



# Implementation process and timing



# Implementation tasks

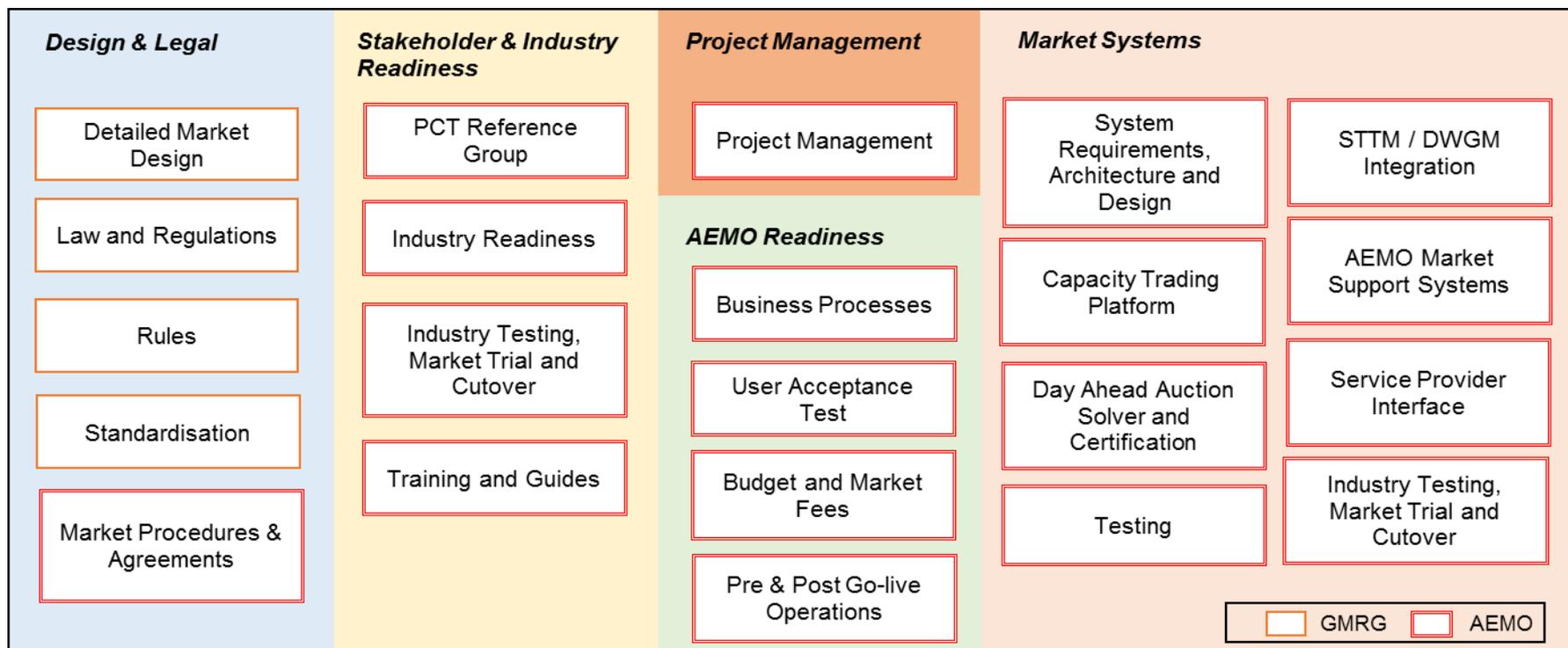


Before the capacity trading reform package can be implemented, extensive work is required by the GMRG, AEMO and service providers on the following tasks:

1. Development of legal, regulatory and contractual architecture. This task will involve:
  - a. the preparation of drafting instructions for changes to the National Gas Law (NGL) and changes to the National Gas Rules (NGR), Regulations and other subordinate instruments that will be made by the South Australian Minister (e.g. the Operational Transportation Service Code (Code))
  - b. the development of procedures and other subordinate instruments that will be made by AEMO
  - c. the development of standardised Operational TSAs, and receipt and delivery point zones by service providers.
2. Market systems development, which will involve designing, developing and testing the new systems that will be required for the capacity trading platform and the day-ahead auction and related activities.
3. Industry readiness, which will involve the development of guidelines and training material for market participants, industry testing and market trial, and other market readiness related activities (including the development by service providers and approval by AEMO of the method to be used to calculate auction quantities on each facility).



# Allocation of responsibilities





# GMRG role in implementation project



The GMRG will retain responsibility for market design and will also be responsible for:

- Finalising the design of the Capacity Trading Platform (CTP), the Day-Ahead Auction (DAA), the standardisation related reforms and Secondary Capacity Reporting Framework.
- Developing and consulting upon the legal, regulatory and contractual architecture outlined in (1)(a), which includes developing the drafting instructions for the NGL and Regulations, drafting the required changes to the NGR and developing the Code.
- Carrying out further work on allocation arrangements and making recommendations to the Energy Council on whether further reforms are required in this area.
- Developing the transitional arrangements for the harmonisation of gas day start times.
- Working with the AEMC and jurisdictions on whether the reforms should extend to the Northern Territory and Western Australia.
- Liaising with market bodies on the changes to their functions and powers.



# AEMO role in implementation project



AEMO will be responsible for:

- developing and consulting upon:
  - the Capacity Transfer and Auction Procedures;
  - the Auction Agreement;
  - amendments to existing Procedures
  - amendments to the Exchange Agreement.
- the market systems workstream, which will involve:
  - developing the capacity transfer interface to facilitate data exchange between service providers and AEMO.
  - developing market systems for the CTP and DAA.
  - changes to existing Declared Wholesale Gas Market (DWGM) and Short Term Trading Market (STTM) market systems to integrate with the CTP and DAA processes and market systems.
  - testing new market systems and regression testing for existing market systems affected by changes.
  - cutover planning, testing and implementation for AEMO systems.



# AEMO role in implementation project



AEMO will also be responsible for the industry readiness workstream, which will involve:

- Readiness reporting across the joint implementation project.
- Supporting the readiness of industry participants through engagement, training, and technical documentation.
- The preparation, management and support of industry testing and market trial.
- Planning and managing industry cut-over to new market systems.
- Pre and post go-live support.



# Indicative timings



Implementation tasks	Q4 2017	Q1 2018			Q2 2018			Q3 2018			Q4 2018			Q1 2019			
	Dec	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Legal and Contractual Architecture</b>																	
<b>GMRG</b>																	
NGL, NGR, Regulations, Operational GTA Code and draft exposures of other subordinate instruments		Drafting			Formal consultation		SCO & Energy Council approval	NGL, NGR and Operational GTA Code made by SA Minister			★						
<b>AEMO</b>																	
AEMO Procedures for Auction and Capacity Trading Platform		Drafting			Formal consultation on existing and new procedures			Procedures made									
<b>GMRG and AEMO</b>																	
Technical development and stakeholder feedback		Informal consultation															
<b>Service Providers</b>																	
Service providers put in place standardised operational GTAs									Operational GTAs								
<b>System Design, Development and Testing</b>																	
<b>AEMO</b>																	
High level system design		Phase 1															
Registration, market integration, interface with service providers					Phase 2												
Auction bid interface and solver							Phase 3										
Settlement and prudential systems, market reports and Bulletin Board changes								Phase 4									
End-to-end testing										Phase 5							
Industry trial												Phase 6					
Technical development and stakeholder feedback					Informal consultation												
<b>Readiness, Market Guidelines and Training</b>																	
<b>AEMO</b>																	
Stakeholder engagement (market readiness matters)										Informal consultation							
Industry guides and training											Drafting	Deliver					
<b>Fully Integrated Market Start</b>																	
Capacity Trading Platform, Day-Ahead Auction and Reporting Framework																	1-Mar-19

★ Please note that the timing associated with when the NGL, NGR, Regulations and Operational GTA are made is conditional upon the passage of an Amendment Bill through South Australian Parliament and its subsequent Proclamation.



# Next steps in development of legal architecture



The GMRG has commenced work on the development of the legal architecture (i.e. the NGL, Regulations, NGR and Code) required to give effect to the reforms.

Public consultation on this legal architecture is expected to commence on 19 March 2018 and conclude on 27 April 2018.

Following the incorporation of stakeholder feedback, the final set of changes to the NGL, NGR and other subordinate instruments will be provided to Energy Council for approval. This is expected to occur in mid-2018.

If the proposed changes are approved, the SA Minister for Mineral Resources and Energy will progress the NGL changes through SA Parliament. Following the proclamation of the NGL changes, the SA Minister will make the initial rules. Once these changes have been made, AEMO can commence work on changes to procedures.

Date	Process
December 2017- February 2018	Development of drafting instructions for the NGL and Regulations and the development of amendments to the NGR and other subordinate instruments
Mid-March - April 2018	Stakeholder consultation on the draft instruments (6 weeks)
June 2018	Final instruments presented to Energy Council for approval
July- September 2018	Amendments to the NGL progressed through SA Parliament Once NGL changes have been proclaimed, the SA Minister can make the initial rules and any other subordinate instrument required to give effect to the reforms