



# FAQ BY PARTICIPANTS

AMDQ CC AUCTION

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**1. Could you please clarify if ‘Full Payment’ requires successful bidders to pay in advance for the full 5 years?**

Market Participants will be charged a one off payment equal to the clearing price for that CPP multiplied by the allocated GJ of AMDQ CC at that CPP, plus GST. As per the clause 6.6 of the Wholesale Market AMDQ Procedures, the successful bidders must make the full payment to AEMO within 20 business days of the invoice date.

**2. Is there a maximum bid price as contemplated at 6.4(c) of the Wholesale Market AMDQ Procedures?**

No maximum bid price has been specified.

**3. Why the Min bid price \$0.07 is almost double the existing SWP peak day tariff? (\$1.46 x 10 days / 365 days = \$0.04),**

The minimum price is set to recover anticipated AEMO costs only. For the Iona CPP, the minimum amount recovered if 412,000 GJ is allocated will be  $412,000 \times \$0.07 = \$28,840.00$  (compared with current tariff  $412,000 \times 10 \times \$1.46 = \sim \$6.1m$ )

**4. Further information on allocation process:**

- The clearing price at a CPP is determined from the bid prices at that CPP and the available quantity of AMDQ CC under the AMDQ Procedures (6.5.2).
- The quantity of AMDQ CC at each CPP allocated to each MP is determined under the AMDQ Procedures (6.5.2).
- Market Participants will be charged a one off payment equal to the clearing price for that CPP multiplied by the allocated GJ of AMDQ CC at that CPP, plus GST.

Example:

Clearing price for AMDQ CC at Iona = \$2.75

Allocated quantity to MP A = 5,000 GJ

Payment to AEMO  $\$2.75 \times 5,000 \text{ GJ} = \$13,750.00$  plus \$1,375 GST

- Following payment, the AMDQ CC allocated to each MP will be registered in market systems by AEMO and nominated by MP under AMDQ Procedures (6.6).
- Market participants will be charged for the relevant services by the DTS SP in accordance with the Access Arrangement for 2018-2022 as approved by the AER.
- AEMO will use all revenues to offset DWGM fees as required by NGR 330(1)

**5. Payment to DTS SP**

All payments to DTS SP are as per Access Arrangements once approved. DTS SP has proposed that an injection charge will be levied at each injection zone on the ten peak day injections into the pipeline over the winter period (June-September, inclusive). In section 2.1.3 of their access arrangement submission, the DTS SP has noted that the AMDQ CC service has been removed from the access arrangement.

**6. Why the SWP CC has been split between Iona to Portland (WTS) and Iona to Melbourne?**

These are 2 pipelines from the Iona CPP for 2 different directions – one to Melbourne and one to the Western Transmission System (Portland). These are shown in the register of spare capacity. It is a condition of Iona > Western Transmission System (WTS) AMDQ CC that it can only be nominated to a delivery point on the WTS.

**7. Can you please confirm our existing accreditation for SWP Injections allow us to bid for the WTS CC?**

The maximum total quantity of AMDQ CC a MP can bid for at Iona CPP (i.e. the total bid quantity for Iona > Melbourne PLUS Iona > Western System) may not exceed their accreditation to inject at Iona, SEAGas, Otway and Mortlake System Injection Points.

Note that if an MP has more than one registration in use at a CPP, they will need to submit separate bids for each market participant registration up to their accreditation under that registration.

Details of each registered MP accreditations are published each gas day on the MP's private MIBB report INT118 \_v5 (on 'Scheduling Reports' page as 'Accreditation Day +3')

**8. If we haven't got an accreditation at WTS, what do we need to do to apply for accreditation**

Submit request for accreditation as per Wholesale Market Accreditation Procedures (<http://www.aemo.com.au/-/media/Files/PDF/Wholesale-Market-Accreditation-Procedures-Vic-v3.pdf>) by no later than the auction closing date of the auction.

**9. What do we need to be accredited at Bass Gas and Culcairn?**

This information must be checked with APA. Submit request for accreditation as per Wholesale Market Accreditation Procedures (<http://www.aemo.com.au/-/media/Files/PDF/Wholesale-Market-Accreditation-Procedures-Vic-v3.pdf>) by no later than the auction closing date of the auction.

It is a requirement for accreditation that an MP is able to demonstrate that they can comply the requirements in NGR 210 and the Wholesale Market Accreditation Procedures. One requirement is that an MP must be able to demonstrate that they are '...able to procure modification of the gas flow at the relevant connection point in accordance with any scheduling instructions issued by AEMO...' – in other words they have a valid contract permitting them to inject at that point. AEMO is unable to comment on the availability of contract capacity at specific points, so MP should contact the relevant interconnected pipeline operators (whose contact details are available on DWGM Data page of AEMO's website (link to data page <http://www.aemo.com.au/Gas/Declared-Wholesale-Gas-Market-DWGM/Data>) under 'Details of Registered Organisations' ([http://www.nemweb.com.au/REPORTS/CURRENT/VicGas/INT125\\_V8\\_DETAILS\\_OF\\_ORGANISATIONS\\_1.CSV](http://www.nemweb.com.au/REPORTS/CURRENT/VicGas/INT125_V8_DETAILS_OF_ORGANISATIONS_1.CSV)))

**10. Is there a reason the auction does not provide for different bidding across the 5 years?**

In this auction, existing AMDQ CC which is available as at scheduled commencement date of the relevant access arrangement period (1 Jan 2018) is auctioned for the full 5 year period. NGR 329G(2)(a) sets the period for the AMDQ CC being auctioned as the 'period that commences no earlier than the start of the declared transmission system service provider's access arrangement period and ends on the revision commencement date specified in the

access arrangement for that period'. The NGR and AMDQ Procedure allow an MP purchasing more AMDQ CC than they need to transfer a portion of the AMDQ CC to another MP for any part of the five year period.

**11. Is there any chance AEMO would allow to bid for different periods?**

Not for this auction. NGR329G does not allow for different periods. A rule change would be needed to alter this.