



Gas Services Information Rule Change Proposal Submission

GRC_2024_01

AEMO Allowable Revenue Framework

Submitted by:

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Submissions on Rule Change Proposals can be sent by:

Email to: energymarkets@demirs.wa.gov.au

Post to: Energy Policy WA
Attn: Director, Wholesale Markets
Level 1, 66 St Georges Terrace Perth, WA, 6000
Locked Bag 100
East Perth WA 6892

1. Please provide your views on the proposal, including any support, objections, or suggested revisions.

Acknowledging that a key change in AEMO's proposed framework is shifting the external governance and control role from the ERA to Gas Market Participants (shippers and energy consumers who pay AEMO's fees through GSI invoices) and that the current framework is time consuming potentially inefficient and may in fact add to AEMO's costs; this shift places greater emphasis on engaging with Gas Market Participants.

Our view is that the Rule Change Proposed does not sufficiently address:

Whether the proposed consultation process becomes more time consuming and therefore more costly than the current process for Market Participants. Acknowledging resourcing time from Gas Market Participants will be required, we believe more detail in that area would be required before a detailed view could be presented.

And

What happens if Market Participants disagree with AEMO's priorities, budget, projects and/or Major Project determinations and the desired revenues and fees? Under the proposed changes, AEMO is required to consult stakeholders, it does not seek their approval or acceptance, AEMO

ultimately retains control over budget decisions and could run rampant with a view of unlimited spendable amounts being covered by the market.

Additionally

AEMO's introduction of the 'Major Project' concept will involve stakeholder consultation throughout project initiation and delivery. However, AEMO will decide what qualifies as a Major Project and set the criteria, with the Gas Advisory Board only providing feedback. Does this mean AEMO can override or disregard or reject further participation or input from Market Participant or their requests? Such should be better addressed in the Proposal.

Further

AEMO becomes a self-regulated, self-governing body with limited scrutiny of its own behaviour, actions and outcomes, in respect to revenue generation, budget setting, projects and other activities without effective external oversight. If this is the case then the GSI Rules should be enhanced to make clear what limits and governing rules such self-regulation should take and with some kind of overarching right for Market Participants to seek from the Minister of Energy or Coordinator of Energy a request to veto any matter or issue raised by Market Participants (through perhaps an issues resolution process), so that person of authority makes themselves available to deal with (formerly with written directions) in relation to any issue raised and requiring resolution to seek a determination.

2. Please provide an assessment of whether the change will better facilitate the achievement of the GSI Objectives.

The GSI Objectives promote the efficient investment in natural gas services and efficient operation and use of natural gas services for the long term interest of consumers. Those objectives can only be achieved if these rule change measures drive GSI cost reductions into the future and NOT cost increases. Accordingly, there should be a measure to deliver future cost reductions in the proposal.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems/processes) and any costs involved in implementing the changes.

Subject to other views provided herein CPM do not believe there will be any implication to our organization.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

Subject to other views provided herein CPM do not believe there will be any implication to our organization.
