

REPORT



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## ***Impact and Implementation***

### **C18/04R Provision of Off-Market Procurement Status Reports**

27 July 2004



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## *Document Management*

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## *Introduction*

A Retail Market Rules (RMR) Rule Change Request was raised by Origin Energy (**proponent**) in July 2004 following consideration of Issue #3 by the Rule Change Committee. This Rule Change Request relates to the publication of an Off-market Procurement 'Status Report' by the GRMS 30 minutes prior to the start of the gas day.

As required under Rule 393(b) REMCo has prepared this Impact and Implementation Report in relation to the proposed change for the consideration of the Rule Change Committee (Committee).

The Committee is requested to consider whether to:

- Reject the proposed change; or
- Accept the proposed change.

Should the Committee decide to accept the proposed change, the Committee must consider whether the proposed change is a low impact or high impact change as required under Rule 396.

Alternatively, the Committee may request REMCo to provide additional information on this matter if the Committee determines that this report does not contain sufficient information.

## *Summary*

### **a) Summary of Change Requested**

Rule 269(2) provides that by no later than 14 hours (in South Australia) or 16 hours (in Western Australia) before the start of the gas day REMCo will publish an Off-Market Procurement Status Report ("**OMP Status Report**").

REMCo publishes the OMP Status Report according to the timeframes set out in rule 269(2). In addition to this, REMCo publishes the OMP Status Report 30 minutes prior to the start of the gas day.

It has been proposed that the rules be amended to reflect the current timeframes for publication of the OMP Status Report by the GRMS. Proposed drafting is set out in the next section of this report.

### **b) Original Rule Change Request**

The original Rule Change Request was formally lodged by Origin Energy (**proponent**) as a rule change request pursuant to Rule 378 and accepted by REMCo and recorded as C18/04R Provision of Off-Market Procurement Status Reports at the Committee's meeting of 27 July 2004.

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## *Proposed Rule Drafting*

### a) Proposed Rule Drafting

Origin Energy suggested the following rule changes:

#### **269. REMCo validates users' procurement requests and provides status report**

- (1) For each *gate point* for each *gas day*:
  - (a) first, by no later than 14 hours (in South Australia) or 16 hours (in Western Australia) before the start of the *gas day* ("**first check**"); and
  - (b) then again, after 30 minutes before the start of the *gas day* ("**final check**"),

*REMC*o must assess each *procurement request* in each *user's procurement instruction* and each *procurement confirmation* to determine whether *REMC*o has received, as appropriate, a corresponding *procurement confirmation* from a *swing service provider* or corresponding *procurement request* from a *user*.

- (2) By no later than 14 hours (in South Australia) or 16 hours (in Western Australia) before the start of the *gas day*, and again during the 30 minute period immediately preceding the start of the *gas day*, *REMC*o must provide a "**status report**":
  - (a) to each *user*, setting out each *procurement request* in the *user's procurement instruction* for the *gas day* for which *REMC*o has received a corresponding *procurement confirmation* from a *swing service provider* at the time of the *first check*; and
  - (b) to each *swing service provider*, setting out each of the *swing service provider's procurement confirmations* for the *gas day* for which *REMC*o has received a corresponding *procurement request* from a *user* at the time of the *first check*.
- (3) Each *procurement request* in a *user's procurement instruction* for which *REMC*o identifies a corresponding *procurement confirmation* from a *swing service provider* at the time of the *final check* is a "**validated procurement request**", and may be applied by *REMC*o if appropriate under rule 270.

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## *Impact of Proposed Change*

### **a) Impact on Proponent**

The proposed rule change enables the proponent to confirm its off-market procurement status immediately prior to the start of the gas day.

REMCo does not believe the proposed rule change will have any other impact on the proponent.

### **b) Impact on Other Participants/Interested Parties**

The impact of the proposed rule change on users other than the proponent will be the same as the impact on the proponent. The proposed rule change is not expected to have any impact on network operators or interested persons.

### **c) Impact on REMCo**

The proposed change will align the rules with the publication timeframes currently being performed by the GRMS. Accordingly, there is no impact on REMCo as a result of this proposed change.

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## *Implementation Considerations*

### **a) GRMS Implementation**

No system changes are required as a result of this rule change.

### **b) Participant Implementation**

Users are currently receiving an OMP Status Report 30 minutes before the start of the gas day. Therefore, this rule change is not expected to require any system or process changes for market participants.

### **c) REMCo Process Implementation**

No process changes are required by this rule change.

### **d) Other Implementation Considerations**

As the proposed change is to a provision of Chapter 5, REMCo will need to assess whether it impacts on the draft authorisation from the Australian Competition and Consumer Commission.

No other considerations have been identified.

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## *Cost Benefit Analysis*

### **a) Costs**

As there are no system or process changes required, there are no costs associated with this rule change proposal.

### **b) Benefits**

The proposed rule change will enable users to confirm their off-market procurement status immediately prior to the start of the gas day.

### **c) Analysis**

As the proposed changes do not appear to have any impact on REMCo or participants, and there are no costs associated with this change, it is recommended that this change should be adopted.

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## *Recommendation*

The Committee is asked to recommend this proposed amendment as a Low Impact rule change for the following reasons:

- The proposed rule changes would not have a material adverse impact on the information technology systems of the relevant parties; and
- The proposed rule changes would not have a material adverse commercial impact on the relevant parties.

If the Committee agrees to recommend this as a low impact rule change proposal, REMCo will prepare a Recommendation Report for submission to the REMCo Board.