

# Decision on gas retail market scheme procedure change proposals IN006/18W and IN003/19W

Submitted by the Australian Energy Market Operator

July 2020

Economic Regulation Authority

WESTERN AUSTRALIA

D216290

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## Contents

<b>Decision .....</b>	<b>1</b>
1.1 Background .....	2
1.2 Legislative requirements for the ERA's approval .....	2
1.3 Discussion .....	4
1.3.1 Proposal 1 – IN006/18W – Requirement to delete explicit informed consent.....	4
1.3.2 Proposal 2 – IN003/19W – Holistic tidy-up of the Retail Market Procedures (WA).....	10

### List of appendices

<b>Appendix 1 Timeline of consultation process .....</b>	<b>12</b>
<b>Appendix 2 Submissions received.....</b>	<b>14</b>
<b>Appendix 3 ERA amendments to procedure change proposal IN006/18W.....</b>	<b>15</b>
<b>Appendix 4 Summary of proposed changes in IN003/19W .....</b>	<b>17</b>

## Decision

On 18 May 2020, the Economic Regulation Authority received a submission from the Australian Energy Market Operator (AEMO) seeking approval for amendments to the gas retail market scheme in procedure change proposals IN006/18W and IN003/19W.

Pursuant to section 11ZOM(b) of the *Energy Coordination Act 1994* (WA), the ERA requests that the procedure change proposal IN006/18W be amended according to Appendix 3 of this decision paper. The ERA approves the amendments once these changes have been made.

Pursuant to section 11ZOM(a) of the *Energy Coordination Act 1994* (WA), the ERA approves the amendments in procedure change proposal IN003/19W as submitted by AEMO.

## Reasons

### 1.1 Background

The Western Australian gas retail market scheme covers the gas distribution systems operated by ATCO Gas Australia Pty Ltd and has the following elements:

- The WA Gas Retail Market Agreement, which is the agreement between AEMO and gas market participants.
- AEMO, which is the retail market operator.
- The Retail Market Procedures (WA), which are the retail market rules that govern the major interactions between gas market participants in the gas retail market.

The Retail Market Procedures also require all market participants to comply with:

- The Specification Pack, which is a suite of documents supporting the operation of the Retail Market Procedures.
- The Full Retail Contestability (FRC) Hub Operational Terms and Conditions, which govern the communication protocol within the information system provided by AEMO, known as the FRC Hub.<sup>1, 2</sup>

### 1.2 Legislative requirements for the ERA's approval

The *Energy Coordination Act 1994* (WA) outlines the obligations on the ERA in approving a procedure change proposal.

Section 11ZOL of the *Energy Coordination Act 1994* (WA) stipulates that:

- (1) The members for the time being of an approved retail market scheme may —
  - a) prepare an amendment to the scheme; and
  - b) submit the amendment to the Authority for approval.
- (2) An amendment to a retail market scheme is not to be submitted under subsection (1) unless the provisions of the scheme relating to proposals for amendment of the scheme have been complied with.
- (3) An amendment to the retail market rules made as part of a scheme for a distribution system is not to be submitted under subsection (1) unless the members of the scheme have consulted in relation to the amendment with any of the following who would be affected by the amendment if it is approved —
  - a) a gas transmission operator whose pipeline is used to transport gas into that system; and
  - b) a prescribed person within the meaning in section 11ZOD(1)(b).
- (4) Consultation is required under subsection (3) with a person referred to in subsection (3)(b) only to the extent that the person —

<sup>1</sup> Section 11ZOF(1) of the *Energy Coordination Act 1994* (WA) stipulates that “a retail market scheme for a distribution system is to consist of one or more agreements made between persons who are gas market participants in relation to that system; a formal entity to provide the structure through which the scheme is administered; and a set of retail market rules”.

<sup>2</sup> Market participants include users (i.e. retailers) and the network operator (currently ATCO Gas Australia).

- a) is required by the regulations to be consulted under that subsection; or
  - b) meets any criteria in relation to the requirement for consultation that are prescribed for the purposes of this paragraph.
- (5) In this section and in section 11ZOM — **amendment** includes a replacement for the whole or part of the retail market scheme.

Section 11ZOB of the Act stipulates the purpose of the retail market scheme:

The purpose of a retail market scheme for a distribution system is to ensure that the retail gas market that is supplied through that 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>3</sup>

Section 11ZOM of the Act stipulates the options the ERA has to approve the amendment:

Where an amendment is submitted under section 11ZOL, the Authority is to, in accordance with sections 11ZOO and 11ZOP —

- a) approve it;
- b) request that it be changed and approve it in a changed form; or
- c) refuse to approve it.<sup>4</sup>

Section 11ZOO of the Act stipulates that:

The Authority may approve an amendment to a retail market scheme under section 11ZOM only if the Authority is satisfied that —

- a) if the amendment is made the provisions of the scheme —
  - i) will comply with this Act; and
  - ii) be suitable for the purposes of section 11ZOB;
- b) any other principle, criterion or requirement that is prescribed for the purposes of this paragraph has been met.

The Authority may approve an amendment to any retail market rules under section 11ZOM only if the Authority is satisfied that the consultation required by section 11ZOL(3) 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>5</sup>

Section 11ZOP of the Act stipulates the other matters the ERA must consider when making its decision:

The Authority is also to have regard to —

- a) any principles, criteria or requirements that are prescribed for the purposes of this paragraph; and

<sup>3</sup> Ibid, s11ZOB.

<sup>4</sup> Ibid, s11ZOM.

<sup>5</sup> Ibid, s11ZOO.

- b) such other matters as the Authority considers relevant,  
when determining whether or not to give an approval under section 11ZOM.<sup>6</sup>

On 18 May 2020, AEMO sought approval for two proposals to amend the gas retail market scheme, with the changes to take effect on 28 August 2020.<sup>7</sup>

- Proposal 1 (IN006/18W) removes the requirement for a user (retailer) to delete all records obtained through a customer's explicit informed consent when the consent no longer applies.
- Proposal 2 (IN003/19W) makes editorial and minor process improvement changes to the procedures.

AEMO asked the ERA to publish its approval in the Western Australian Government Gazette by 1 August 2020. This will allow AEMO adequate time to inform market participants and publish amended Retail Market Procedures by 28 August 2020.

## 1.3 Discussion

### 1.3.1 *Proposal 1 – IN006/18W – Requirement to delete explicit informed consent*

This proposal removes the requirement to delete information obtained through explicit informed consent from clauses 55A(3), 72(4) and 166A(3) of the Retail Market Procedures.

According to the Retail Market Procedures, a customer's consent will be considered explicit informed consent if the consent is given:

- a) expressly; and
  - b) orally or in writing; and
- (1) after the user has in plain language appropriate to that customer disclosed all matters materially relevant to the giving of the consent, including each specific purpose for which the consent will be used; and
  - (2) by a person competent to or authorise to give it on the customer's behalf.<sup>8</sup>

Clauses 55A(3), 72(4) and 166A(3) of the Retail Market Procedures currently require retailers to delete information relating to a customer's account when the customer's explicit informed consent no longer applies. This occurs when a customer explicitly withdraws their consent or if the consent is made redundant because the action for which the consent was obtained has been wholly undertaken and completed.

AEMO's proposal would remove the obligation on retailers to delete the information, instead requiring retailers to use the information only for "purposes required by these procedures or required by law."<sup>9</sup>

<sup>6</sup> Ibid, s11ZOP.

<sup>7</sup> AEMO, 2020, *Application to the ERA for Procedure Changes IN006/18W and IN003/19W*, ([online](#)).

<sup>8</sup> Retail Market Procedures (WA), 20 September 2019, Appendix 6.

<sup>9</sup> The current and proposed drafting of the clause is available in Attachment A of AEMO's application, pp 3-4. ([online](#)).

Based on its consultation with market participants, AEMO provided two main reasons for these amendments:

- The current requirement was impractical as retailer IT systems were built to maintain data integrity and archive out-of-date or closed account data, rather than delete it.
- When the information obtained by explicit informed consent was deleted, the retailer had no records to provide to the Energy and Water Ombudsman in the event of a dispute or in the annual audit of retailers' compliance with clauses that place an obligation on retailers to obtain customer explicit informed consent.<sup>10</sup>

AEMO stated that the amendments would have a range of benefits for market participants, including:

- Retailers would have complete and historical customer records to more efficiently address customer disputes.
- Retailers would be able to better conduct a full end-to-end audit to fulfil their annual audit obligations.<sup>11</sup>
- There would be a reduction in the workload that arose when retailers deleted customer records and then required AEMO and/or the network operator's assistance to obtain information previously provided.
- There would be improvements to how queries between retailers and the network operator were managed in instances where incorrect data was stored and subsequently deleted.

On 14 October 2019, AEMO classified this proposal as having a "non-substantial" effect on business processes, IT systems and consumer protection mechanisms under the procedures.<sup>12,13</sup> Participants supported the classification proposed. AEMO and retailers will need to make only minor system changes to implement the amendments.

### 1.3.1.1 Consultation process

AEMO has completed the consultation process required by the Retail Market Procedures and the Act. There was no objection to AEMO's proposed amendments. In the absence of any submissions opposing the amendment, the ERA accepts that each person who is required to agree with the amendments set out in IN006/18W, has agreed and that the requirements under section 11ZOO(2) of the Act have been satisfied.<sup>14</sup>

<sup>10</sup> Retailers must appoint an auditor to conduct an annual negative assurance audit of the retailer's compliance with clauses that place an obligation on retailers to obtain customer explicit informed consent. Retail Market Procedures (WA), 20 September 2019, Clause 350.

<sup>11</sup> Ibid.

<sup>12</sup> 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. Retail Market Procedures (WA), 20 September 2019, Clause 384(1)(b).

<sup>13</sup> AEMO, 2019, *IN006/18W Procedure Change Request*, p. 3, ([online](#)).

<sup>14</sup> The persons that are required to be consulted are gas transmission operator and prescribed persons, which include swing service provider, shipper and self-contracting user. *Energy Coordination Act 1994* (WA), ss11ZOM, 11ZOL(3), 11ZOO(2).



Origin Energy first raised this proposal in 2018 and the Gas Retail Consultative Forum members prioritised it as an action matter in the annual Western Australian prioritisation session in February 2019.<sup>15</sup>

In October 2019, AEMO released the Procedure Change Request for consultation and received two submissions, from Alinta Energy and Origin Energy. AEMO incorporated this feedback, refined the proposal and subsequently released the Impact and Implementation Report (IIR) for consultation in November 2019. AEMO did not receive any submissions on the IIR.

AEMO's formal consultation process concluded in December 2020 when AEMO published a notice of its decision to submit the proposal to the ERA for approval.<sup>16</sup> On 18 May 2020, AEMO notified the market that it had submitted the procedure change proposal to the ERA for approval and invited further submissions from each participant, pipeline operator, prescribed person and interested person by 30 June 2020. The ERA received one submission from AGL Energy, which supported this proposal.

The timeline of the proposal's progress is summarised in Appendix 1.

### 1.3.1.2 The ERA's assessment

To approve an amendment, the ERA must be satisfied that the retail market scheme will:

- comply with the Act
- ensure that the retail gas market is regulated and operates in a manner that is:
  - open, competitive and efficient
  - fair to gas market participants and their customers.

To make its decision, the ERA has considered the implications for both market participants and their customers.

For the reasons set out below, the ERA requests that the procedure change proposal IN006/18W be changed according to Appendix 3 of this decision paper. The ERA approves the amendments in this changed form.<sup>17</sup> The ERA is satisfied that these amendments do not remove or diminish the information and privacy protection offered to consumers and that there are sufficient enforcement provisions in place to investigate non-compliance with the clauses.

#### **Effect on gas retail market participants**

The ERA is satisfied with the reasoning in AEMO's proposal that this amendment will promote competition and efficiency for participants in the gas retail market.

Retailers will no longer be obliged to delete information obtained through a customer's explicit informed consent when the consent no longer applies. Retailers will be better able to respond to customer complaints and have appropriate records to provide in cases of disputes or Ombudsman cases, improving outcomes for customers. The amendments will require minor

<sup>15</sup> Gas Retail Consultative Forum, 19 February 2019, 'Item 6. WA Prioritisation Session', *Final Minutes – Gas Retail Consultative Forum Meeting 128*, ([online](#)).

<sup>16</sup> AEMO, 2019, *Notice of Decision – IN006/18W*, ([online](#)).

<sup>17</sup> Where an amendment to the gas retail market scheme is submitted to the ERA, the ERA can request that it be changed and approve it in a changed form. *Energy Coordination Act 1994* (WA), s11ZOM(b).

changes to IT systems, the implementation costs of which will be outweighed by increased efficiencies in business processes from accurate record keeping.

### ***Effect on gas retail market customers***

To ensure that there is sufficient regulatory oversight and to safeguard customer protection mechanisms in the procedures, the ERA has redrafted clauses 55A, 72(4) and 166A(3) (detailed in Appendix 3). The ERA's decision to amend the proposal is based on its assessment of the following concerns about the effect of the proposal on gas retail customers.

### ***Applicable consumer information***

A customer's explicit informed consent would cease to apply when:

- It is explicitly withdrawn by the customer. For example, the customer may no longer consent to providing the information because they have switched retailers.
- The action for which the consent was obtained has been wholly undertaken and completed, thus rendering the consent redundant. For example, if a customer had provided explicit informed consent for a retailer to obtain historic metering data from the network operator, their consent extends to all actions the retailer would need to undertake to obtain the information from the network operator. Once the retailer has obtained the historic metering data, the action for which the consent was obtained has been completed, and therefore the consent is no longer required and would cease to apply.

Under the current Retail Market Procedures, if a customer's explicit informed consent no longer applies, the retailer is required to delete customer information obtained through consent after two years.<sup>18</sup> Under the proposed Retail Market Procedures, retailers would no longer be required to delete customer information when consent no longer applies, which would result in a customer's information being available in the user's database indefinitely. The information referred to in clauses 55A(3), 72(4) and 166A(3) of the Retail Market Procedures relates specifically to:

- The historical AEMO standing data for a customer's delivery point.
- The Meter Installation Registration Number (MIRN) standing data for a customer's delivery point.
- The historical metering data or historical meter data held by the network operator for a customer's delivery point.<sup>19,20,21</sup>

<sup>18</sup> A retailer must create a record of each explicit informed consent received and maintain the record for at least two years from the date of receipt. Retail Market Procedures (WA), 20 September 2019, Appendix 6.

<sup>19</sup> Historical AEMO standing data includes the MIRN; MIRN status, the first date on which the MIRN became commissioned; the GBO Identification of the current user, ROLR and network operator; whether the delivery point is equipped with an interval meter or a basic meter; the gas zone; whether or not the customer at the delivery point is a small use customer; the last date of modification; and the last person to initiate a modification to the AEMO registry for the MIRN. Ibid, Clauses 2, 55A(1), 20(1).

<sup>20</sup> MIRN standing data includes the MIRN; discovery address; meter number; the reading day number for a meter number; the gas zone code; the distribution code to which that delivery point is assigned; and the MIRN status. Ibid, Clauses 2, 72(1), 58.

<sup>21</sup> Historic metering data and historic meter reading data includes the MIRN; meter type; dates of the previous and current meter reading; current and previous index reading; pressure correction factor; energy value type; heating value; energy value; next scheduled meter reading date. Ibid, Clauses 2, 160, 166A(1).

**“Use” of information**

The Retail Market Procedures allow retailers to use information that has been obtained by a customer’s explicit informed consent only for the explicit purpose that the consent was provided. For example, a customer may provide explicit informed consent for a retailer to obtain their historical metering data from the network operator.

The Retail Market Procedures prohibit retailers from using customer information obtained through a customer’s explicit informed consent when the consent ceases to apply. An example of the “use” of information that is prohibited is if a retailer intentionally disclosed the information to a third party for a purpose that was not explicitly consented to. For example, this might occur if a retailer disclosed a customer’s historic meter data to a third party for the purpose of a marketing campaign, and the customer did not provide explicit informed consent for their information to be used for this purpose.

However, in its current drafting, the Retail Market Procedures do not prohibit the unintentional or accidental disclosure of customer information. For example, this might occur if a retailer had requested Customer A’s historic meter data from the network operator, and the network operator accidentally disclosed Customer B’s historic meter data.

The ERA has redrafted clauses 55A, 72(4) and 166A(3) to explicitly prohibit both the use and the disclosure of information. This is also consistent with the Australian Privacy Principles which separately consider the “use” and “disclosure” of information.<sup>22</sup>

**Timing of the provision and withdrawal of explicit informed consent**

Any amendment to the Retail Market Procedures does not apply retrospectively, unless explicitly stated otherwise. Once the proposed amendments to clauses 55A, 72 and 166A of the Retail Market Procedures are approved and gazetted, information obtained prior to the date of commencement will be treated differently to information obtained after the date of commencement. Retailers will be required:

- For information obtained before the date of commencement, to delete the information once consent no longer applies, in the manner previously required.
- For information obtained on or after the date of commencement, to not delete the information once consent no longer applies.

The ERA has redrafted clauses 55A, 72(4) and 166A(3) to explicitly refer to any “future or incidental purpose not expressly consented to” so as not to render past consented acts invalid if a customer’s explicit informed consent ceases to apply. For example, if, in the past, a customer had provided explicit informed consent and information was validly disclosed, that disclosure would not become invalid when the customer later withdrew their consent.

**Greater clarity**

Under the current drafting of clauses 55A, 72(4) and 166A(3), retailers are prohibited from using the customer’s information “for any purpose” when the customer’s consent ceases to apply and must “to the extent reasonably practicable delete all copies of the information.” The amendments proposed by AEMO require retailers to not use the information for any purpose

<sup>22</sup> The Australian Privacy Principles are the cornerstone of the privacy protection framework in the *Privacy Act 1988* (Cth). An entity ‘uses’ information where it handles or undertakes an activity with the information, within the entity’s effective control. An entity ‘discloses’ information where it makes it accessible to others outside the entity and releases the subsequent handling of the information from its effective control. Office of the Australian Information Commissioner, 2019, ‘Chapter 6. Australian Privacy Principle 6 – Use or disclosure of personal information’, *Australian Privacy Principles Guidelines*, ([online](#)).

“other than purposes required by the procedures or required by law.” For clarity, the ERA has redrafted the clause to prohibit retailers from using or disclosing information “unless permitted by these procedures or any other applicable law.”

The primary reason that the Retail Market Procedures permit a retailer to use or disclose information is the audit obligations discussed in section 1.3.1 above. Retailers must appoint an auditor to conduct an annual audit of the retailer’s compliance with clauses relating to explicit informed consent.

Any legislative instrument that imposes an obligation on retailers regarding information obtained by explicit informed consent would be permitted by the Retail Market Procedures. For example, this might occur if a retailer is required to provide information to a regulator under section 51 of the *Economic Regulation Authority Act 2003 (WA)* or the *Competition and Consumer Act 2010 (Cth)*.

The ERA’s redrafting of the clauses does not detract from the intended outcome of the amendment – to delete the requirement that retailers delete customer information obtained through explicit informed consent when the consent no longer applies – but further tightens the obligations on retailers to protect information obtained from consumers.

To summarise, the redrafted clauses clarify that:

- Retailers cannot “use or disclose the information.” This is to prohibit inadvertent disclosure of information to a third party.
- The information cannot be used or disclosed for any “future or incidental purpose not expressly consented to.” This ensures that past consented acts are not considered invalid when the explicit informed consent ceases to apply.
- The information cannot be used or disclosed “unless permitted by the procedures or any other applicable law.”

### ***Consequences of non-compliance***

The amendments to the Retail Market Procedures will alter the treatment of information collected through explicit informed consent. Retailers must comply with these amendments because there are consequences for non-compliance.

Under the Act, gas market participants are bound by the Western Australian Gas Retail Market Agreement and are required to comply with the Retail Market Procedures.

The Retail Market Procedures have their own enforcement regime and any breach of the procedures can be referred to the compliance panel or the ERA for investigation.<sup>23</sup> If a breach of the Retail Market Procedures is determined, the compliance panel has the authority to impose a range of penalties and sanctions, such as:

- impose a financial penalty of up to \$50,000 on a participant or AEMO in respect of each breach of the procedures
- order a participant or AEMO to take action, or cease action, to ensure compliance with the procedures.<sup>24</sup>

<sup>23</sup> Retail Market Procedures (WA), 20 September 2019, Chapter 6.

<sup>24</sup> Ibid, Clause 343(1).

In addition, entities subject to the *Privacy Act 1988* (Cth), which include gas market retailers, are required to have a privacy policy which meets the requirements of the Act and the Australian Privacy Principles.<sup>25</sup> These entities are required to treat personal information in accordance with their respective privacy policies.<sup>26</sup>

### 1.3.2 **Proposal 2 – IN003/19W – Holistic tidy-up of the Retail Market Procedures (WA)**

To develop IN003/19W, AEMO worked with market participants to collate all minor and non-contentious amendments to the procedures into a single consultation process. To ensure AEMO included only amendments that had broad support from participants, participants agreed to:

- Exclude all changes that may have a material effect on market or IT systems.
- Record all controversial changes in a Register of Market Issues and Changes, for progression at a later date.

AEMO then developed a list of non-controversial process improvement, editorial or clarification changes with market participants. AEMO classified this proposal as having a “non-material” effect on business processes, IT systems and consumer protection mechanisms under the procedures, thus requiring an ordinary procedure change process.<sup>27</sup>

AEMO published this proposal as non-material on 6 January 2020 in the IIR and received no dissenting views regarding this classification.<sup>28</sup>

In the interest of efficiency, AEMO and market participants agreed that amendments proposed under IN003/19W would also constitute as a review of the procedures in accordance with clause 17, which requires AEMO to consult with the Gas Retail Consultative Forum on whether a review of the Retail Market Procedures is required in March 2020 and every fifth anniversary thereafter.<sup>29</sup>

#### 1.3.2.1 **Consultation process**

The ERA considers that the level of consultation as required by the Retail Market Procedures and the Act has occurred and there has not been any dissent to the proposed amendments. In the absence of any submissions opposing the amendment, the ERA accepts that each person who is required to agree with the amendments set out in IN006/19W, has agreed and that the requirements under section 11ZOO(2) of the Act have been satisfied.

In 2018, AEMO raised the matter of conducting an overarching review of the procedures and in the annual Western Australian prioritisation session in February 2019, prioritised it as an action matter.<sup>30</sup> AEMO held extensive pre-consultation and invited all WA gas retail market

<sup>25</sup> Whether a retailer is captured by and subject to the Privacy Act depends on the characteristics of the user, whether the entity is an Australian Government agency or whether the entity has an annual turnover of more than \$3 million (subject to some exceptions).

<sup>26</sup> Privacy policies govern the collection, use, disclosure, storage, access to and correction of personal information by an entity.

<sup>27</sup> Retail Market Procedures (WA), 20 September 2019, Clause 383.

<sup>28</sup> AEMO, 2019, *IN003/19W Impact and Implementation Report*, p. 3, ([online](#)).

<sup>29</sup> Retail Market Procedures (WA), 20 September 2019, Clause 17.

<sup>30</sup> Gas Retail Consultative Forum, 19 February 2019, ‘Item 6. WA Prioritisation Session’, *Final Minutes – Gas Retail Consultative Forum Meeting 128*, ([online](#)).

participants to submit changes for inclusion in the consultation. Participants agreed to categorise amendments as:

- Category 1: Minor editorial changes, such as fixing formatting, punctuation, grammatical errors.
- Category 2: Minor clarification or process improvement changes that do not have a material effect on market or IT systems.
- Category 3: Changes that have a material effect on market or IT systems.

Category 3 changes were excluded from this proposal and recorded in the Register of Market Issues and Changes for progression at a later stage.

AEMO released the Procedure Change Request for consultation on 6 January 2020 and received four submissions from AGL Energy, Alinta Energy, ATCO Gas Australia and Origin Energy. AEMO incorporated this feedback, further refined the proposal and subsequently released the IIR for consultation. AEMO received two submission from AGL Energy and Origin Energy supporting all changes proposed under IN003/19W.

AMEO's formal consultation process for this proposal concluded in April 2020 when it published a notice of its decision to submit the proposal to the ERA for approval.<sup>31</sup> On 18 May 2020, AEMO notified the market that it had submitted the procedure change proposal to the ERA for approval and invited submissions from each participant, pipeline operator, prescribed person and interested person by 30 June 2020. The ERA received one submission from AGL, which supported this proposal.

The timeline of the proposal's progress is summarised in Appendix 1.

### 1.3.2.2 *The ERA's assessment*

To approve an amendment, the ERA must be satisfied that the retail market scheme will:

- comply with the Act
- ensure that the retail gas market is regulated and operates in a manner that is:
  - open, competitive and efficient
  - fair to gas market participants and their customers.

The ERA is satisfied with the evidence provided by AEMO that the amendments in IN003/19W will improve clarity in the procedures and lower barriers to entry by assisting new entrants to better understand their obligations. The process improvements from the amendments will result in greater efficiencies in the retail gas market. The ERA's response to each amendment is detailed in Appendix 4.

The ERA is satisfied that the requirements under the Act have been met for all amendments in proposal IN003/19W and approves the procedure change proposal as submitted by AEMO.

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<sup>31</sup> AEMO, 2020, *Notice of Decision – IN003/19W*, ([online](#)).

## Appendix 1 Timeline of consultation process

**Table 1: Timeline of IN006/18W**

Date	Action
30 July 2018	Gas Market Issue (GMI) developed by proponent (Origin Energy) and sent to AEMO.
14 October 2019	Procedure Change Request issued by AEMO to market participants for comment.
28 October 2019	Submissions on Procedure Change Request closed. AEMO received two submissions.
11 November 2019	Impact and Implementation Report (IIR) issued by AEMO to market participants for comment.
9 December 2019	Submissions on IIR closed. AEMO received no submissions.
23 December 2019	AEMO released Notice of Decision advising market participants that AEMO intends to submit IN006/18W to the ERA for approval.
18 May 2020	AEMO submitted IN006/18W to the ERA for approval. Market participants can comment on AEMO's proposal to the ERA.
30 June 2020	Public consultation on AEMO's proposal close. The ERA received 1 submission.
17 July 2020	The ERA decides on whether to approve the amendments proposed under IN006/18W.
3 August 2020	If approved, amendments proposed under IN006/18W come into effect.

**Table 2: Timeline of IN003/19W**

Date	Action
19 February 2019	Gas Market Issue (GMI) developed by proponent (AEMO).
February 2019 – January 2020	Pre-consultation with market participants.
6 January 2020	Procedure Change Request issued by AEMO to market participants for comment.
4 February 2020	Submissions on Procedure Change Request closed. AEMO received four submissions.
3 March 2020	Impact and Implementation Report (IIR) issued by AEMO to market participants for comment.
31 March 2020	Submissions on IIR closed. AEMO received two submissions.
28 April 2020	AEMO released Notice of Decision advising market participants that AEMO intends to submit IN006/18W to the ERA for approval.
18 May 2020	AEMO submitted IN003/19W to the ERA for approval.

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	Market participants can comment on AEMO's proposal to the ERA.
30 June 2020	Public consultation on AEMO's proposal close. The ERA received one submission.
17 July 2020	The ERA decides on whether to approve the amendments proposed under IN003/19W.
3 August 2020	If approved, amendments proposed under IN003/19W come into effect.



## Appendix 2 Submissions received

On 18 May 2020, AEMO notified the market that it had submitted procedure change proposals IN006/18W and IN003/19W to the ERA for approval and invited submissions from each participant, pipeline operator, prescribed person and interested person by 30 June 2020.

The ERA received 1 submission, summarised below.

Market participant	Date received	Summary of submission
AGL Energy	1 June 2020	Each of these procedure changes has been developed by the gas market participants with the aim of making the operation of the WA Retail Gas Market more efficient and providing an improved service to WA gas consumers. As such, AGL Energy fully supports the implementation of these proposed rule changes.

## Appendix 3 ERA amendments to procedure change proposal IN006/18W

The following amendments are required to procedure change proposal IN006/18W for ERA approval of the changes set out in the proposal.

### Tracked changes version

~~Red~~ ~~strikeout~~ represents the deletion proposed by AEMO; ~~blue~~ ~~strikeout~~ represents amendment proposed by AEMO that have not been approved by the ERA; green text represents amendments inserted by the ERA that are required for approval.

#### Clause 55A(3) – Explicit informed consent required

If at any time after AEMO has provided information to a *user* under clause 57(2), a *customer's explicit informed consent* under clause 55A(1) ceases to apply (for example because it is withdrawn), then the *user* must not use or disclose the information for any future or incidental purpose not expressly consented to, unless permitted by these procedures other than purposes required by these procedures or any other applicable required by law ~~and must to the extent reasonably practicable delete all copies of the information.~~

#### Clause 72(4) – Explicit informed consent required

If at any time after the *network operator* has provided information to a *user* under clause 75, a *customer's explicit informed consent* under clause 72(1) ceases to apply (for example because it is withdrawn), then the *user* must not use or disclose the information for any future or incidental purpose not expressly consented to, unless permitted by these procedures other than purposes required by these procedures or any other applicable required by law ~~and must to the extent reasonably practicable delete all copies of the information.~~

#### Clause 166A – Explicit informed consent required

If at any time after the *network operator* has provided information to a *user* under clause 167(4), a *customer's explicit informed consent* under clause 166A(1) ceases to apply (for example because it is withdrawn), then the *user* must not use or disclose the information for any future or incidental purpose not expressly consented to, unless permitted by these procedures other than purposes required by these procedures or any other applicable required by law ~~and must to the extent reasonably practicable delete all copies of the information.~~

### Final version

#### Clause 55A(3) – Explicit informed consent required

If at any time after AEMO has provided information to a *user* under clause 57(2), a *customer's explicit informed consent* under clause 55A(1) ceases to apply (for example because it is withdrawn), then the *user* must not use or disclose the information for any future or incidental purpose not expressly consented to, unless permitted by these *procedures* or any other applicable law.

#### Clause 72(4) – Explicit informed consent required

If at any time after the *network operator* has provided information to a *user* under clause 75, a *customer's explicit informed consent* under clause 72(1) ceases to apply (for example because it is withdrawn), then the *user* must not use or disclose the information for any future or incidental purpose not expressly consented to, unless permitted by these *procedures* or any other applicable law.

**Clause 166A – Explicit informed consent required**

If at any time after the *network operator* has provided information to a *user* under clause 167(4), a *customer's explicit informed consent* under clause 166A(1) ceases to apply (for example because it is withdrawn), then the *user* must not use or disclose the information for any future or incidental purpose not expressly consented to, unless permitted by these *procedures* or any other applicable law.

## Appendix 4 Summary of proposed changes in IN003/19W

~~Red-strikeout~~ means “delete” and blue underline means “insert” as represented in AEMO’s proposal.

### Category 1: Editorial changes

No.	Change	Reason for amendment in AEMO’s proposal	Assessment by the ERA
1.	Italicise terms that have been previously defined in clause 2 i.e. <i>procedure, network operator, user</i> etc.	Improve clarity and assist readers in understanding jargon.	The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act.
2.	Reorder definitions in clause 2 by acronym first. <u><i>ΔBWRA or delta basic-meter withdrawal reconciliation amount</i></u> <u><i>ΔPI or delta pipeline injection</i></u> <u><i>ΔSBRA or delta summed basic-meter reconciliation amount</i></u> <u><i>ΔUAFG or delta unaccounted for gas</i></u> <u><i>ANUSA bid or adjusted non-user-specific swing service amount bid</i></u> <u><i>AUSA bid or adjusted user-specific swing service amount bid</i></u> <u><i>DABW or distributed actual basic-metered withdrawal</i></u> <u><i>FSS or swing service fee</i></u> <u><i>HIW or hourly interval-metered withdrawals</i></u> <u><i>MRA or miscellaneous reconciliation amount</i></u> <u><i>SBRA or summed basic-meter reconciliation amount</i></u> <u><i>SE or swing error</i></u> <u><i>SRQ or swing service repayment quantity</i></u> <u><i>SSA or swing service amount</i></u> <u><i>SSP or swing service provider</i></u> <u><i>SSPOLRUD or SSPOLR umbrella deed</i></u> <u><i>SSPUD or SSP umbrella deed</i></u> <u><i>TΔPI or total delta pipeline injection</i></u> <u><i>TBRA or total basic-meter reconciliation amount</i></u> <u><i>TBWRA or total basic-meter withdrawal reconciliation amount</i></u>	AGL suggested that AEMO apply a consistent approach to the various acronyms in use throughout the definitions in clause 2. In some instances, the acronym is not explained in the definitions.  Noting that the acronym is used more frequently, it was suggested that the definitions start with the acronym followed by the full explanation.  This amendment received unanimous support.	The amendments will result in greater clarity in the procedures which will assist the gas retail market to operate in an efficient manner.

No.	Change	Reason for amendment in AEMO's proposal	Assessment by the ERA
	<a href="#">TIRA or total interval-meter reconciliation amount</a> <a href="#">UDW or user's deemed withdrawals</a> <a href="#">UEBW or user's estimated basic-metered withdrawals</a> <a href="#">UIW or user's interval-metered withdrawals</a> <a href="#">URAA or user's reconciliation adjustment amount</a> <a href="#">UUAFG or user's UAFG</a> <a href="#">UUAFGRA or user's unaccounted for gas reconciliation amount</a> <a href="#">VCR or corrected volume</a>		
3.	Minor editorial changes – adding/removing punctuation; correcting spacing and indents throughout the document as required.	Correct grammatical errors to increase clarity and understanding.	

### Category 2: Minor clarification or process improvement changes

No.	Clause	Reason for amendment in AEMO's proposal	Assessment by the ERA
<b>Clause 2. Definitions</b>			
4.	<a href="#">above 10TJ determination</a> <a href="#">means a determination made by the network operator under clause 139 or clause 140 to indicate that the user believes the gas deliveries to a customer at a delivery point will likely exceed 10 TJ in the year immediately following the day of determination.</a> <a href="#">below 10TJ determination</a> <a href="#">means a determination made by the network operator under clause 139 or clause 140 to indicate that the user believes the gas deliveries to a customer at a delivery point will likely not exceed 10 TJ in the year immediately following the day of determination.</a>	<p>These terms were not previously defined in the procedures but are referred to as defined (italicised) terms in clauses 138-140.</p> <p>AEMO proposed a definition for these two terms which received unanimous support by participants at GRCF.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendments will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.</p> <p>The added definitions will result in greater clarity in the procedures which will assist the gas retail market to operate in an efficient manner.</p>
5.	<a href="#">UAFG or unaccounted for gas</a>	The term was not previously defined in the procedures. AEMO proposed a definition for UAFG which was	No further feedback was provided during the IIR consultation. In the

	<p><a href="#">is the difference between the amount of gas injected into the sub-network at all physical gate points and the amount of gas withdrawn from the sub-network at all delivery points, including but not limited to leakage or other actual losses, discrepancies due to metering inaccuracies and variations of temperature, pressure and other parameters.</a></p>	<p>supported by Alinta Energy, Origin Energy, Synergy and AGL.</p> <p>ATCO queried AEMO's interpretation and proposed an insertion referring to "third party damage to pipes". ATCO referred AEMO to ATCO's approved Access Arrangements for a discussion on the components of UAAG. AEMO noted that ATCO's stance is not warranted as ATCO's Gas Access Arrangements do not contain reference to "third party damage to pipes". Based on this, AEMO did not agree that it was necessary to incorporate it into the proposed definition.</p> <p>ATCO did not provide any further feedback during the IIR consultation or the consultation hosted by the ERA.</p>	<p>absence of any dissenting views, the ERA considers that all parties that should be consulted have agreed to the amendment.</p>
6.	<p><i>AEMO Specification Pack</i> means the suite of documents, as approved by AEMO and the <i>approving body</i>, to support the operation of these <i>procedures</i>, <a href="#">which includes governing the manner and form in which information is to be provided, notice given, notices or documents delivered, and requests made as contemplated by these procedures.</a></p>	<p>The amendment adds to the definition of '<i>AEMO Specification Pack</i>' to provide greater clarity.</p> <p>The amendment would also harmonise the definition to the South Australian (SA) gas markets which would increase clarity for participants as the AEMO Specification Pack states that it is intended for use in both SA and WA gas markets.</p> <p>Legal advice obtained by AEMO provides that the existing wording must stay in place as the AEMO Specification Pack is an element of the WA gas retail market scheme that must be approved by the ERA under the Act. Hence, AEMO has added the suggested wording to the existing clause for clarity.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.</p>
7.	<p>'<i>discovery address</i>' in relation to a <i>delivery point</i>, means <a href="#">the address of the premises to which gas is supplied at that delivery point, at a minimum including street number (or the equivalent), street name, street identifier, and suburb/city/town. The discovery address may also include other specified site address information that conforms with the address standard specified in the AEMO Specification Pack.</a></p>	<p>The current definition includes a level of technical detail that is better placed in the AEMO Specification Pack and has already been included in the FRC B2B System Interface Definitions (Section 4.3.2.2). The AEMO Specification Pack has an equivalent heads-of-power standing as the procedures.</p> <p>The amended definition is also analogous to the definition in east coast gas retail markets, which will</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.</p>

		<p>lower barriers to entry and reduce the risk of misinterpretation in discovery address construction.</p> <p>ATCO (network operator) expressed concern about the amendment and proposed to maintain the existing definition because it already provides a clear description of address attributes used in the WA gas market and assists in ensuring unnecessary misinterpretation in discovery address construction.</p> <p>ATCO did not provide any further feedback during the IIR consultation or the consultation hosted by the ERA.</p>	<p>The ERA is satisfied that obligations under section 11ZOO(2) have been met as ATCO was given reasonable opportunity during the consultation to provide reasons for not agreeing, and AEMO has appropriately considered and responded to these reasons in the IIR. No further feedback was provided during the IIR consultation. In the absence of any dissenting views, the ERA considers that all parties that should be consulted have agreed to the amendment.</p>
8.	<p><i>'estimated basic-meter withdrawal'</i></p> <p><a href="#">means an amount calculated under these procedures in accordance with clause 226.</a> <del>for a basic-metered delivery point is calculated under clause 226.</del></p>	<p>The current definition was incomplete. The amendment will improve clarity and assist readers in understanding jargon.</p> <p>This amendment received unanimous support from market participants.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act. The amendments will result in greater clarity in the procedures which will assist the gas retail market to operate in an efficient manner.</p>
9.	<p><i>'gas retail consultative forum'</i></p> <p><a href="#">means the committee established under clause 381.</a></p> <p><del>'procedure change committee'</del></p> <p><del>means the committee established under clause 381.</del></p> <p><i>'proposed procedure change'</i></p> <p><a href="#">means a proposal for the making of procedures under clause 379.</a></p> <p><a href="#">{Note: Making of procedures includes to amend, omit, omit and substitute, alter or vary}.</a></p> <p><del>'procedure change request'</del></p>	<p>As per the Gas Market Issue for IN007/18W the "procedure change committee" is to be changed to "gas retail consultative forum" and "procedure change request" is to be changed to "proposed procedure change".</p> <p>This amendment received unanimous support from market participants.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendments will comply with the Act.</p> <p>The amendment will result in greater clarity in the procedures which will assist the gas retail market to operate in an efficient manner.</p>

	<p><del>means a proposal for the making of procedures under clause 379.</del></p> <p><del>{Note – Making of procedures includes to amend, omit, omit and substitute, alter or vary}</del></p>		
10.	<p><b>‘GBO ID’</b> means the unique gas business operator identifier issued by AEMO under clause 22 <del>to AEMO and</del> to each person required to comply with these <i>procedures</i>.</p>	<p>The current definition states that AEMO is issued with a unique GBO ID which is already covered under clause 22(1). The amendment would remove AEMO from the definition to improve clarity.</p> <p>ATCO (network operator) did not support the amendment. ATCO stated that the proposed definition removal would result in the insertion of a new definition. Following legal review, AEMO did not agree the concerns raised by ATCO would be realised.</p> <p>ATCO did not provide any further feedback during the IIR consultation or the consultation hosted by the ERA.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.</p> <p>The ERA is satisfied that obligations under section 11ZOO(2) have been met as ATCO was given reasonable opportunity during the consultation to provide reasons for not agreeing, and AEMO has appropriately considered and responded to these reasons in the IIR. In the absence of any dissenting views, the ERA considers that all parties that should be consulted have agreed to the amendment.</p>
11.	<p><b>‘MCP(TSS(BS))’</b> <del>has the meaning given in clause 287(1). means the marginal clearing price for the total amount of swing service to be procured through the applicable bid stack.</del></p>	<p>The term is already defined in clause 287 of the procedures.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.</p>



12.	<p><i>'meter'</i> means <a href="#">a device used to directly measure the mass or volume of gas passing through it and includes the associated equipment attached to the device to filter, control or regulate the flow of gas. a meter used to measure the amount of gas supplied to a delivery point and includes any associated regulators, pipes, fittings, components, equipment or instruments.</a></p> <p><del>{Note: These meters are sometimes referred to as "master meters" or "custody transfer meters", and are not "submeters".}</del></p>	<p>The amendment clarifies how a meter measures gas ("<i>measure the mass or volume of gas passing through it</i>" instead of "<i>measure the amount of gas supplied</i>").</p> <p>ATCO (network operator) did not support this amendment as it is not consistent with ATCO's approved Access Arrangements and WA Gas Standard Regulations. ATCO recommended that the existing definition be maintained.</p> <p>AEMO noted that ATCO's stance is not warranted as the definition of 'meter' in ATCO's current Access Arrangements does not align with the RMP (WA) either. Secondly, the proposed definition is used across all east coast jurisdictions despite there being six different distributors, each with their own access arrangement and each of these have a definition of 'meter' that does not align with the RMP (WA). Based on this, AEMO did not agree that was necessary for consistency to be maintained between definitions in ATCO's Gas Access Arrangements and the RMP (WA).</p> <p>ATCO did not provide any further feedback during the IIR consultation or the consultation hosted by the ERA.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.</p> <p>The ERA is satisfied that obligations under section 11ZOO(2) have been met as ATCO was given reasonable opportunity during the consultation to provide reasons for not agreeing, and AEMO has appropriately considered and responded to these reasons in the IIR. No further feedback was provided on the IIR or during the ERA's consultation. In the absence of any dissenting views, the ERA considers that all parties that should be consulted have agreed to the amendment.</p>
13.	<p><i>'meter number'</i> means <a href="#">a unique identification number allocated to a meter. the unique alphanumeric identifier assigned to a meter by the network operator or meter manufacturer.</a></p>	<p>AEMO proposed to simplify the current definition.</p> <p>ATCO did not support the proposed change as the existing definition is clear in describing that a meter number in Western Australia must be alpha-numeric as assigned by the network operator. AEMO noted that ATCO's stance is not warranted as the current definition includes a level of technical detail that is better placed in the AEMO Specification Pack and has already been included in the FRC B2B System Interface Definitions (Section 4.3.2.2). Including a similar technical description in the procedures is an unnecessary duplication and raises the risk of a mismatch between the documents if there are future reforms. The AEMO Specification Pack</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.</p> <p>The ERA is satisfied that obligations under section 11ZOO(2) have been met as ATCO was given reasonable opportunity during three rounds of</p>

		<p>has an equivalent heads-of-power standing as the procedures. The amended definition is also analogous to the definition in east coast gas retail markets, which will lower barriers to entry and increase clarity for participants.</p> <p>ATCO did not provide any further feedback during the IIR consultation or the consultation hosted by the ERA.</p>	<p>consultation to provide reasons for not agreeing, and AEMO has appropriately considered and responded to these reasons in the IIR. No further feedback was provided on the IIR or during the ERA's consultation. In the absence of any dissenting views, the ERA considers that all parties that should be consulted have agreed to the amendment.</p>
14.	<p><i>'nomination'</i></p> <p><u>means a quantity of gas to be injected by the pipeline operator in accordance with <del>has the meaning given to that term in clause 194.</del></u></p>	<p>The current definition states that 'nomination' is defined in clause 194 but there is no explicit definition in clause 194. The amendment clarifies the text by including a definition ("<i>quantity of gas to be injected by the pipeline operator in accordance with clause 194</i>").</p> <p>The amendment received unanimous support.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that will achieve its objectives of fairness, efficiency and competitiveness.</p>
15.	<p><u><i>'non-user-specific amount of swing service' for a user, is calculated under clause 266.</i></u></p>	<p>The term is referred to as a defined in clause 266 (i.e. italicised) but is not included in the definitions.</p> <p>The amendment received unanimous support.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that will achieve its objectives of fairness, efficiency and competitiveness.</p>
16.	<p><i>'renomination'</i></p> <p><u>means a nomination that is changed by the pipeline operator. <del>has the meaning given to that term in clause under clause 194.</del></u></p>	<p>The current definition states that 'renomination' is defined in clause 194 but there is no explicit definition in clause 194. The amendment clarifies the text by including a definition ("<i>a nomination that is changed by the pipeline operator</i>").</p> <p>The amendment received unanimous support.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that will achieve its objectives of fairness, efficiency and competitiveness.</p>

17.	<p><i>'street/suburb combination'</i> means, <a href="#">in relation to a MIRN discovery request, the discovery address excluding the street number or its equivalent.</a></p>	<p>The current definition includes a level of technical detail that is better placed in the AEMO Specification Pack and has already been included in the FRC B2B System Interface Definitions (Appendix E). The AEMO Specification Pack has an equivalent heads-of-power standing as the RMP (WA).</p> <p>ATCO (network operator) did not support the amendment and proposed to maintain the existing definition because it already provides a clear description of address attributes used in the WA gas market and assists in ensuring unnecessary misinterpretation in discovery address construction.</p> <p>AEMO acknowledged ATCO's stance but reiterated that the current definition includes a level of technical detail that is better placed in the AEMO Specification Pack.</p> <p>ATCO did not provide any further feedback during the IIR consultation or the consultation hosted by the ERA.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that will achieve its objectives of fairness, efficiency and competitiveness.</p> <p>The ERA is satisfied that obligations under section 11ZOO(2) have been met as ATCO was given reasonable opportunity during the consultation to provide reasons for not agreeing, and AEMO has appropriately considered and responded to these reasons in the IIR. No further feedback was provided on the IIR or during the ERA's consultation. In the absence of any dissenting views, the ERA considers that all parties that should be consulted have agreed to the amendment.</p>
18.	<p><b>Clause 12A. Notices by email</b></p> <p>(5) For the purposes of these <i>procedures</i> an <i>automated response message</i>:</p> <p>a. is not an email that requires receipt of a further <a href="#">reply in order for the reply automated response message in order for the automated response message</a> to have been validly sent and received; and</p>	<p>The current definition is convoluted and difficult to read. The amendment clarifies the definition of <i>automated response message</i>.</p> <p>The amendment received unanimous support.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that will achieve its objectives of fairness, efficiency and competitiveness.</p>

19.	<p><b>Clause 17. Review of procedures</b></p> <p><b>17. There is no clause 17. Review of the procedures</b>  <del>Except as otherwise stated in these procedures</del></p> <p><del>(a) 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 these procedures is to be undertaken; and</del></p> <p><del>(b) AEMO may determine at its discretion at any other time that a review of these procedures is to be undertaken; and</del></p> <p><del>(c) if a review of these procedures is to be undertaken, AEMO must develop a process (“procedures review process”) and notify all persons required to comply with these procedures of the procedures review process.</del></p>	<p>The clause currently requires AEMO to consult with GRCF on whether a review of these procedures is to be undertaken in March 2020 and every fifth anniversary thereafter. Participants supported deleting this clause as the current process of reviewing outstanding issues through an annual prioritisation process as part of the Gas Retail Consultative Forum (GRCF) is more effective, timely and beneficial for participants. Deleting the clause would also decrease the financial and temporal costs on AEMO for conducting a review.</p> <p>The amendment received unanimous support.</p>	<p>The ERA was initially concerned that</p> <ul style="list-style-type: none"> <li>• deleting clause 17 from the procedures would mean there is no automatic mechanism in the procedures to initiate a periodic review.</li> <li>• The annual prioritisation process may not be able to assess: <ul style="list-style-type: none"> <li>– the effect of incremental changes over time</li> <li>– if the procedures would remain fit for purpose and able to achieve the objectives outlined in the Act.</li> </ul> </li> </ul> <p>AEMO advised that the annual prioritisation process provides market participants the opportunity to assess if the procedures are not fit for purpose and propose amendments. This annual process is more time- and cost-effective than a five-yearly review. GRCF assesses the effectiveness of the procedures regardless of the obligation required by the clause. The GRCF’s Terms of Reference outlines that AEMO and GRCF participants must work collaboratively to prioritise procedure change proposals.</p>
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			Based on this reasoning, the ERA is satisfied that amendment will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.
20.	<b>Clause 73. AEMO to review MIRN discovery and explicit informed consents</b>		
	<p>(6) <del>There is no clause 73(2). Each network operator must, at least once a month, provide AEMO with a report of all MIRN discovery requests it received in the period since its last report under this clause 73(1).</del></p> <p>(7) <del>There is no clause 73(3). The report under clause 73(1) is to be in a format agreed between AEMO and the network operator and must provide at least the following information for each MIRN discovery request received during the month:</del></p> <p><del>a. the MIRN; and</del></p> <p><del>b. the identity of the user lodging the request; and</del></p> <p><del>c. the discovery address.</del></p>	<p>Clause 73(2) and (3) requires ATCO to provide AEMO with monthly reports regarding MIRN discovery requests.<sup>32</sup> There is no head of power for AEMO to review these requests – the clause merely grants AEMO the right (but not the obligation) to review. AEMO proposed to delete clauses 73(2) and (3).</p> <p>ATCO did not agree with the proposed deletion. ATCO maintained that AEMO, as the independent market operator, should be responsible to deliver upon a regular review of MIRN discovery requests. It is ATCO's understanding that retailers are not effectively using the complete MIRN listing as intended and asserted that the market operator should always provide oversight on MIRN discoveries to help uphold timely customer transfers without additional oversight by ATCO as the network operator.</p> <p>AEMO acknowledged ATCO's position and reiterated that if ATCO believed that AEMO should be obligated with such a review, then ATCO should raise a Gas Market Issue to that effect as it is currently out of the scope of a minor procedure change.</p> <p>ATCO did not provide any further feedback during the IIR consultation or the consultation hosted by the ERA.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that is efficient and fair to gas market participants and their customers.</p> <p>The ERA is satisfied that obligations under section 11ZOO(2) have been met as ATCO was given reasonable opportunity during the consultation to provide reasons for not agreeing, and AEMO has appropriately considered and responded to these reasons in the IIR. No further feedback was provided on the IIR or during the ERA's consultation. In the absence of any dissenting views, the ERA considers that all parties that should be consulted have agreed to the amendment.</p>

<sup>32</sup> Meter Installation Registration Number (MIRN) is the unique identifier assigned by the network operator to each delivery point (i.e. the meter outlet at a customer's premises). The MIRN discovery request is a notice from a retailer to the network operator (ATCO) requesting the network operator to provide the MIRN standing data for a delivery point. This include data on a delivery point's address, meter number, MIRN status, the gas zone code etc.

21.	<p><b>Clause 138. Network operator to identify sites which consumed more than 10 TJ/a</b></p> <p><b>Clause 139. AEMO to determine whether interval meter must be fitted at a basic-metered site</b></p> <p><b>Clause 140. AEMO to determine whether a delivery point may be converted to a basic-metered delivery point as a result of a reduction in gas usage</b></p>		
	<p><b>138. Network operator to identify sites which consumed more than 10 TJ/a</b></p> <p>(2) The <i>network operator</i> must, at least once every 6 months, assess each <i>basic-metered delivery point</i> in each of its <i>sub-networks</i> to determine whether the quantity of gas delivered to the <i>delivery point</i> in the year immediately preceding the day of assessment exceeded 10 TJ, and if so the <i>network operator</i> must <i>notify AEMO and</i> the <i>user</i> of its assessment and of the quantity of gas delivered the year in respect of those <i>basic-metered delivery points</i> where the quantity of gas delivered to the <i>delivery point</i> exceeded 10 TJ.</p> <p><b>139. Network operator AEMO to determine whether interval meter must be fitted at a basic-metered site</b></p> <p>(3) If the <i>network operator</i> gives notice under clause 138 in respect of a delivery point, then within 2 months after the date of that notice the <i>network operator AEMO</i> must:</p> <ol style="list-style-type: none"> <li>consult with the <i>user</i> regarding the <i>user's its</i> likely future gas demand at the <i>delivery point</i>, and</li> <li>make an “<i>above 10 TJ determination</i>”, if in the <i>network operator's AEMO's</i> opinion the gas deliveries to the delivery point are likely to exceed 10 TJ in the year immediately following the day of determination, and otherwise make a “<i>below 10 TJ determination</i>”; and</li> </ol>	<p>Under the current procedures, the network operator must assess each basic-metered delivery point to determine whether the quantity of gas in the previous year exceeded 10TJ, and subsequently notify AEMO and the retailer on its assessment. AEMO must then consult with the user regarding its likely future gas demand and make an above/below 10 TJ determination and then inform the user.</p> <p>AEMO proposed to amend clauses 138-140 to remove the obligation on AEMO to act as a third party so the network operator and retailers can communicate directly with one another to effectuate above/below 10TJ determinations. All participants present at the GRCF workshop in January 2020 unanimously agreed that AEMO did not need not be involved in above/below 10TJ determinations, and retailers and the network operator should work directly.</p> <p>ATCO (network operator) did not agree with this proposed amendment and recommended that AEMO, as the independent market operator, should continue to make an independent assessment of a customer's gas use needs. This determination would be absolute and not subject to subjective assessments by the retailer or user.</p> <p>AEMO acknowledged ATCO's stance but reiterated its position that there is no additional benefit to AEMO's acting as a “middle-man” between users and ATCO as ATCO already discusses end use customers' gas use needs with users. AEMO stated that ATCO did not provide, in its submission to the consultation, any benefits that AEMO's involvement would add to the process.</p>	<p>The ERA agrees with this reasoning and is satisfied that the amendment will comply with the Act and will assist the retail market to better operate in a manner that will achieve its objectives of fairness, efficiency and competitiveness.</p> <p>The ERA is satisfied that obligations under section 11ZOO(2) have been met as ATCO was given reasonable opportunity during the consultation to provide reasons for not agreeing, and AEMO has appropriately considered and responded to these reasons in the IIR.</p> <p>No further feedback was provided on the IIR or during the ERA's consultation. In the absence of any dissenting views, the ERA considers that all parties that should be consulted have agreed to the amendment.</p>

<p>c. promptly notify the user of the <a href="#">network operator's AEMO's</a> determination under clause 139(3)(b).</p> <p>(4) If the <a href="#">network operator AEMO</a> makes an <i>above 10 TJ determination</i> under clause 139(3)(b), then the <i>user</i> must initiate the <i>procedure</i> for the installation of an <i>interval meter</i> in accordance with these <i>procedures</i> and its other obligations including its <i>haulage contract</i>.</p> <p>(5) The <i>user</i> must comply with clause 139(4) as quickly as reasonably practicable and in any event within 10 business days, unless the <i>user</i> appeals the <a href="#">network operator's AEMO's</a> determination to the <i>compliance panel</i> under clause 331, in which case Chapter 6 applies, and if the determination of the <i>compliance panel</i> leaves the user still obliged to comply with clause 139(4), it must do so as quickly as reasonably practicable, and in any event within 10 business days, after the date of the determination.</p> <p><b>140. <a href="#">Network operator AEMO</a> to determine whether a delivery point may be converted to a basic-metered delivery point as a result of a reduction in gas usage</b></p> <p>(2) If a <i>user</i> believes that its <i>customer</i> is not likely to consume more than 10 TJ of gas in a 12 month period at an <i>interval-metered delivery point</i>, the user may request the <a href="#">network operator AEMO</a> to determine that it would be consistent with the object in clause 139(1) for the <i>user</i> to no longer have an interval meter at the <i>delivery point</i>, in which case the <a href="#">network operator AEMO</a> must:</p> <p>b. make an “<i>above 10 TJ determination</i>”, if in the <a href="#">network operator's AEMO's</a> opinion the gas deliveries to the <i>delivery point</i> are likely to exceed 10 TJ in the year immediately following the day of determination, and</p>	<p>ATCO did not provide any further feedback during the IIR consultation or the consultation hosted by the ERA.</p>	
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	<p>otherwise make a “<i>below 10 TJ determination</i>”; and</p> <p>c. promptly notify the user of the <a href="#">network operator’s AEMO’s</a> determination under clause 140(2)(b).</p> <p>(3) If the <a href="#">network operator AEMO</a> makes a <i>below 10 TJ determination</i> under clause 140(2)(b) then the user may negotiate with the <i>network operator</i> regarding the conversion of the <i>interval meter</i> to a <i>basic meter</i> under its <i>haulage contract</i>.</p>		
22.	<p><b>Clause 362B. Regulator Fees</b>  <b>Chapter 9 – Procedure change process</b></p>		
	<p>Replace</p> <ul style="list-style-type: none"> <li>• <del>procedure change committee</del> with <a href="#">gas retail consultative forum</a></li> <li>• <del>procedure change request</del> with <a href="#">proposed procedure change</a></li> </ul>	See Item 9 of this table.	See Item 9 of this table.