable to a *procedure change request*, AEMO must, within 10 *business days* after completing an *impact and implementation report*, publish on its website a *consultation notice*:
  - (a) including the *impact and implementation report*; and
  - (b) stating that AEMO considers the expedited *procedure* applicable to the making of the *procedures*; and

- (c) inviting *participants, pipeline operators, prescribed persons and interested persons* to submit written comments on the *impact and implementation report* to AEMO on or before a date (which must be at least 15 *business days* after the date of the *consultation notice*) specified in the *consultation notice*; and
  - (d) proposing a date on which the proposed *procedures* take effect.
- (4) After the closing date for submissions, AEMO must publish a decision on its website that:
  - (a) confirms the proposal for submission for approval by the *approving body* and, subject to approval of the *approving body*, confirm the proposed effective date or defer the proposed effective date to a later date specified in the notice; or
  - (b) amends the proposal for submission for approval by the *approving body* and, subject to approval of the *approving body*, confirms the proposed effective date or defers the proposed effective date to a later date specified in the notice; or
  - (c) defers a decision on the *procedure change request* and provides for further consultation before a final decision on the *procedure change request* is made; or
  - (d) withdraws or rejects the *procedure change request*.
- (5) If AEMO confirms the proposed *procedures* for submission for approval by the *approving body* where the *approving body's* approval to the proposed *procedures* is required by law, AEMO must:
  - (a) subject to any requirements of the approving body otherwise, provide each *participant, pipeline operator, prescribed person, and interested person* with the following information;
    - (i) instructions on how *participants, pipeline operators, prescribed persons and interested persons* can make a submission on the proposed *procedures* to the *approving body*; and
    - (ii) the closing date for submissions to the *approving body* by *participants, pipeline operators, prescribed persons and interested persons*, which must be at least 10 *business days* after the publication of the decision on AEMO's website; and
  - (b) submit the proposed *procedures* to the *approving body*.

### 385. Time limits

- (1) AEMO may, by notice published on its website, extend a time limit fixed by or under this chapter if:

- (a) the relevant *procedure change request* raises questions of such complexity or difficulty that an extension of the time limit is justified; or
  - (b) a material change of circumstances occurs justifying the extension of the time limit.
- (2) A notice published under subclause (1) must state the reasons for the extension.

**386. Approval**

- (1) Upon notification from the *approving body* that the proposed *procedures* have been approved, *AEMO* must as soon as reasonably practicable:
  - (a) notify all *participants, pipeline operators, prescribed persons and interested persons*; and
  - (b) publish the updated *procedures* on its website.
- (2) *Procedures* that have been approved by an *approving body* take effect at a time specified by the *approving body*.

**387. Amendment of documents relating to the *procedures***

- (1) *AEMO* must ensure that as a result of any proposed *procedures* taking effect under clause 386(2) that any subsidiary document that relates to, or is affected by, the *procedures*, is updated and amended accordingly and *AEMO* must notify all affected persons of any amendment made.
- (2) *AEMO* may determine such guidelines and processes necessary to give effect to its obligation in clause 387(1).