



# CAPACITY TRANSFER AND AUCTION PROCEDURES

PREPARED BY: AEMO [Insert Dept/Group]  
DOCUMENT REF: XX-XXXX  
VERSION: 1.0  
EFFECTIVE DATE: dd month yyyy  
STATUS: Consultation draft 21 August 2018

Approved for distribution and use by:

APPROVED BY: [NAME]  
TITLE: [Title]

DATE: / / 20



## VERSION RELEASE HISTORY

Version	Effective Date	Summary of Changes
1.0		First Issue

## CONTENTS

<b>DIVISION 1 – GENERAL</b>	<b>7</b>
<b>1. INTRODUCTION</b>	<b>7</b>
1.1. Purpose and scope	7
1.2. Legal framework	7
1.3. Definitions and interpretation	7
1.4. Formulae, calculations and values	10
<b>2. REGISTRATION OF TRANSPORTATION SERVICE PROVIDERS</b>	<b>11</b>
2.1. Registration and application forms	11
2.2. Authorised users and nominated representatives	13
2.3. Facility operator and transportation facility register	13
<b>3. SERVICE POINTS, PIPELINE SEGMENTS AND ZONES</b>	<b>14</b>
3.1. Service point specifications	14
3.2. Determination of zones, pipeline segments and backhaul	15
3.3. Information about the transfer of capacity within zones	17
<b>4. TRANSPORTATION SERVICE POINT REGISTER</b>	<b>18</b>
<b>5. INFORMATION ABOUT FACILITY AGREEMENTS</b>	<b>20</b>
<b>6. CTP COMMUNICATIONS</b>	<b>20</b>
6.1. CTP Interface Protocol	20
6.2. CTP Interface security	21
6.3. CTP Interface communication failures	21
6.4. CTP Interface maintenance	21
6.5. Use of CTP Interface	22
6.6. CTP Records	22
<b>DIVISION 2 – GAS TRADING EXCHANGE (CAPACITY TRADING PLATFORM)</b>	<b>23</b>
<b>7. APPLICATION OF CAPACITY TRANSFER AND AUCTION TIMETABLE</b>	<b>23</b>
<b>8. GAS TRADING EXCHANGE CAPACITY TRANSACTIONS</b>	<b>23</b>
8.1. Calculation of transfer quantities	23
8.2. Day-Ahead Transfers	23
8.3. Forward transfers	24
8.4. Validation by facility operators and status notification	24
<b>9. TRANSFERS AT STTM AND DWGM INTERFACE POINTS</b>	<b>25</b>
9.1. DWGM interface points	26
9.2. STTM interface points	26
<b>10. PRIMARY FACILITY AGREEMENT TERMINATION</b>	<b>27</b>
10.1. Definitions	27
10.2. Primary contract termination notice	28
10.3. Service continuity payments	28
10.4. Calculation of payments	29

<b>DIVISION 3 – AUCTION PROCEDURES</b>	<b>30</b>
<b>11. DEFINITIONS AND INTERPRETATION</b>	<b>30</b>
<b>12. PARTICIPATION</b>	<b>30</b>
12.1. Form of auction agreement	30
12.2. Eligibility	30
12.3. Application process	31
<b>13. AGENT PARTICIPANTS</b>	<b>31</b>
13.1. General	31
13.2. Applications in relation to Agent Participants	32
13.3. Changes to Appointing Participants	33
<b>14. ADMINISTRATION</b>	<b>34</b>
14.1. Representatives	34
14.2. Authorised users	34
14.3. Application of Capacity Transfer and Auction Timetable	34
<b>15. AUCTION PLATFORM</b>	<b>35</b>
15.1. Use of the Auction Platform	35
15.2. When access will be given	35
15.3. Auction Interface Protocol	35
15.4. Auction Platform operations	36
15.5. Capacity Auction Records	37
<b>16. PRODUCT COMPONENTS AND AUCTION SOLVER</b>	<b>37</b>
16.1. AEMO to determine product components	37
16.2. Product components associated with each product type	37
16.3. Auction Solver and mathematical formulation document	38
<b>17. AUCTION CANCELLATION AND FACILITY EXCLUSION</b>	<b>38</b>
<b>18. CONDUCT OF THE CAPACITY AUCTION</b>	<b>39</b>
18.1. Auction quantities	39
18.2. Bidding	39
18.3. Determination of auction results	41
18.4. Auction results binding	41
<b>19. AUCTION QUANTITIES</b>	<b>41</b>
19.1. Auction quantity limits	41
19.2. Categories of auction quantity limit	41
19.3. Quantities and terms used to calculate auction quantity limits	43
19.4. Allocation of capacity and nominations to facilities	45
<b>20. GIVING EFFECT TO AUCTION RESULTS</b>	<b>45</b>
20.1. Validation and confirmation process	45
20.2. DWGM allocations	46
20.3. Nomination cut-off time	46
<b>21. CAPACITY AUCTION SETTLEMENT AND PRUDENTIAL CALCULATIONS</b>	<b>47</b>

21.1. Indices and terms used in equations	47
21.2. Information for settlement to be provided by facility operators	48
21.3. Auction Settlement	48
<b>22. MAXIMUM PAYMENT CALCULATION</b>	<b>50</b>
<b>23. AUCTION PRUDENTIAL EXPOSURE CALCULATION</b>	<b>52</b>
23.1. Where this calculation is used	52
23.2. Calculation of Prudential Exposure	52
<b>24. BB REPORTING</b>	<b>52</b>
24.1. Reports	52
24.2. Information access restrictions	53
<b>DIVISION 4 – TRANSITIONAL</b>	<b>54</b>
<b>25. COMPRESSION SERVICE FACILITY INFORMATION</b>	<b>54</b>
25.1. Application	54
25.2. Submission of information	54
25.3. Nameplate rating information	54
25.4. Short term capacity outlooks for transitional compression facilities	54
25.5. Short term capacity outlooks for transitional compression facilities	54
25.6. Linepack/capacity adequacy indicator	55
25.7. Nominated and forecast use of compression facilities	55
25.8. Daily production data	56
<b>26. OTHER TRANSITIONAL ARRANGEMENTS</b>	<b>56</b>
26.1. Transitional firm services	56
26.2. Existing transportation facilities	56
<b>APPENDIX A. AUCTION AGREEMENT</b>	<b>70</b>
A1 Definitions and interpretation	72
A2 Participation in the Capacity Auction	76
A3 Auction Participant Representatives	77
A4 Auction Platform	78
A5 Auction Fees	78
A6 Prudential Requirements	78
A7 Auction Settlements	81
A8 Joint settlement with the Exchange Agreement	83
A9 Joint Credit Support	84
A10 Other matters relating to Auction Settlements	85
A11 Suspension	86
A12 Default and termination	88
A13 Simultaneous Close-Out under Exchange Agreement	90
A14 Dispute resolution	92
A15 Confidentiality	92
A16 Representations	94
A17 Liability	96
A18 Force Majeure	98
A19 Notices, Communications and Publication	99

A20	Miscellaneous	99
<b>APPENDIX B. CTAP SYSTEMS TERMS OF USE</b>		<b>102</b>
B1	Definitions	102
B2	Terms of use	102

## DIVISION 1 – GENERAL

### 1. INTRODUCTION

#### 1.1. Purpose and scope

These are the Capacity Transfer and Auction Procedures made under section 91BRO of the National Gas Law (**Law**) for the operation and administration of the *capacity auction* and *transaction support arrangements* (**Procedures**).

The National Gas Rules (**Rules**) and the National Gas Law prevail over these Procedures to the extent of any inconsistency.

#### 1.2. Legal framework

These Procedures are made under section 91BRO of the Law. These Procedures may only be amended in accordance with Part 15B of the Rules.

These Procedures apply to AEMO and each person to whom they are expressed to apply.

#### 1.3. Definitions and interpretation

##### 1.3.1. Glossary

The words, phrases and abbreviations set out below have the meanings set out opposite them when used in these Procedures.

Term	Definition
AEMO	Australian Energy Market Operator Limited (ACN 072 010 327).
AER	Australian Energy Regulator, which is established under section 44AE of the Competition and Consumer Act 2010 (Cth).
Agent Participant	A person who has been appointed as Agent Participant in accordance with these Procedures.
Appointing Participant	In relation to an Agent Participant, each person from time to time appointing that Agent Participant.
Auction Interface Protocol	Has the meaning given in clause 15.3.
Auction Platform	Has the meaning given in clause 11.
Auction Product	Has the meaning given in clause 11.
Auction Solver	Has the meaning given in clause 11.
Capacity Transfer and Auction Timetable	On each day up to and including the end of the <i>gas day</i> starting on 30 September 2019, the Capacity Transfer and Auction Timetable in Schedule 1 and, on and from the <i>gas day</i> starting on 1 October 2019, the Capacity Transfer and Auction Timetable in Schedule 2.
Capacity Transfer Status report	Means the report of that name sent through the CTP Interface.
Combined Transfer	An STTM transfer, a DWGM transfer or a transfer of <i>transportation capacity</i> by more than one <i>facility operator</i> .
Contract Information	Has the meaning given in clause 5(a)(i).
CTP Interface	Has the meaning given in clause 6.1(a)(i).
CTP Interface Protocol	Has the meaning given in clause 6.1(a).
CTP Records	Has the meaning given in clause 6.6(a).

Term	Definition
Curtailed Quantity	For a <i>gas day</i> and a <i>transportation service</i> , the amount (in GJ) by which the scheduled quantity for the <i>transportation service</i> for the <i>gas day</i> is less than the nomination for use of the <i>transportation service</i> on that <i>gas day</i> , but not including any part of a nomination not included in the scheduled quantity because it exceeds the quantity of <i>transportation capacity</i> held by the person making the nomination.
Daily Transfer Quantity	Has the meaning given in clause 8.1(a).
Day-Ahead Transfer Notice	A notice given in accordance with clause 8.2(a).
DWGM transfer	Has the meaning given in clause 9.1(a)(i).
Exchange Agreement	The Exchange Agreement made by AEMO under Part 22 of the Rules governing participation in and the operation of the Gas Trading Exchange.
Exchange Member	A person who is a party to the Exchange Agreement.
Forward Transfer Notice	A notice given in accordance with clause 8.3(a).
Gas Trading Exchange	The <i>gas trading exchange</i> established under Part 22 of the Rules.
Good Gas Industry Practice	The practices, methods and acts that would reasonably be expected from experienced and competent persons engaged in a business of providing natural gas services in Australia, acting with all due skill, diligence, prudence and foresight and in compliance with all applicable legislation, authorisations and industry codes of practice.
GTE Transaction	A sale or purchase of <i>transportation capacity</i> concluded through the Gas Trading Exchange.
<i>STTM integrated product</i>	A Product offered through the Gas Trading Exchange for the sale of <i>transportation capacity</i> which is specified as an STTM integrated product in the Product Specification in the Exchange Agreement
STTM transfer	Has the meaning given in clause 9.2(a)(i).
Trading Halt	Has the meaning given in clause 11.
Zone Curtailment Information	Has the meaning given in clause 3.3.1(a).
Zone Reporting Period	Has the meaning given in clause 3.3.1(d).

For the purposes of these consultation draft Procedures, terms in *italics* have the meanings set out opposite them in the following table. Where applicable, a reference to a section of the Law refers to that section as will be amended or inserted by the *National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018 (SA)*.

Term	Definition
<i>auction facility</i>	A <i>transportation facility</i> other than a <i>transportation facility</i> exempt from being a <i>registered facility</i> , in accordance with rules made for section 91BRS of the Law..
<i>auction participant</i>	Has the meaning given to “capacity auction participant” in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018 (SA)</i> .
<i>business day</i>	Has the meaning given in Schedule 2 of the Law.
<i>capacity auction</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018 (SA)</i> .
<i>capacity auction agreement</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018 (SA)</i> .



Term	Definition
<i>Capacity Trading and Auction amendments</i>	As defined in section 294DA(10) of the Law.
<i>compression service facility</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018</i> (SA).
<i>DWGM interface point</i>	A <i>service point</i> or <i>zone</i> that interfaces with the DWGM established under Part 19 of the Rules.
<i>facility agreement</i>	An agreement for the use of transportation capacity, including an <i>operational transportation service agreement</i> .
<i>facility operator</i>	A <i>transportation facility operator</i> registered with AEMO under these Procedures in accordance with section 91BRR of the Law.
<i>gas day</i>	For a <i>transportation facility</i> , the 24 hour period used for nominations and scheduling for that <i>transportation facility</i> . Before the <i>standard gas day</i> comes into effect, the <i>gas day</i> starts at the time determined by the <i>facility operator</i> . Once the <i>standard gas day</i> comes into effect, it means the <i>standard gas day</i> .
<i>nameplate rating</i>	For a pipeline, as defined in Part 18. For a <i>service point</i> , the maximum quantity of natural gas that can be received or delivered through the <i>service point</i> on a <i>gas day</i> . For a <i>compression service facility</i> , a set of values describing the maximum quantity of natural gas that can be compressed by the <i>compression service facility</i> on a <i>gas day</i> under a corresponding set of expected standard operating conditions.
<i>operational transportation service</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018</i> (SA).
<i>operational transportation service agreement</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018</i> (SA).
<i>pipeline segment</i>	A part of a pipeline between <i>zones</i> , as set out in the <i>transportation service point register</i> .
<i>primary facility agreement</i>	A <i>facility agreement</i> under which <i>transportation capacity</i> is first sold by the <i>transportation service provider</i> to a <i>transportation facility user</i> .
<i>publish</i>	By a person, means to make publicly available on the person's website and in the case of AEMO, includes to make publicly available on the <i>Natural Gas Services Bulletin Board</i> .
<i>registered facility</i>	A <i>transportation facility</i> registered under these Procedures in accordance with section 91BRR of the Law.
<i>service point</i>	A point at which a <i>transportation service</i> is provided, whether for a pipeline or a <i>compression service facility</i> , such as a receipt point, delivery point, in-pipe trading point or a notional point (being a collection of receipt points or delivery points).
<i>service provider group</i>	As defined in clause 6 of the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018</i> (SA).
<i>standard gas day</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018</i> (SA).
<i>standard OTSA</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018</i> (SA).
<i>STTM interface point</i>	A <i>service point</i> or <i>zone</i> that interfaces with the STTM established under Part 20 of the Rules.
<i>transitional compression facility</i>	A <i>compression service facility</i> that is an <i>auction facility</i> at any time before the day the <i>capacity auction</i> starts, or after that date but before the <i>compression service facility</i> becomes registered as a BB facility under Part 18 and has a BB reporting entity registered for it under that Part.
<i>transportation capacity</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018</i> (SA).

Term	Definition
<i>transportation facility</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018 (SA)</i> .
<i>transportation facility user</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018 (SA)</i> .
<i>transportation service</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018 (SA)</i> .
<i>transportation service point register</i>	The register of that name maintained by AEMO and described in clause 4.
<i>transportation service provider</i>	As defined in the <i>National Gas (South Australia) (Capacity Trading and Auctions) Amendment Bill 2018 (SA)</i> .
<i>zone</i>	A zone determined by AEMO as provided for in these Procedures.

### 1.3.2. Interpretation

The following principles of interpretation apply to these Procedures unless otherwise expressly indicated:

- (a) These Procedures are subject to the principles of interpretation set out in Schedule 2 of the Law.
- (b) References to time are references to Australian Eastern Standard Time.
- (c) References to rules or subrules are to the relevant provision in the Rules.
- (d) A reference to a change in capacity or quantity includes an increase or decrease.

## 1.4. Formulae, calculations and values

### 1.4.1. Gas days

In these Procedures, the following terms may be used to identify a gas day:

***d*** refers to a *gas day*.

***d-n*** (1, 2, 3, etc.) refers to the *gas day* that is *n* or a specified number (1, 2, 3 etc) of *gas days* before *gas day d*.

***d+n*** (1, 2, 3 etc.) refers to the *gas day* that is *n* or a specified number (1, 2, 3 etc) *gas days* after *gas day d*.

***D*** refers to the *gas day* in respect of which a matter is to be calculated or determined.

***D-n*** (1, 2, 3, etc.) refers to events or calculations that occur on the *gas day* that is *n* or a specified number (1, 2, 3 etc) of *gas days* before *gas day D* and which pertain to *gas day D*.

***D+n*** (1, 2, 3 etc.) refers to events or calculations that occur on the *gas day* that is *n* or a specified number (1, 2, 3 etc) *gas days* after *gas day D* and which pertain to *gas day D*.

***n*** represents a number of *gas days*.

**Note:** It is not possible to describe differences between values determined for two distinct *gas days* using the term *D* since labels like *D-1* and *D+1* can only be used to refer to values that apply for *gas day D*. Only *d* can be used to describe differences between values determined for different *gas days*.

### 1.4.2. General

In these Procedures, the following mathematical notations used in formulae and equations have the meanings given in the table below.

Notation	Meaning
$\epsilon$ , as in $k\epsilon SP$	This is an example of the usage of the term "element" ( $\epsilon$ ). This notation means that the expression it relates to is evaluated for every possible value of an index (in this case $k$ ) within a set (in this case $SP$ ).
$\Sigma$ , as in $\Sigma k$	This is an example of the usage of the term "sum" ( $\Sigma$ ). This indicates that any expression following this term is to be evaluated for, and the results summed over, all values of an index (in this case $k$ ).
$ABS()$	The absolute value of the term within the brackets, eg. $ABS(-5) = 5$ , $ABS(5) = 5$ .
'{ }', '( )' and '[ ]'	A pair of brackets indicates that all calculations between the brackets are to be performed separately from expressions outside the brackets. Different forms of brackets are used solely to make it easier to match the opening bracket of a pair of brackets with the closing bracket.
$MAX()$	The maximum (or highest) of two or more values within the brackets, eg. $MAX(3,6) = 6$ , $MAX(-4,-7,5) = 5$ .
$MIN()$	The minimum (or lowest) of two or more values within the brackets, eg. $MIN(3,6) = 3$ , $MIN(-4,-7,5) = -7$ .

### 1.4.3. Null Values

Where no value is required to be set for a term in a settlement equation, the result of the equation is to be calculated without that term.

## 2. REGISTRATION OF TRANSPORTATION SERVICE PROVIDERS

### 2.1. Registration and application forms

#### 2.1.1. Application forms and information to be included with the application

- (a) AEMO will *publish* and maintain forms to be used to:
  - (i) apply for registration of a *facility operator* or a *transportation facility* or as the *facility operator* for a *registered facility*;
  - (ii) apply for revocation of registration;
  - (iii) register authorised users; and
  - (iv) notify changes to registration details including *transportation facilities* and authorised users.
- (b) The forms referred to in paragraph (a) will specify the information to be provided with the form, including:
  - (i) information about the *facility operator*;
  - (ii) where the application is made by a member of a service provider group, information about a *service provider group* and to evidence the appointment of the applicant as the *facility operator* authorised to register on behalf of the group;
  - (iii) where the application relates to a *transportation facility*:
    - (A) information about the facility and to determine the boundaries of the facility;
    - (B) information to evidence the basis on which the applicant has the right to register as the *facility operator* for the facility;
    - (C) where the facility is also the subject of one or more registrations under Part 18, information to identify those registrations; and

- (D) where the facility has a *DWGM interface point*, the ramp up time and ramp down time of the facility, being the time (hours) the facility takes to change up to and down from the maximum flow rate;
  - (iv) the responsible person who will be the principal organisational contact for matters relating to these Procedures; and
  - (v) authority to sign the form as an authorised signatory of the applicant.
- (c) If an application is made to:
  - (i) register a pipeline that is the subject of multiple pipeline licences as a single facility;
  - (ii) register a transportation facility, together with one or more other transportation facilities, as a single facility; or
  - (iii) register a part (or parts) of a transportation facility as a separate facility,
 the application must include the applicant's proposed methodology for allocating reserved *transportation capacity* in relation to the *transportation facility* (or parts) for approval by AEMO prior to registration and must provide to AEMO on request any other information reasonably required by AEMO to assess the methodology. The applicant may submit a revised methodology to AEMO in response to questions or concerns raised by AEMO.
- (d) A methodology provided under paragraph (c) may be amended from time to time on the application of the *facility operator* for the facility and with the approval of AEMO and is confidential information of the *facility operator*.

### 2.1.2. Application process

- (a) An application for registration under section 91BRR of the Law or for revocation of a registration made under that section must:
  - (i) be in the form published by AEMO;
  - (ii) contain the information specified in the form; and
  - (iii) be signed by an authorised signatory of the applicant organisation.
- (b) Applications must be submitted to AEMO at the email address or by other means specified in the application form.
- (c) AEMO must *publish* and maintain a list of applications for registration identifying the relevant *facility operator* or *transportation facility*.
- (d) AEMO will notify the applicant when an application has been accepted. The registration or revocation of registration (as applicable) takes effect from that time or, where an application for registration is made by an intending *facility operator* or in respect of a proposed *transportation facility* that will be required to be a *registered facility* under these Procedures, any later time requested by the applicant for registration and agreed by AEMO.

### 2.1.3. Changes to registration details

A registered entity must notify any change to its registration details or the registration details of its *transportation facility* where practicable before the change occurs and otherwise as soon as practicable after the change occurs, using the form published by AEMO for that purpose, signed by an authorised signatory of the applicant organisation.

## 2.2. Authorised users and nominated representatives

### 2.2.1. Principal organisational contact

- (a) A *facility operator* must nominate a principal organisational contact for all matters under these Procedures (other than those for which a specific representative is responsible under this clause 2.2) and to receive notices issued by AEMO.
- (b) A *facility operator* must notify changes to its principal organisational contact or any other representative where practicable before the change occurs and otherwise as soon as practicable after the change occurs, using the form published by AEMO for that purpose, signed by an authorised signatory of the *facility operator*.
- (c) A *facility operator* warrants in favour of AEMO that its representatives nominated under this clause are authorised to act on behalf of the *facility operator* and that each of the *facility operator's* representatives has consented to the use and disclosure of the representative's personal information for the purposes contemplated under these Procedures.

### 2.2.2. Other representatives

- (a) A *facility operator* may nominate up to three systems representatives. The role of a systems representative is to communicate with AEMO on behalf of the *facility operator* about establishing and maintaining secure access to the CTP Interface in accordance with these Procedures.
- (b) A *facility operator* may nominate up to three settlement representatives. The role of a settlement representative is to communicate with AEMO on behalf of the *facility operator* about matters relating to settlement of payments in connection with the Capacity Auction or under these Procedures.
- (c) If no nomination is made under paragraph (a) or (b), the principal organisational contact will be taken to have been nominated in the role.

### 2.2.3. Authorised users

- (a) A *facility operator* must register its principal organisational contact, and any other person authorised to submit information on its behalf using the CTP Interface, as its authorised users.
- (b) Authorised users must be registered using the applicable registration form. Each form must be signed by an authorised signatory of the *facility operator* and where required by the form, the authorised user.
- (c) A *facility operator* must ensure that its authorised users comply with the terms of use for the CTP Interface in Appendix B.

### 2.2.4. RCTI Agreement

A *facility operator* must execute and deliver to AEMO a recipient created tax invoice agreement in the form specified by AEMO from time to time.

## 2.3. Facility operator and transportation facility register

- (a) AEMO will publish a register of *facility operators* and *registered facilities*. The register must contain, for *transportation facilities* in the register, information to enable any registrations associated with the *transportation facility* under Part 18 to be identified.
- (b) The register published may include any other information that AEMO considers it is convenient to include in the register in connection with the matters in these Procedures or to allow for information in the register to be referenced to other registers maintained by AEMO or the information published on the *Natural Gas Services Bulletin Board*.

- (c) AEMO must update the register as soon as practicable after receiving notice of any changes to the information in the register.

### 3. SERVICE POINTS, PIPELINE SEGMENTS AND ZONES

#### 3.1. Service point specifications

##### 3.1.1. Proposal and approval

- (a) A *facility operator* for a *registered facility* must provide to AEMO and keep up to date a specification of each *service point* at or between which *transportation services* are or may be provided by means of the *registered facility* and each service point at which capacity must be held in order to use a park service on the facility. The specification of a *service point* must take the form of an accurate description of the *service point* consistent with the description of the *service point* in *primary facility agreements* so as to enable the ready identification of the *service point* and the *transportation facility* to which it relates by AEMO and *transportation facility users*. If the *service point* is described in different ways in different *primary facility agreements*, the specification must include a principal description and the other descriptions to the extent necessary to facilitate the ready identification of the *service point*. The specification must also:
  - (i) include the *Natural Gas Services Bulletin Board* identification of the *service point*, where applicable to the *service point*;
  - (ii) specify the applicable *service point* type, using the *service point* types in clause 4(c);
  - (iii) where the *service point* is a notional point (that is, a point comprising more than one physical point), the name and description of each physical point making up the notional point;
  - (iv) unless the information is already provided under Part 18, include the *nameplate rating* for the *service point* (which in the case of an in-pipe trade point, will be the *nameplate rating* for the *pipeline segment* in which the *service point* is located); and
  - (v) be consistent with the other descriptions of the *service point* used for the Rules or the Gas Trading Exchange.
- (b) A *facility operator* for a *registered facility* must give AEMO a proposed specification for each *service point* on the *registered facility* within 10 *business days* of the application for registration of the *registered facility* under these Procedures.
- (c) A *facility operator* for a *registered facility* must give AEMO a proposed specification for a new or modified *service point* on the *registered facility* at least 10 *business days* before the new *service point* is commissioned or the modification takes effect.
- (d) The proposed specification of a *service point* and any modification must comply with paragraph (a) and must:
  - (i) be given to AEMO in writing using the form, if any, published by AEMO for this purpose;
  - (ii) where the proposal is for a new or modified *service point*, specify the time from which it takes effect; and
  - (iii) be signed by an authorised signatory of the *facility operator*.
- (e) If AEMO considers acting reasonably that a proposed specification of a *service point* or any modification does not comply with paragraph (a) or is not in a form suitable for publication in the *transportation service point register*, AEMO may notify the *facility operator* of the deficiencies and request the *facility operator* to review and update the proposal. The *facility operator* must comply with the request within 10 *business days*.



- (f) This clause and clause 3.1.2 apply in relation to *park service points* in the same way that they apply in relation to *service points*.

### 3.1.2. Changes to service point specifications

- (a) If the *facility operator* for a *service point* becomes aware that any information in a *service point* specification ceases to satisfy the requirements of clause 3.1.1(a), the *facility operator* must submit a proposal to amend the specification so that it does so as soon as practicable and in any event no later than 5 *business days* after it becomes aware.
- (b) AEMO may from time to time by notice to a *facility operator* request the *facility operator* review the specification of a *service point* recorded in the *service point transportation register*, if AEMO considers acting reasonably that the specification no longer satisfies the requirements of clause 3.1.1(a) (for example, based on information provided by *transportation facility users* to AEMO). A *facility operator* in receipt of a request under this paragraph must within 10 *business days* of the notice either:
  - (i) submit a proposal to amend the specification so that it does satisfy the applicable requirements; or
  - (ii) provide information satisfactory to AEMO about why no change is needed.

## 3.2. Determination of zones, pipeline segments and backhaul

### 3.2.1. Proposals

- (a) AEMO may on its own initiative propose to make a determination of a *zone* or a *pipeline segment* or that a *backhaul auction service* be included in the *capacity auction*, including a determination of any of those matters that amends or replaces an existing determination.
- (b) Any person may by submitting a proposal in writing to AEMO, propose that AEMO make a determination referred to in paragraph (a).
- (c) A proposal submitted under paragraph (b) must outline the reasons for the proposal.
- (d) AEMO is not obliged to consider and may reject a proposal submitted under paragraph (b) without consultation by giving written notice to the proponent in any of the following circumstances:
  - (i) in AEMO's reasonable opinion, the proposal is misconceived, lacking in substance, frivolous or vexatious; or
  - (ii) in AEMO's reasonable opinion, the proposal is for a change proposed but rejected in the previous 12 months.
- (e) AEMO must *publish* all proposals received which are not rejected under paragraph (d) but must omit the reasons for the proposal to the extent that they are stated to be confidential.

### 3.2.2. Provision of information or analysis by facility operators

- (a) AEMO may by notice to a *facility operator* request the *facility operator*, in relation to its *registered facility*, to:
  - (i) provide to AEMO information about the *registered facility* and *service points* on the facility reasonably required by AEMO to analyse and assess a proposed *zone* or *pipeline segment* (including whether the *pipeline segment* is single direction or bi-directional) or the feasibility of including a *backhaul auction service* provided by means of the *registered facility* in the *capacity auction*; or
  - (ii) undertake modelling or other analysis of a proposed *zone* or *pipeline segment*.

- (b) A request under paragraph (a) must specify in reasonable detail the nature of the information or analysis sought by AEMO and must include reasonable information about the proposed determination.
- (c) A request under paragraph (a) may be made in relation to a proposal to change a *pipeline segment* or the allocation of *service points* to a *zone* and may be made more than once in relation to a particular proposal.
- (d) A *facility operator* in receipt of a request under paragraph (a) for its *registered facility* must comply with the request as soon as reasonably practicable and in any event either within the period specified in the notice, which must not be shorter than 10 *business days*, or within any longer period requested by the *facility operator* within the period in the notice and approved by AEMO, acting reasonably.
- (e) Where the *facility operator* has undertaken analysis at AEMO's request, it must provide to AEMO:
  - (i) the results of the analysis; and
  - (ii) information reasonably required by AEMO to review the analysis and analyse the results, including models, assumptions, inputs, pipeline configuration and the methodology used.
- (f) If any of the information provided in response to a request under paragraph (a) is confidential information of a *transportation facility user*, the *facility operator* must provide the information to AEMO in such a way as to enable AEMO to readily identify which information is confidential information.
- (g) AEMO may include in information published by AEMO in connection with consultation under clause 3.2.3 or 3.2.4 the results of analysis undertaken by AEMO using information provided under this clause by the *facility operator*, but must do so in a manner that preserves the confidentiality of confidential information.

### 3.2.3. Consultation on proposed zones, pipeline segments and backhaul auction services

- (a) Unless the expedited process in clause 3.2.4 applies, AEMO must follow the process set out below in this clause 3.2.3 before making a determination of a *zone* or a *pipeline segment* or that a *backhaul auction service* be included in the *capacity auction*, including a determination of any of those matters that amends or replaces an existing determination.
- (b) AEMO must *publish* a notice of a proposed determination referred to in paragraph (a). The notice must invite the relevant *facility operator* and other interested persons to submit written comments on the proposal to AEMO on or before a date specified in the notice (which must be at least 20 *business days* after the date of the notice).
- (c) If AEMO considers it appropriate having regard to issues raised in submissions, it may undertake further consultation on specified issues or alternative proposals, and the notice and minimum time period in clause 3.2.3(b) apply to that further consultation.
- (d) AEMO must *publish* its decision on the proposal within 15 *business days* after the closing date for submissions under clause 3.2.3(b) or clause 3.2.3(c) as applicable. The decision must:
  - (i) summarise any comments received on the proposal;
  - (ii) set out the proposed determination;
  - (iii) if the proposed determination is materially different from the original proposal, describe how and why the proposal has been revised; and
  - (iv) specify the day on which the determination is to take effect.
- (e) At least 5 *business days* before the day on which any determination is to take effect, or an earlier date fixed by these Procedures in any particular case, AEMO must:
  - (i) give notice to the *facility operator* of the determination or change; and



- (ii) enter the determination in the *transportation service point register*.
- (f) In making a determination under this provision, AEMO must take into account all relevant and material comments that it receives by the closing date for comments and may take into account any comments it receives after that date.
- (g) AEMO may, by publishing and giving a notice to the relevant *facility operator*, extend a time limit specified in this clause 3.2.3 if AEMO considers that:
  - (i) the relevant proposal raises questions of such complexity or difficulty that an extension of the time limit is justified; or
  - (ii) a material change of circumstances occurs justifying the extension of the time limit, and the notice must state the reasons for the extension.

### 3.2.4. Expedited process

- (a) The expedited process set out in this clause 3.2.4 applies to a proposed determination referred to in clause 3.2.3(a), if AEMO considers that the proposal is of a minor or administrative nature.
- (b) AEMO must:
  - (i) *publish* a notice of its proposal; and
  - (ii) if the proposed allocation or change was not initiated by an affected *facility operator*, send a copy of the notice to the *facility operator*.
- (c) The notice to be published under paragraph (b) must:
  - (i) state that AEMO considers the expedited process is applicable to the proposed determination;
  - (ii) invite the relevant *facility operator* and other interested persons to submit written comments on the proposal to AEMO on or before the date specified in the notice (which must be at least 5 *business days* after the date of the notice); and
  - (iii) specify a date (the **proposed effective date**) for the proposed determination to take effect.
- (d) After the closing date for submissions, AEMO must, by publishing a notice, do one of the following:
  - (i) confirm the proposal and either confirm the proposed effective date or specify a later effective date;
  - (ii) amend the proposal and either confirm the proposed effective date or specify a later effective date; or
  - (iii) defer a decision on the proposal and provide for further consultation before the final determination is made.
- (e) AEMO must give as much notice of the expedited proposal as is reasonably practicable before it takes effect, by:
  - (i) giving notice to the *facility operator*; and
  - (ii) entering the allocation or change in allocation in the *transportation service point register*.

## 3.3. Information about the transfer of capacity within zones

### 3.3.1. Information from facility operators about curtailment of capacity within a zone

- (a) A *facility operator* must provide to AEMO, for each *gas day* and each *service point* in a *zone* on its *registered facility* comprising more than one *service point*, the Curtailed

Quantity for *transportation capacity* at that *service point* that has been transferred pursuant to an *operational transfer* (**Zone Curtailment Information**).

- (b) The Zone Curtailment Information must be provided to AEMO no later than 5 *business days* after the end of the Zone Reporting Period to which it relates.
- (c) The **Zone Reporting Period** comprises the period of 7 consecutive *gas days* starting each Sunday.
- (d) The Zone Curtailment Information must be submitted through the CTP Interface using the specified file format.

### 3.3.2. Publication by AEMO

AEMO must *publish* on the *Natural Gas Services Bulletin Board* information for each *zone* comprising more than one *service point* about the transfer of capacity between *service points* in the *zone*, including any curtailment of capacity upon transfer, in the form and at the times determined by AEMO, based on the Zone Curtailment Information provided by *facility operators* under clause 3.3.1.

## 4. TRANSPORTATION SERVICE POINT REGISTER

- (a) AEMO must establish and maintain a *transportation service point register* that contains the following parts and information:
  - (i) Part 1 – Service Point Register, listing each *service point* (with a separate entry for each category) and containing the following information in relation to each *service point*:
    - (A) name of *service point*;
    - (B) description of *service point*;
    - (C) the *service point* category; and
    - (D) *zone* in which *service point* is located;
  - (ii) Part 2 – Notional Point Register, listing each notional point used for trading and the name and description of each physical point making up the notional point;
  - (iii) Part 3 – Zone Register, listing each *zone* and containing the following information in relation to each *zone*:
    - (A) *zone* name;
    - (B) description of *zone*; and
    - (C) type of *zone* (as described in paragraph (b));
  - (iv) Part 4 – Forward Haul Pipeline Segment Register, containing the following information in relation to each *forward haul pipeline segment*:
    - (A) *forward haul pipeline segment* name; and
    - (B) each *pipeline zone* that defines the *pipeline segment*;
  - (v) Part 5 – Backhaul Pipeline Segment Register, containing the following information in relation to each backhaul *pipeline segment*:
    - (A) backhaul *pipeline segment* name; and
    - (B) each backhaul receipt point and each backhaul delivery point that defines the *backhaul pipeline segment*; and
  - (vi) Part 6 – Park Service Register, listing for each *park service*, the *park service point* at which *transportation capacity* is required to use the service.
- (b) The *zone* types are:
  - (i) *pipeline receipt zone*;

- (ii) *pipeline delivery zone*;
  - (iii) *compression receipt zone*; and
  - (iv) *compression delivery zone*.
- (c) The *service point* categories are set out in the following table. In the table, the categories marked with an asterisk may also be referred to using the reverse formulation. For example, a backhaul delivery point that is also used as a forward haul delivery point may be described as a forward haul delivery point that is also used as a *backhaul delivery point*.

Purpose of service point	Category	Subcategory 2
<i>service point</i> for a pipeline (including notional points)	forward haul receipt point	N/A
	forward haul delivery point	N/A
<i>service point</i> for a pipeline (including notional points)	backhaul receipt point	If backhaul service at the point is against the physical flow, this is treated as a backhaul receipt point that is also used as a forward haul delivery point.  If backhaul service at the point is with the physical flow at the point, this is treated as a backhaul receipt point that is also used as a forward haul receipt point.
	backhaul receipt point	backhaul receipt point that is also used as a forward haul delivery point*
	backhaul receipt point	backhaul receipt point that is also used as a forward haul receipt point*
	backhaul delivery point	If backhaul service at the point is with the physical flow, this is treated as a backhaul delivery point that is also used as a forward haul delivery point  If backhaul service at the point is against the physical flow at the point, this is treated as a backhaul delivery point that is also used as a forward haul receipt point
	backhaul delivery point	backhaul delivery point that is also used as a forward haul delivery point*
	backhaul delivery point	backhaul delivery point that is also used as a forward haul receipt point*
	backhaul delivery point	backhaul delivery point that is also used as a forward haul receipt point*
<i>service point</i> for a compression service facility (including notional points)	compression receipt point	N/A
	compression delivery point	N/A

- (d) For the purposes of the table in paragraph (c), a *service point* is used as a forward haul or backhaul receipt point or a forward haul or backhaul delivery point if any forward haul or backhaul services (as applicable) are or may be provided by means of that point, whether or not firm or an *operational transportation service* offered under the *standard OTSA* for the facility.
- (e) AEMO must update the *transportation service point register* as soon as practicable after receiving notice of any change to the information in the register.

## 5. INFORMATION ABOUT FACILITY AGREEMENTS

- (a) In this clause:
  - (i) **Contract Information** means, for a *facility agreement*:
    - (A) each *transportation facility user* who is a party to the *facility agreement*, using the participant ID in the register;
    - (B) each *registered facility* to which the *facility agreement* relates;
    - (C) the *facility operator's* reference ID for the *facility agreement* or *transportation services* under the agreement and whether it is an auction service, a traded service, or both;
    - (D) the date range (i.e. start date and end date) for *transportation services* under the *facility agreement*; and
    - (E) if the *facility agreement* allows delivery to a *hub* (as defined in Part 20 of the Rules), the identifier of the *registered facility service*;
  - (ii) **register** means AEMO's register of gas registrations, including Exchange Members and *auction participants*; and
  - (iii) **standard facility service** means, for a *registered facility*, each *transportation service* available under the *standard OTSA* applicable to the *transportation facility*.
- (b) A *facility operator* must provide to AEMO the Contract Information for each *facility agreement* for its *registered facility* with a *transportation facility user* who is an Exchange Member or an *auction participant* or who is an Appointing Participant or an Appointing Member.
- (c) Contract Information must be provided to AEMO as soon as practicable and in any event within 2 *business days* of the later of:
  - (i) the *facility agreement* coming into effect; and
  - (ii) the relevant *transportation facility user* becoming an Exchange Member, *auction participant*, Appointing Participant or Appointing Member.
- (d) Contract Information must be provided to AEMO through the CTP Interface using the specified file format.
- (e) If any Contract Information provided to AEMO changes, the *facility operator* must provide updated Contract Information to AEMO as soon as practicable after it becomes aware of the change and no later than 2 *business days* after the change takes effect.
- (f) A *facility operator* may notify a change to Contract Information to AEMO before the change takes effect, specifying the effective date of the change.
- (g) Where the *facility operator* for a *registered facility* is not also a party to the *facility agreements* for the *registered facility* or more than one *transportation service provider* is party to those *agreements*, the *facility operator* is responsible for coordinating with the relevant *transportation service providers* to ensure Contract Information for the *registered facility* provided to AEMO is accurate and up to date.

## 6. CTP COMMUNICATIONS

### 6.1. CTP Interface Protocol

- (a) AEMO must establish a document setting out AEMO's procedures and minimum requirements, to be known as the **CTP Interface Protocol**, for:
  - (i) establishing and maintaining an interface (**CTP Interface**) between the systems of the *facility operators* and AEMO (in its capacity as Operator under Part 22) for the purposes of exchanging information under these Procedures;

- (ii) establishing authorised user identities within the CTP Interface; and
  - (iii) providing processes and guides for the use of the CTP Interface and communications.
- (b) AEMO may amend the CTP Interface Protocol after consulting with *facility operators* and must *publish* the current CTP Interface Protocol on its website.
- (c) A *facility operator* must comply with the CTP Interface Protocol and must enter into any access and licensing agreement reasonably required by AEMO under the CTP Interface Protocol governing the terms of access to and use of the CTP Interface.
- (d) A *facility operator* is responsible for ensuring that anyone accessing or using that *facility operator's* CTP Interface:
  - (i) is authorised by the *facility operator* to do so; and
  - (ii) is aware of and complies with the CTP Interface Protocol, the terms of any access and licensing agreement entered into under the CTP Interface Protocol and the provisions of these Procedures that relate to interface access and use.
- (e) A *facility operator* is responsible for ensuring that the systems and equipment used by it interface correctly with the CTP Interface. AEMO has no liability whatsoever to any *facility operator* in connection with any failure of any system or equipment used by the *facility operator* to interface correctly with the CTP Interface.

## 6.2. CTP Interface security

- (a) AEMO must use commercially reasonable efforts to implement and maintain security systems and procedures designed to prevent unauthorised access to the CP Interface in accordance with Good Gas Industry Practice.
- (b) Each *facility operator* must use commercially reasonable efforts to:
  - (i) maintain the security of its interface with the CTP Interface;
  - (ii) ensure that its software and hardware that interfaces with the CTP Interface is free from any computer viruses; and
  - (iii) ensure that no computer virus or malicious software is introduced onto any other person's software or hardware as a consequence of the *facility operator's* use of the CTP Interface.

## 6.3. CTP Interface communication failures

- (a) Each *facility operator* acknowledges that interruption or malfunction of communications including any third party telephone network fixed line service or malfunction of the *facility operator's* systems or equipment or the CTP Interface may result in information sent by the *facility operator* not being received or the *facility operator* not receiving information or access to the CTP Interface.
- (b) Each *facility operator* is responsible for taking reasonable and prudent steps to mitigate the risk of communication failures in relation to its own use of the CTP Interface in accordance with its own business requirements.
- (c) If there is a communication failure, AEMO has no obligation to take account of or act on any communication from any *facility operator* provided by any other means.

## 6.4. CTP Interface maintenance

- (a) AEMO may suspend the operation of the CTP Interface to undertake maintenance and upgrading at any time. AEMO must use its reasonable endeavours to conduct maintenance and upgrading of the CTP Interface at times when in its reasonable opinion the impact on *facility operators* will be minimised.

- (b) AEMO must give *facility operator* as much notice as reasonably practicable of any period during which the CTP Interface will be unavailable as a result of any maintenance or upgrade.

## 6.5. Use of CTP Interface

- (a) Subject to paragraph (b), AEMO and *facility operators* must exchange information and provide notices as required by these Procedures using the CTP Interface and in the specified file format, unless another method is specified.
- (b) If the CTP Interface is not available for the exchange of information within the time required by these Procedures, information must be exchanged using alternative arrangements established by AEMO for this purpose, if any.

## 6.6. CTP Records

- (a) The CTP Interface will create a record of information exchanged between AEMO and *facility operators* using the CTP Interface (**CTP Records**).
- (b) AEMO must maintain CTP Records for a period of seven years after the record is created.
- (c) A *facility operator* may (at its cost) request copies of CTP Records that record information exchanged between AEMO and the *facility operator* or in relation to the *facility operator's transportation facility*. AEMO will use reasonable endeavours to provide the information requested if the information is available, subject to:
  - (i) payment of AEMO's reasonable cost of retrieving and providing copies of the information; and
  - (ii) agreement on any other terms reasonably requested by AEMO, including as to confidentiality of the information.

## DIVISION 2 – GAS TRADING EXCHANGE (CAPACITY TRADING PLATFORM)

### 7. APPLICATION OF CAPACITY TRANSFER AND AUCTION TIMETABLE

- (a) AEMO and each *facility operator* must give information and notices and do any other thing provided for in this Division at, before or after the relevant time (if any) specified by the Capacity Transfer and Auction Timetable, or where the time is extended by the occurrence of a delay event specified in the Capacity Transfer and Auction Timetable, that extended time.
- (b) AEMO must as soon as practicable notify and provide a revised timetable to Exchange Members (using the interface established under the Exchange Agreement) and *facility operators* (using the CTP Interface) whenever a delayed time specified in the Capacity Transfer and Auction Timetable is to apply to the provision of any information or notice or doing of anything under this Division.
- (c) If information or a notice is not given, or other thing not done at, before or after the time specified in the Capacity Transfer and Auction Timetable (as may have been extended), a provision in the Capacity Transfer and Auction Timetable that specifies the consequences of the failure has effect, and AEMO and the relevant *facility operator* must comply with the provision, as if the provision were set out in this Division.

### 8. GAS TRADING EXCHANGE CAPACITY TRANSACTIONS

#### 8.1. Calculation of transfer quantities

- (a) On each *gas day* *d*, subject to clause 8.1(c), AEMO must calculate for each *registered facility*:
  - (i) the *operational transfers* in relation to the *registered facility* that the *transportation service provider* must make on that *gas day* for each of the following 14 *gas days* (**Daily Transfer Quantities**); and
  - (ii) where a *registered facility* of the *transportation service provider* has an *STTM interface point* or a *DWGM interface point*, the quantities subject to the arrangements in clause 8.5.
- (b) In determining the Daily Transfer Quantities, AEMO will take into account:
  - (i) for the first 13 *gas days* after *gas day d*, all GTE Transactions which have not already been taken into account in an earlier notifications (typically comprising only those concluded since the notification on the previous *gas day*); and
  - (ii) for the 14<sup>th</sup> *gas day*, all GTE Transactions concluded on or before *gas day d* with a *service term* that includes that 14<sup>th</sup> *gas day*.
- (c) In relation to a *registered facility* that has an *STTM interface point*, AEMO must calculate the Daily Transfer Quantities accordance with clause 9.2.

#### 8.2. Day-Ahead Transfers

- (a) Each *gas day* *d*, AEMO must give a **Day-Ahead Transfer Notice** to each *facility operator* in relation to its *registered facility* specifying the day-ahead transfer quantities for that *facility operator* and *registered facility* for the following *gas day*.
- (b) A Day-Ahead Transfer Notice must contain the information required to identify the *operational transfers* required to be made including the *registered facility*, *gas day*, quantity, service, *transportation facility user*, contract reference and type of transfer (increase or decrease).
- (c) A *facility operator* in receipt of a Day-Ahead Transfer Notice (other than a notice in which all values are nil) must validate the information in the notice as provided for in clause 8.4



and when validation is complete must procure that each *operational transfer* in the Day-Ahead Transfer Notice is given effect to unless and to the extent that:

- (i) the *operational transfer* has failed validation; or
  - (ii) AEMO has notified the *facility operator* that a Combined Transfer has failed validation and the *operational transfer* should not proceed.
- (d) Where a day-ahead transfer has failed validation and is a Combined Transfer for a *transportation service* provided by a different *facility operator*, AEMO must give a notice to the other *facility operator* that the Combined Transfer has failed validation and the quantity of the Combined Transfer that must not be made due to the failure.

### 8.3. Forward transfers

- (a) Each *gas day d*, AEMO must give a **Forward Transfer Notice** to each *facility operator* in relation to its *registered facility* specifying the *operational transfers* for that *facility operator* and *registered facility* for each of the following 14 *gas days* (other than the *gas day* covered by that day's Day-Ahead Transfer Notice).
- (b) A Forward Transfer Notice must contain the information required to identify the *operational transfer* required to be made including the *registered facility*, *gas day*, quantity, service, *transportation facility user*, contract reference and type of transfer (increase or decrease).
- (c) A *facility operator* in receipt of a Forward Transfer Notice (other than a notice in which all values are nil) must validate the information in the notice as provided for in clause 8.4 and when validation is complete must procure that each *operational transfer* in the Forward Transfer Notice is given effect to unless and to the extent that:
  - (i) the *operational transfer* has failed validation; or
  - (ii) AEMO has notified the *facility operator* that a Combined Transfer has failed validation and the *operational transfer* should not proceed.
- (d) Where a forward transfer has failed validation and is a Combined Transfer for a *transportation service* provided by a different *facility operator*, AEMO must give a notice to the other *facility operator* that the Combined Transfer has failed validation and the quantity of the Combined Transfer that must not be made due to the failure.
- (e) The Day-Ahead Transfer Notice and Forward Transfer Notice may be provided to *facility operators* in the same CTP Interface file.

### 8.4. Validation by facility operators and status notification

- (a) For the purpose of this clause:
  - (i) a **shipper capacity shortfall** occurs in relation to an *operational transfer* that is a sale (decrease) of *transportation capacity* for a *gas day* if the *transportation facility user* does not have at least the quantity of *transportation capacity* specified in the Day-Ahead Transfer Notice or Forward Transfer Notice available to *transfer* for that *gas day*;
  - (ii) an **invalid contract reference** occurs in relation to an *operational transfer* if the contract reference in the Day-Ahead Transfer Notice or Forward Transfer Notice is invalid including where it is for a contract with a different *transportation facility user* or relates to a contract that does not extend to the *transportation service* or *service points* the subject of the *operational transfer* on the day on which it is to occur;
  - (iii) a **facility agreement transfer restriction** occurs in relation to an *operational transfer* if the terms of the *facility agreement* prohibit or restrict the *operational transfer*, including where the *transportation facility user* has maintained insufficient credit support under the *facility agreement*; and



- (iv) a **validation failure** occurs in relation to an *operational transfer* in a Day-Ahead Transfer Notice or Forward Transfer Notice if the *facility operator* identifies a shipper capacity shortfall, invalid contract reference or facility agreement transfer restriction in relation to the *operational transfer*.
- (b) For each *operational transfer* in a Day-Ahead Transfer Notice or Forward Transfer Notice the *facility operator* must check whether there is a validation failure and send to AEMO Capacity Transfer Status reports specifying each *operational transfer* that has been validated and the quantity transferred or to be transferred and any transfers that are still pending.
- (c) If the *facility operator* identifies a validation failure in relation to an *operational transfer*, the *facility operator* must:
  - (i) notify AEMO, identifying the operational transfer and the reason for the validation failure;
  - (ii) allow time for the validation failure to be remedied in accordance with the Capacity Transfer and Auction Timetable by marking the transfer's status as pending in any interim Capacity Transfer Status reports provided before the final Capacity Transfer Status report is required.

For the avoidance of doubt, interim Capacity Transfer Status reports are not required if each *operational transfer* in a Day-Ahead Transfer Notice or Forward Transfer Notice is validated, and the facility operator is not required to give effect to an *operational transfer* that is still pending validation.

- (d) AEMO must as soon as practicable notify the relevant *transportation facility user* about a validation failure notified in a Capacity Transfer Status report and any change in status and must notify the relevant *transportation facility user* as soon as practicable after all changes are completed (or not).
- (e) If and to the extent the *transportation facility user* remedies the validation failure to the reasonable satisfaction of the *facility operator* before the final Capacity Transfer Status report is due, the *facility operator* must *transfer* the *transportation capacity* and include it in the quantities confirmed to AEMO in the Capacity Transfer Status report.
- (f) If and to the extent the *validation failure* is not remedied to the reasonable satisfaction of the *facility operator* before the final Capacity Transfer Status report is due, the *facility operator* is not required to *transfer* the *transportation capacity* and, to the extent that the capacity is not *transferred*, the *facility operator* must reduce the *operational transfer* for each intended recipient of the *transportation capacity* by multiplying it by a factor determined as follows, and rounding down to the nearest whole GJ:

$$(1 - SC / TC)$$

where:

SC is the total amount of *transportation capacity* not to be transferred due to the validation failure; and

TC is the *transportation capacity* that would have been transferred had the validation failure not occurred.

## 8.5. Validation failures and other failed transfers

- (a) If a *facility operator* does not make an *operational transfer*, or only does so in part, it must give AEMO information to explain the reason, including where:
  - (i) due to a validation failure; or
  - (ii) by reason of a delay event identified in the Capacity Transfer and Auction Timetable extending beyond the delayed time permitted in that timetable.

- (b) If there is more than one reason for the purposes of paragraph (a), the facility operator must give information to AEMO about the quantity of the shortfall attributable to each reason.
- (c) If an Exchange Participant reasonably believes there to be an error (including an omission) or discrepancy in the information provided by a *facility operator* under paragraph (a) or (b), the Exchange Participant is required by the Exchange Agreement to notify AEMO and the relevant *facility operator*.
- (d) If an Exchange Participant gives a notice referred to in paragraph (c), the relevant *facility operator* must review the information and must use reasonable endeavours to co-operate with AEMO and the Exchange Participant to resolve the matter as soon as practicable.
- (e) A dispute about information the subject of a notice referred to in paragraph (c) is a rule dispute and is to be resolved under Part 15C of the Rules. In accordance with the Exchange Agreement, this provisions prevails over the dispute resolution provisions in the Exchange Agreement to the extent of any inconsistency.

## 9. TRANSFERS AT STTM AND DWGM INTERFACE POINTS

### 9.1. DWGM interface points

- (a) In this clause:
  - (i) **DWGM transfer** means an *operational transfer* that results in an increase or decrease to the *transportation capacity* of a *transportation facility user* at a *DWGM interface point*;
  - (ii) **DWGM transfer party** means, in relation to a DWGM transfer, each Exchange Member who is a party to GTE Transaction giving rise to the DWGM transfer; and
  - (iii) **Nominated DWGM participant** means, in relation to a DWGM transfer, each DWGM transfer party or the person nominated by a DWGM transfer party in its capacity as agent for that person.
- (b) A Nominated DWGM participant must be registered as a Market Participant (as defined in Part 19 of the Rules) in the *declared wholesale gas market*.
- (c) For each DWGM transfer:
  - (i) if the Nominated DWGM participant has an *accredited controllable quantity* at the *DWGM interface point*, the Nominated DWGM participant will be taken to have issued a further application under rule 210 for *accreditation* (corresponding to the increase or decrease confirmed for the DWGM transfer) in accordance with the *accreditation procedures*; and
  - (ii) AEMO must as soon as practicable after the *operational transfer* has been confirmed in accordance with clause 8:
    - (A) process that application in accordance with rule 210 and the *accreditation procedures*; and
    - (B) adjust the *accredited controllable quantity* of the Nominated DWGM participant from whom the transfer is made and adjust the *accredited controllable quantity* of the Nominated DWGM participant to whom the *operational transfer* is made, in accordance with the *accreditation procedures*.

### 9.2. STTM interface points

- (a) In this clause:
  - (i) **STTM transfer** means an *operational transfer* notified by AEMO and confirmed by a *facility operator* under clause 8 as a result of a GTE Transaction in respect of an

*STTM integrated product*, where the transfer is for an increase or decrease to the capacity of a *transportation facility user* at an *STTM interface point*; and

- (ii) **STTM facility user** means, in relation to an STTM transfer, the *transportation facility user* to whom, or from whom, the STTM transfer is to be made.
- (b) In calculating the Daily Transfer Quantities in relation to a *registered facility* that has an *STTM interface point*:
  - (i) if the quantity of *transportation capacity* under a GTE Transaction in respect of an *STTM integrated product* exceeds the registered trading rights (as defined in Part 20 of the Rules) of the *transportation facility user* that is the seller under the GTE Transaction, AEMO must calculate the Daily Transfer Quantities for that GTE Transaction as the amount of the seller's registered trading rights (and AEMO must notify the seller and buyer under the GTE Transaction of the Daily Transfer Quantities including the reason for the difference with the quantity of *transportation capacity* under the GTE Transaction); and
  - (ii) otherwise, AEMO must calculate the Daily Transfer Quantities for a GTE Transaction as the quantity of the *transportation capacity* under the GTE Transaction.
- (c) For each STTM transfer and each STTM facility user for the transfer:
  - (i) for the purposes of Part 20 of the Rules:
    - (A) the relevant *contract holder* will be taken to have notified AEMO of a change (corresponding to the increase or decrease confirmed for the STTM transfer) to the *capacity limit* of the STTM facility user's relevant *registered facility service* in accordance with rule 390(2);
    - (B) AEMO will be taken to have requested confirmation of the change from the *contract issuer* in respect of the relevant *facility agreement* in accordance with rule 391(1);
    - (C) the relevant *contract issuer* will be taken to have confirmed the details of the change in accordance with rule 391(2); and
    - (D) AEMO will be taken to have requested the relevant *contract holder* to provide, and the relevant *contract holder* will be taken to have provided to AEMO, details of the change to be made to that *contract holder's registered trading right* in accordance with rule 391(3); and
  - (ii) if AEMO is satisfied as to the matters in rule 392(1), register the details of the change (corresponding to the increase or decrease confirmed for the STTM transfer) in accordance with rule 392.

**Note:** If a GTE Transaction relates to a *registered facility* that has an *STTM interface point* but is not in respect of a *STTM integration product*, AEMO will not calculate the Daily Transfer Quantity under subclause (b) and the parties to the GTE Transaction will not be taken to have notified AEMO of a change under subclause (c), instead the parties to the GTE Transaction must notify AEMO of the change to their registered facility services and registered trading rights themselves in accordance with the Rules.

## 10. PRIMARY FACILITY AGREEMENT TERMINATION

### 10.1. Definitions

In this clause:

- (a) **capacity type** means each combination of:
  - (i) a *transportation service*; and
  - (ii) a *zone* (for forward haul service or compression service) or a *transportation facility and park service point* (for *park service*);

- (b) **primary contract termination notice** means a notice under clause 10.2(a);
- (c) **relevant primary transaction** means in relation to a terminated primary contract, a GTE Transaction:
  - (i) to which a terminated primary shipper is a party as a seller of *transportation capacity*;
  - (ii) with a *service term* that includes a *gas day* in the *service continuity period*; and
  - (iii) where the *operational transfer* to give effect to the GTE Transaction resulted in a reduction (sale) of *transportation capacity* under the terminated primary contract;
- (d) **service continuity period** means the period for which the *transportation service provider* is required to continue to provide a transportation service under an operational transportation service agreement, in respect of transportation capacity originally derived from a terminated primary contract, being 14 days from the day after AEMO is given the relevant primary contract termination notice or, if shorter, the end of the service term;
- (e) **terminated primary contract** means the *primary facility agreement* the subject of a primary contract termination notice;
- (f) **terminated primary shipper** means in relation to a terminated primary contract, a *transportation facility user* who was a party to the terminated primary contract; and
- (g) **transaction price** means, for a relevant primary transaction, the applicable Transaction Price (as defined in the Exchange Agreement)(in \$/GJ/gas day).

## 10.2. Primary contract termination notice

- (a) A *facility operator* must notify AEMO as soon as practicable of the termination of a *primary facility agreement* for a *registered facility* of the *facility operator* with a *transportation facility user* who is an Exchange Member.
- (b) A notice given under paragraph (a) (a **primary contract termination notice**) must:
  - (i) identify the terminated primary contract using the contract reference information provided to AEMO under clause 5;
  - (ii) specify the date the termination takes effect; and
  - (iii) be given by email or such other means acceptable to AEMO as last notified by AEMO to the *facility operator* in writing.
- (c) AEMO must confirm to the *facility operator* receipt of a primary contract termination notice.
- (d) If AEMO receives a primary contract termination notice, AEMO must as soon as practicable provide to the *facility operator* information about relevant primary transactions reasonably necessary for the *facility operator* to determine the *traded capacity* that the *facility operator* is required by the Rules to continue to provide *transportation services* for during the applicable service continuity period or to check the calculations made by AEMO under clause 10.3.
- (e) A *facility operator* who gives AEMO a primary contract termination notice must provide to AEMO information reasonably required by AEMO to confirm the *traded capacity* that the *facility operator* is required by the Rules to continue to provide *transportation services* for during the applicable service continuity period.

## 10.3. Service continuity payments

- (a) If the date the termination of a terminated primary contract takes effect is after the end of the service continuity period, or there are no relevant primary transactions in relation to that terminated primary contract, AEMO is not required to make a payment to the *facility operator* under this clause.

- (b) If the date the termination of a terminated primary contract takes effect is before the end of the service continuity period, for each *gas day* in the service continuity period, AEMO must pay to the relevant *facility operator* the amount determined under clause 10.4.
- (c) AEMO will include a payment under paragraph (b) in the statement and invoice issued to the facility operator for Capacity Auction settlement and will pay those amounts in accordance with the auction settlement timetable, subject to adjustment in accordance with clause 22.

#### 10.4. Calculation of payments

- (a) The amount payable by AEMO to the *facility operator* for the provision of *transportation services* during the applicable *service continuity period* is the sum, for each *gas day* in the *service continuity period*, of the daily service continuity payments for that *gas day* determined in accordance with paragraph (b).
- (b) AEMO must determine the **daily service continuity payment** for each *gas day* and capacity type as follows:  

$$DSCP = TC \times WATP$$
 where:
  - (i) **DSCP** is the daily service continuity payment for that *gas day* and capacity type;
  - (ii) **TC** the *traded capacity* (in GJ) of that capacity type for which *transportation services* must be provided during the service continuity period in accordance with the Rules, having regard to relevant primary transactions for that capacity type but not including *traded capacity* held by a terminated primary shipper; and
  - (iii) **WATP** is the weighted average transaction price for the *gas day* and capacity type, calculated as:
    - (A) the sum, for each relevant primary transaction for that capacity type with a *service term* that includes that *gas day* of: the transaction price (in \$/GJ) multiplied by the transaction quantity (in \$/GJ/gas day); divided by
    - (B) the sum, for each relevant primary transaction for that capacity type with a *service term* that includes that *gas day* of: the transaction quantity (in GJ/gas day).
- (c) To avoid doubt, the daily service continuity payment for a *gas day* is zero if the *gas day* falls before the date the termination of the terminated primary contract takes effect.

## DIVISION 3 – AUCTION PROCEDURES

### 11. DEFINITIONS AND INTERPRETATION

In this Division, the following terms have the meaning given below.

Term	Definition
Auction Interface Protocol	Has the meaning given in clause 15.3.
Auction Platform	The system established by AEMO for the <i>capacity auction</i> and communicating with <i>auction participants</i> and <i>facility operators</i> in relation to the <i>capacity auction</i> .
Auction Product	Each combination of receipt point, delivery point and <i>auction service</i> on an <i>auction facility</i> will comprise a separate Auction Product. There are three categories of Auction Product: forward haul product, compression product and backhaul product.
Auction Solver	The program used to determine the results of the <i>capacity auction</i> in accordance with the auction design principles in the Rules.
auction MDQ	<i>Transportation capacity</i> allocated in the <i>capacity auction</i> .
auction quantity limit	The quantities determined by <i>facility operators</i> each <i>gas day</i> and used to determine the quantity of <i>transportation capacity</i> in the <i>capacity auction</i> on the <i>gas day</i> .
backhaul product	An Auction Product for backhaul service between a backhaul receipt point and a backhaul delivery point.
cleared quantity	For a <i>gas day</i> , Auction Product and <i>auction participant</i> , the quantity of auction MDQ for that Auction Product allocated to the <i>auction participant</i> by the Auction Solver for that <i>gas day</i> .
compression product	An Auction Product for compression service between a compression receipt point and a compression delivery point.
firm	A transportation service is firm for a <i>gas day</i> if the transportation capacity is reserved before the start of the <i>gas day</i> and in normal operating conditions, even if the facility is full contracted for the <i>gas day</i> , nominations for use of the <i>transportation service</i> made before the nomination cut-off time will be scheduled.
forward haul product	An Auction Product for forward haul service between a pipeline receipt point and a pipeline delivery point.
product component	A product component is a product component determined by AEMO under clause 16.1. Auction quantity limits are determined for each product component each <i>gas day</i> , in turn setting the quantity of the relevant Auction Product available in the <i>capacity auction</i> that <i>gas day</i> .
Trading Halt	In relation to an <i>auction participant</i> , a suspension by AEMO of the <i>auction participant's</i> access to or use of the Auction Platform.

### 12. PARTICIPATION

#### 12.1. Form of auction agreement

The *auction agreement* is set out in Appendix A.

#### 12.2. Eligibility

To be eligible (and to remain eligible) to enter into a *capacity auction agreement* and to access the Auction Platform and participate in the *capacity auction*, a person must:

- (a) be resident in, or have a permanent establishment in, Australia;



- (b) not be an externally-administered body corporate (as defined in the *Corporations Act 2001* (Cth)) or under a similar form of administration under the laws of some other jurisdiction;
- (c) not be immune from liabilities incurred as an *auction participant*; and
- (d) be capable of being sued in its own name in a court of competent jurisdiction.

### 12.3. Application process

- (a) A person who wishes to become an *auction participant* must submit an application to AEMO together with the *capacity auction agreement* duly executed by the applicant. An application must be in the form and contain the information specified by AEMO and must be accompanied by any applicable fee. An application to appoint an Agent Participant must also satisfy the requirements of clause 13.
- (b) AEMO may, within five *business days* of receiving an application, ask the applicant to provide further information or clarification in support of the application. If such a request is made, the application is taken to have been made when the further information or clarification is provided to AEMO's satisfaction. If the applicant does not provide further information or clarification to AEMO's satisfaction within 15 *business days* of the request, the application lapses.
- (c) AEMO must accept or refuse an application to become an *auction participant* within 15 *business days* of receipt of the application or, if later, receipt of any additional information or clarification requested under paragraph (b).
- (d) If AEMO is satisfied that an application is complete and the applicant is eligible to become an auction participant, AEMO must accept the application and enter into the auction agreement with the applicant.
- (e) If AEMO is not satisfied that an applicant is eligible to become an auction participant, AEMO must refuse the application and must give the applicant written reasons for the refusal.

## 13. AGENT PARTICIPANTS

### 13.1. General

- (a) An Agent Participant under a joint appointment:
  - (i) cannot be appointed as Agent Participant by anyone else; and
  - (ii) except with the consent of AEMO, can only participate in the Capacity Auction in its capacity as Agent Participant under the joint appointment.
- (b) Where an Appointing Participant is also party to the Exchange Agreement, unless otherwise agreed with AEMO, the Appointing Participant must at all times have appointed the same Agent Participant under these Procedures and Agent Member under the Exchange Agreement.
- (c) An Auction Participant must be appointed as an Agent Participant for an Appointing Participant before it can include in any of its bids a contract reference for an Appointing Participant's *facility agreement* (for example, where the Agent Participant is a group member bidding on behalf of other members of a group). For this purpose, an "Appointing Participant's *facility agreement*" is a facility agreement that the Appointing Participant is a party to, but not the Agent Participant.
- (d) Each Appointing Participant for an Agent Participant will be issued with a Participant ID so that the Contract Information for the Appointing Participant's *facility agreement* can be provided to AEMO by the *facility operator* and the Appointing Participant's *facility agreement* can be linked to the Agent Participant in the Auction Platform. The issue of a Participant ID to the Appointing Participant does not give the Appointing Participant access to the Auction Platform.

- (e) An Auction Participant is not required to be appointed as Agent Participant for a person before nominating that person as a Nominated DWGM participant under clause 9.1 or clause 20.2. However, it must first give AEMO evidence satisfactory to AEMO that the person has appointed the Auction Participant as its agent for this purpose. That information may be provided as part of an application under clause 13 or as otherwise agreed with AEMO.

### 13.2. Applications in relation to Agent Participants

- (a) To appoint an Agent Participant, an application must be made under clause 12 by the Appointing Participant and the Agent Participant. The Agent Participant and its Appointing Participants must all become a party to the same *capacity auction agreement* on a joint and several liability basis as provided for in the *capacity auction agreement*.
- (b) The Appointing Participants for an Agent Participant may specify that it is a joint appointment (for example, where the Agent Participant is appointed by the members of a joint venture). For a joint appointment, the application must be joint and the consent of all Appointing Participants will be needed for changes under clause 13.3.
- (c) In addition to satisfying the requirements of clause 12, an application under paragraph (a) must:
  - (i) contain the information specified by AEMO about the proposed Agent Participant; and
  - (ii) specify whether it is a joint appointment; and
  - (iii) be accompanied by information in a form satisfactory to AEMO evidencing that all the applicants have appointed the proposed Agent Participant to act as their agent under and in connection with the auction agreement and the *capacity auction* and that the Agent Participant has accepted that appointment.
- (d) To be eligible to act (and remain) as an Agent Participant, a person must:
  - (i) have been appointed to be an Agent Participant and that appointment must not have been revoked;
  - (ii) if the person is also a “Market Participant” under the Exchange Agreement, have been appointed by the same persons to be their “Agent Member” under the Exchange Agreement, and that appointment must not have been revoked;
  - (iii) be resident in, or have a permanent establishment in, Australia;
  - (iv) not be an externally-administered body corporate (as defined in the Corporations Act) or under a similar form of administration under the laws of some other jurisdiction;
  - (v) not be immune from liabilities incurred as an Agent Participant; and
  - (vi) be capable of being sued in its own name in a court of competent jurisdiction.
- (e) Clause 12.3 applies to the consideration of an application under this clause with any necessary changes. In addition, if AEMO is not satisfied that any proposed Agent Member is eligible, AEMO may refuse to accept the appointment (even it accepts the application to become an Auction Participant).
- (f) If AEMO accepts the appointment of an Agent Participant, it must notify the applicants.
- (g) There is deemed to be a “Suspension Event” for the purposes of the *capacity auction agreement* of an *auction participant* in relation to all the Appointing Participants for the Agent Participant and AEMO may impose a Trading Halt in accordance with and subject to the provisions of the *capacity auction agreement* and this Division if either of the following occurs:
  - (i) AEMO has reasonable grounds to believe that an Agent Participant is no longer eligible to be an Agent Participant and the Appointing Participants (themselves or through the Agent Participant) have failed to give AEMO information to verify the



- Agent Participant's continued eligibility within 2 *business days* of AEMO requesting that information from the Appointing Participants; or
- (ii) for any reason, there is no current Agent Participant in respect of the Appointing Participants.
- (h) In relation to an Agent Participant and its Appointing Participants:
- (i) the Agent Participant will represent the Appointing Participants and will exercise the rights and perform the obligations of the Appointing Participants under and in connection with these Procedures as agent for the Appointing Participants;
  - (ii) each Appointing Participant's rights of access to and use of the Auction Platform must be the same as each other Appointing Participant and must only be exercised through its Agent Participant;
  - (iii) except as otherwise expressly provided in these Procedures, a reference to the Auction Participant includes a reference to the Agent Participant acting for and on behalf of the Appointing Participants; and
  - (iv) all acts and omissions of the Agent Participant under or in connection with these Procedures are taken to be acts and omissions of all the Appointing Participants.
- (i) Agent Participants and Appointing Participants have joint and several liability as provided for in the *capacity auction agreement*.

### 13.3. Changes to Appointing Participants

- (a) The Appointing Participants for an Agent Participant may, acting jointly, from time to time on application to AEMO containing the information specified by AEMO:
  - (i) include an additional person as an Appointing Participant for the Agent Participant; or
  - (ii) remove an Appointing Participant for the Agent Participant.
- (b) If the Agent Participant is also an Agent Member under the Exchange Agreement and an application is made under paragraph (a), a corresponding application must also be made under the Exchange Agreement.
- (c) An application under paragraph (a) to include an additional person as an Appointing Participant must be accompanied by information in a form satisfactory to AEMO evidencing that the person has appointed the proposed Agent Participant to act as its agent for the purposes of the *capacity auction agreement* (and if the Agent Participant is also a "Market Participant" under the Exchange Agreement, the Exchange Agreement) and that the Agent Participant has accepted that appointment.
- (d) An application under paragraph (a) made in respect of the joint appointment of an Agent Participant (as specified to AEMO under clause 13.2(c)(ii)) must be accompanied by information in a form satisfactory to AEMO evidencing that all Appointing Participants for that Agent Participant have given their consent to the change.
- (e) An application under paragraph (a) must be accompanied by an agreement in a form acceptable to AEMO and executed as a deed under which the additional person agrees to become a party to the *capacity auction agreement* of the Appointing Participants or cease to be a party to the *capacity auction agreement* of the Appointing Participants (as applicable to the application).
- (f) If AEMO is satisfied that the application is in order, then AEMO must accept the application and take the necessary steps to implement the change under the *capacity auction agreement*.
- (g) A person who is removed as an Appointing Participant for an Agent Participant:
  - (i) may request that it ceases to be a party to the *capacity auction agreement*; and
  - (ii) for so long as it continues as an Appointing Participant:

- (A) must comply with all the obligations applicable to it as an *auction participant* including the appointment of representatives under clause 14.1; and
- (B) is automatically suspended from access to and use of the Auction Platform until AEMO gives it the confirmation referred to in clause 15.2(b).

## 14. ADMINISTRATION

### 14.1. Representatives

- (a) An *auction participant* must nominate a principal organisational contact for all matters under the *capacity auction agreement* and these Auction Procedures (other than those for which a specific representative is responsible under clause 14.1) and to receive notices issued by AEMO. Appointing Participants must make a joint nomination of the same person for the role and must do so through their Agent Participant.
- (b) An *auction participant* may nominate up to three systems representatives. The role of a systems representative is to communicate with AEMO on behalf of the *auction participant* about establishing and maintaining secure access to the Auction Platform in accordance with the *capacity auction agreement*.
- (c) An *auction participant* must nominate up to three settlement representatives. The role of a settlement representative is to communicate with AEMO on behalf of the *auction participant* about matters relating to settlement, credit support and prudential matters.
- (d) Nominations of representatives must in writing using the form (if any) and containing the information specified by AEMO for this purpose from time to time.
- (e) If no nomination is made under paragraph (b) or (c), the principal organisational contact will be taken to have been nominated in the role.
- (f) An *auction participant* warrants in favour of AEMO that its representatives nominated under this clause are authorised to act on behalf of the *auction participant* and that each of the *auction participant's* representatives has consented to the use and disclosure of the representative's personal information for the purposes contemplated under these Procedures.
- (g) An *auction participant* must notify changes to its principal organisational contact or any other representatives where practicable before the change occurs and otherwise as soon as practicable after the change occurs, using the form published by AEMO for that purpose, signed by an authorised signatory of the *auction participant*.

### 14.2. Authorised users

- (a) A *facility operator* must register its principal organisational contact, and any other person authorised to submit information on its behalf using the Auction Platform, as its authorised users.
- (b) Authorised users must be registered using the applicable registration form. Each form must be signed by an authorised signatory of the *facility operator* and where required by the form, the authorised user.
- (c) A *facility operator* must ensure that its authorised users comply with the terms of use for the Auction Platform in Appendix B.

### 14.3. Application of Capacity Transfer and Auction Timetable

- (a) AEMO, *auction participants* and *facility operators* must give information and notices and do any other thing provided for in this Division at, before or after the relevant time (if any) specified by the Capacity Transfer and Auction Timetable, or where the time is extended by the occurrence of a delay event specified in the Capacity Transfer and Auction Timetable, that extended time.

- (b) AEMO must as soon as practicable notify and provide a revised timetable to *auction participants* (using the Auction Platform) and *facility operators* (using the CTP Interface) whenever a delayed time specified in the Capacity Transfer and Auction Timetable is to apply to the provision of any information or notice or doing of any thing under this Division.
- (c) If information or a notice is not given, or other thing not done at, before or after the time specified in the Capacity Transfer and Auction Timetable (as may have been extended), a provision in the Capacity Transfer and Auction Timetable that specifies the consequences of the failure has effect, and AEMO and the relevant *facility operator* must comply with the provision, as if the provision were set out in this Division.

## 15. AUCTION PLATFORM

### 15.1. Use of the Auction Platform

- (a) The Auction Platform must be used for participation in the *capacity auction* and for all communications relating to the *capacity auction* provided for in this Division.
- (b) If the Auction Platform is not available, alternative arrangements established by AEMO, if any, must be used.

### 15.2. When access will be given

- (a) Subject to these Procedures and the *capacity auction agreement*, AEMO will give an *auction participant* access to the Auction Platform to the extent required for the purpose of participating in the *capacity auction*.
- (b) The right of an *auction participant* to access the Auction Platform starts when AEMO confirms to the *auction participant* that it is satisfied that the *auction participant*, or the Agent Participant for each Appointing Participant:
  - (i) satisfies the eligibility criteria in clause 12.2;
  - (ii) has given all information required of it under clause 14.1 to AEMO and AEMO has created all necessary authorised user identities for the *auction participant* in the Auction Platform;
  - (iii) has a working, secure interface with the Auction Platform;
  - (iv) has paid the applicable *auction fees*;
  - (v) has an active account with an electronic cash transfer system designated by AEMO and has given its account information to AEMO; and
  - (vi) is registered for GST purposes and has executed and delivered to AEMO a recipient created tax invoice agreement in the form specified by AEMO from time to time.
- (c) The *auction participant's* right of access to and use of the Auction Platform terminates on termination of the *capacity auction agreement*.

### 15.3. Auction Interface Protocol

- (a) AEMO must establish a document setting out AEMO's procedures and minimum requirements, to be known as the **Auction Interface Protocol**, for:
  - (i) establishing and maintaining an interface between the systems of the *auction participant* and the Auction Platform for the purposes of participation in the Auction Platform;
  - (ii) establishing authorised user identities within the Auction Platform; and
  - (iii) providing processes and guides for the use of the Auction Platform and communications.

- (b) AEMO may amend the Auction Interface Protocol after consulting with the *auction participants* and, must *publish* the current Auction Interface Protocol on its website.
- (c) The Auction Interface Protocol may be published as part of the Gas Trading Exchange interface protocol and the Auction Platform may be integrated with the platform used for the Gas Trading Exchange.
- (d) The *auction participant* must comply with the Auction Interface Protocol and must enter into any access and licensing agreement reasonably required by AEMO under the Auction Interface Protocol, governing the terms of access to and use of the Auction Platform.
- (e) The *auction participant* is responsible for ensuring that anyone accessing the Auction Platform using that *auction participant's* interface to the Auction Platform:
  - (i) is authorised by the *auction participant* to do so; and
  - (ii) is aware of and complies with the Auction Interface Protocol, the terms of any access and licensing agreement entered into under the Auction Interface Protocol and the provisions of these Procedures and the *capacity auction agreement* that relate to Auction Platform access and use.
- (f) The *auction participant* is responsible for ensuring that the systems and equipment used by it interface correctly with the Auction Platform. AEMO has no liability whatsoever to any *auction participant* in connection with any failure of any system or equipment used by the *auction participant* to interface correctly with the Auction Platform.

## 15.4. Auction Platform operations

### 15.4.1. Auction Platform security

- (a) AEMO must use commercially reasonable efforts to implement and maintain security systems and procedures designed to prevent unauthorised access to the Auction Platform in accordance with Good Gas Industry Practice.
- (b) Each *auction participant* must use commercially reasonable efforts to:
  - (i) maintain the security of its interface with the Auction Platform;
  - (ii) ensure that its software and hardware that interfaces with the Auction Platform is free from any computer viruses; and
  - (iii) ensure that no computer virus or malicious software is introduced onto any other person's software or hardware as a consequence of the *auction participant's* use of the Auction Platform.

### 15.4.2. Auction Platform communication failures

- (c) Each *auction participant* acknowledges that interruption or malfunction of communications including any third party telephone network fixed line service or malfunction of the *auction participant's* systems or equipment or the Auction Platform may result in the *auction participant's* bids not being received or the *auction participant* not receiving information or access to the Auction Platform.
- (d) Each *auction participant* is responsible for taking reasonable and prudent steps to mitigate the risk of communication failures in relation to its own participation in the *capacity auction* in accordance with its own business requirements.
- (e) If there is a communication failure, AEMO has no obligation to take account of or act on any bid or other communication from any *auction participant* provided by any other means.

#### 15.4.3. Auction Platform maintenance

- (f) AEMO may suspend the operation of the Auction Platform to undertake maintenance and upgrading at any time. AEMO must use its reasonable endeavours to conduct maintenance and upgrading of the Auction Platform at times when in its reasonable opinion the impact on the *capacity auction* will be minimised.
- (g) AEMO must give *auction participants* as much notice as reasonably practicable of any period during which the Auction Platform will be unavailable as a result of any maintenance or upgrade.

#### 15.5. Capacity Auction Records

- (a) The Auction Platform will create a record of bids, auction results and settlement (**Capacity Auction Records**).
- (b) AEMO must maintain the Capacity Auction Records for a period of seven years after the record was created.
- (c) The *auction participant* may (at its cost) request copies of Capacity Auction Records that record the relevant activity of the *auction participant*. AEMO will use reasonable endeavours to provide the information requested if the information is available, subject to:
  - (i) the information access restrictions in clause 24.2;
  - (ii) payment of AEMO's reasonable cost of retrieving and providing copies of the information; and
  - (iii) agreement on any other terms reasonably requested by AEMO, including as to confidentiality of the information.

### 16. PRODUCT COMPONENTS AND AUCTION SOLVER

#### 16.1. AEMO to determine product components

- (a) AEMO must determine and include in Part 1 (Zone Register) of the *transportation service point register* and keep up to date the product components associated with each Auction Product as provided for in clause 16.2. A product component may be associated with more than one Auction Product.
- (b) AEMO may amend the product components associated with an Auction Product from time to time.
- (c) If the auction quantity limit for a product component for a *gas day* is zero, the product component will be excluded from the Auction Solver for the *gas day*.

#### 16.2. Product components associated with each product type

- (a) A forward haul product will have associated with it the following product components:
  - (i) forward haul receipt point;
  - (ii) receipt *zone*;
  - (iii) each *forward haul pipeline segment*;
  - (iv) delivery *zone*; and
  - (v) forward haul delivery point.
- (b) A compression product will have associated with it the following product components:
  - (i) compression receipt point;
  - (ii) compression receipt *zone*;
  - (iii) *compression service facility*;

- (iv) compression delivery *zone*; and
  - (v) compression delivery point.
- (c) A backhaul product will have associated with it the following product components:
  - (i) backhaul receipt point;
  - (ii) each backhaul *pipeline segment*; and
  - (iii) backhaul delivery point.

### 16.3. Auction Solver and mathematical formulation document

- (a) The Auction Platform will implement the Auction Solver.
- (b) AEMO will establish and maintain a *capacity auction* mathematical formulation document describing in mathematical terms the manner in which the Auction Solver will determine the allocation of capacity and clearing prices. The *capacity auction* mathematical formulation document will also contain:
  - (i) a description of the solution method;
  - (ii) a definition of the variables used in the Auction Solver;
  - (iii) the process for dealing with tied bids;
  - (iv) the process for dealing with ambiguous prices;
  - (v) the inputs to the Auction Solver, including variables and data structure; and
  - (vi) the output of the Auction Solver, including:
    - (A) the Auction Products a bidder has won in the *capacity auction*;
    - (B) the price of each product component; and
    - (C) the total quantity purchased of each Auction Product.
- (c) The Auction Solver must round auction MDQ allocated in the capacity auction down to the nearest whole GJ. Auction capacity not allocated in the capacity auction, including due to rounding, will not be included in Auction Settlement.
- (d) AEMO may make available the *capacity auction* mathematical formulation document to a person on request if the person executes a confidentiality agreement in a form acceptable to AEMO before the *capacity auction* mathematical formulation document is made available to that person.
- (e) AEMO must notify *auction participants* and *facility operators* of any changes made by AEMO to the *capacity auction* mathematical formulation document.

## 17. AUCTION CANCELLATION AND FACILITY EXCLUSION

- (a) AEMO may delay or cancel the running of the *capacity auction* for a *gas day*:
  - (i) in the circumstances provided for in the Capacity Transfer and Auction Timetable;
  - (ii) if the Auction Solver is unavailable to run the *capacity auction* for any reason; or
  - (iii) if, in AEMO's opinion, the Auction Solver is producing manifestly erroneous auction results.
- (b) AEMO may suspend the participation of an *auction facility* or part of an *auction facility* in the *capacity auction* for a period specified by AEMO:
  - (i) in the circumstances provided for in the Capacity Transfer and Auction Timetable; or
  - (ii) if AEMO believes it is not practicable or not feasible to conduct the *capacity auction* with the *auction facility* (or part).



- (c) AEMO must exclude an *auction facility* from the *capacity auction* (and all Auction Products and product components associated with the *auction facility*) for a *gas day* where:
  - (i) an auction quantity limit for the *gas day* for a product component associated with that *transportation facility* is not notified to AEMO within the time required by the Capacity Transfer and Auction Timetable (as may have been extended); or
  - (ii) in any other circumstances provided for in the Capacity Transfer and Auction Timetable.
- (d) AEMO must as soon as practicable *publish* a notice on the *Natural Gas Services Bulletin Board* if AEMO delays or cancels the *capacity auction* or suspends or excludes an *auction facility* from the *capacity auction*.

## 18. CONDUCT OF THE CAPACITY AUCTION

### 18.1. Auction quantities

- (a) The *transportation capacity* available to be allocated in the *capacity auction* for a *gas day* is capped by reference to the auction quantity limits for the *gas day*.
- (b) The auction quantity limit for a product component for a *gas day* is the value determined by the *facility operator* for the *gas day* and notified to AEMO in accordance with clause 19.
- (c) Subject to clause 24.2, AEMO must *publish* the auction quantity limits for each *gas day*.

### 18.2. Bidding

#### 18.2.1. Eligibility to bid

- (a) An *auction participant* is eligible to bid in respect of a *gas day* if the *auction participant* has been given access to the Auction Platform and is not subject to a Trading Halt.
- (b) An *auction participant* must only submit a bid for an Auction Product for a *gas day* if the *auction participant* has a valid *facility agreement* that extends to use of the Auction Product, including the product components required for use of the Auction Product on the *gas day* to which the bid relates.

#### 18.2.2. Form of bids

- (a) Each bid must be in the form specified in the Auction Interface Protocol and must specify:
  - (i) the *gas day* being bid for (or, subject to paragraph (c), each *gas day* for which the bid is being submitted);
  - (ii) the combination of one or more Auction Products being bid for in that bid;
  - (iii) the bid price applicable to the bid;
  - (iv) the bid quantities applicable to the bid, expressed as a whole number of GJ per *gas day*;
  - (v) for each Auction Product in the bid, the contract reference and where the Auction Product is for use of capacity at a *DWGM interface point*, the DWGM reference; and
  - (vi) any other information required by the Auction Platform.
- (b) An *auction participant* may submit separate bids for different combinations of Auction Products. In the Auction Platform, each separate bid is submitted on the same form and if any one of those bids is amended, all bids in the form are overridden by the new form when submitted.

- (c) If a bid is stated to apply to multiple *gas days*, it will be treated for the purposes of the *capacity auction* as a separate bid for each *gas day* in the bid.
- (d) For each bid:
  - (i) the bid price must be in \$/GJ and must be expressed to up to four decimal places;
  - (ii) the bid price must be \$0/GJ or higher;
  - (iii) the bid price must not be more than \$50/GJ; and
  - (iv) the bid quantity must be at least 1 GJ and must be expressed as a whole number of GJ.
- (e) If an *auction participant* wishes to bid different prices for different quantities in respect of the same combination of Auction Products, it may use a stepped bid. A stepped bid is a bid with two or more price and quantity combinations, each a bid step. Each bid step must be for a whole number of GJ. A maximum of 10 bid steps may be specified for each combination of Auction Products. The aggregate quantity for all bid steps must not exceed 500,000 GJ.
- (f) An *auction participant* may submit a bid up to 15 days in advance of the *gas day* to which the bid relates. A bid submitted for *gas day* D earlier than *gas day* D-1 will be subject to initial validation on receipt and will also be validated on *gas day* D-1 and will be rejected if it fails either validation.

#### 18.2.3. Time when bid is given

- (a) An *auction participant* is taken to have submitted a bid on receipt of data transmitted electronically by means of the Auction Platform which indicates that the *auction participant* has submitted a compliant bid.
- (b) AEMO is entitled to rely on all bids submitted by an *auction participant* through the Auction Platform. The receipt by AEMO of a bid from an *auction participant* through the Auction Platform will be sufficient to verify that the *auction participant* originated the bid.

#### 18.2.4. Validation and rejection

- (a) AEMO must validate each bid by means of the Auction Platform at the time of submission of the bid and at time of determining *capacity auction* results. The validation process will check whether there is any reason to reject the bid as provided for in these Procedures. AEMO must notify the *auction participant* when the bid has been validated.
- (b) AEMO must reject a bid where:
  - (i) the bid does not contain all the information required for a valid bid;
  - (ii) the *auction participant* is subject to a Trading Halt;
  - (iii) the bid would, if accepted, result in the *auction participant's* Trading Margin (as defined in the *capacity auction agreement* and as last calculated by AEMO) falling below zero;
  - (iv) the *auction participant's* Trading Margin (as defined in the *capacity auction agreement* and as last calculated by AEMO) is below zero at the time of submitting the bid; or
  - (v) the bid is submitted after the bidding deadline for the *gas day*.
- (c) AEMO may reject any bid as a consequence of the operation of security arrangements employed by AEMO for the protection of the Auction Platform including any virus detection software employed by AEMO.
- (d) An *auction participant* will be notified by means of the Auction Platform as soon as reasonably practicable where its bid has been rejected.



### 18.3. Determination of auction results

- (a) Using the Auction Platform, AEMO will conduct bid pre-processing for each *gas day* and input the results into the Auction Solver. Bid pre-processing will determine the product components associated with each Auction Product for which a valid bid has been submitted for the *gas day* and not rejected.
- (b) Using the Auction Platform, AEMO will run the Auction Solver for each *gas day*. The Auction Solver will:
  - (i) determine auction results using the product components determined in bid pre-processing; and
  - (ii) express the auction results in terms of the Auction Products with which the product components are associated.
- (c) A *facility operator* will be notified of the auction results relevant to each of its facilities and a winning bidder will be notified of the quantity it has won in the *capacity auction* and the clearing price.
- (d) Information about auction results to be published on the *Natural Gas Services Bulletin Board* is specified in clause 24.

### 18.4. Auction results binding

- (a) The results of a *capacity auction* notified by AEMO are final, binding and not subject to review.
- (b) No compensation is payable to any person for an erroneous auction result, whether arising from any error in the operation of the Auction Platform or the default (including negligence) of any person.

## 19. AUCTION QUANTITIES

### 19.1. Auction quantity limits

- (a) Each *gas day*, a *facility operator* must determine and send to AEMO the *auction quantity limits* for the following *gas day* for each product component associated with an *auction service* provided by means of any of its *auction facilities*, as provided for in clause 19.2.
- (b) Where an auction quantity limit for a *gas day* is determined using nominations, the nominations made at or before the nomination cut-off time for the *auction facility* for the *gas day* (as provided in clause 20.3) must be used.
- (c) Where an auction quantity limit for a *gas day* is determined using physical capacity, the most recent information about physical capacity of the *auction facility* reasonably available from the *facility operator* at the time the limits are determined must be used.
- (d) If there is a change to any information used to calculate an auction quantity limit after it has been notified to AEMO and before the final time for submission of auction quantity limits specified in the Capacity Transfer and Auction Procedures, the *facility operator* must determine and send to AEMO the updated auction quantity limit as soon as practicable.

### 19.2. Categories of auction quantity limit

- (a) The auction quantity limits to be determined for each product component associated with a *pipeline* for forward haul products are specified in table 19.2.1.
- (b) The auction quantity limits to be determined for each product component associated with a *compression service facility* are specified in table 19.2.2.

- (c) The auction quantity limits to be determined for each product component associated with a *pipeline* for which backhaul products are offered in the *capacity auction* are specified in table 19.2.3.
- (d) Tables 19.2.1 to 19.2.3 use terms defined in clause 19.3.
- (e) An auction quantity limit for a product component for a *gas day* cannot be less than zero.

**Table 19.2.1: Auction quantity limits table for product components on pipelines**

Auction Quantity Limit (GJ)	Product component	Definition (GJ)
unused capacity	forward haul receipt point (all categories)	$\text{MIN}(\text{NR}, \text{OC}) - \text{SF}$ , in each case for the forward haul receipt point and <i>gas day D</i> .
unused capacity	forward haul delivery point (all categories)	$\text{MIN}(\text{NR}, \text{OC}) - \text{SF}$ , in each case for the forward haul delivery point and <i>gas day D</i> .
forward haul pipeline segment limit	forward haul pipeline segment	$\text{MIN}[(\text{CC} + \text{DC}), \text{OC}] - \text{SF}$ , in each case for the forward haul pipeline segment and <i>gas day D</i> .
pipeline zone forward haul limit	pipeline receipt zone	The sum, for each forward haul receipt point in the <i>zone</i> , of $\text{MIN}[(\text{CC} + \text{DC}), \text{OC}] - \text{SF}$ , in each case for the forward haul receipt point and <i>gas day D</i> .
	pipeline delivery zone	The sum, for each forward haul delivery point in the <i>zone</i> , of $\text{MIN}[(\text{CC} + \text{DC}), \text{OC}] - \text{SF}$ , in each case for the forward haul delivery point and <i>gas day D</i> .

**Table 19.2.2: Auction quantity limits table for product components associated with compression service facilities**

Auction Quantity Limit (GJ)	Product component	Definition
compression point unused capacity	compression receipt point	$\text{MIN}(\text{NR}, \text{OC}) - \text{SF}$ , in each case for the compression receipt point and <i>gas day D</i> .
	compression delivery point	$\text{MIN}(\text{NR}, \text{OC}) - \text{SF}$ , in each case for the compression delivery point and <i>gas day D</i> .
compression facility limit	<i>compression service facility</i>	$\text{MIN}[(\text{CC} + \text{DC}), \text{OC}] - \text{SF}$ , in each case for the <i>compression service facility</i> for <i>gas day D</i> .
compression zone limit	compression receipt zone	The sum, for each compression receipt point in the <i>zone</i> , of $\text{MIN}[(\text{CC} + \text{DC}), \text{OC}] - \text{SF}$ , in each case for the compression receipt point and <i>gas day D</i> .
	compression delivery zone	The sum, for each compression delivery point in the <i>zone</i> , of $\text{MIN}[(\text{CC} + \text{DC}), \text{OC}] - \text{SF}$ , in each case for the compression delivery point and <i>gas day D</i> .

**Table 19.2.3: Auction quantity limits table for product components associated with backhaul**

Auction Quantity Limit (GJ)	Product component	Definition
backhaul pipeline segment limit	<i>backhaul pipeline segment</i>	<i>Scheduled net priority forward haul flow for the backhaul pipeline segment for gas day D.</i>
backhaul receipt point limit	<i>backhaul receipt point that is also used as a forward haul delivery point<sup>(1)</sup></i>	<i>SF for the forward haul delivery point for gas day D.</i>

Auction Quantity Limit (GJ)	Product component	Definition
	backhaul receipt point that is also used as a forward haul receipt point <sup>(1)</sup>	MIN(NR, OC) – SF in each case for the forward haul receipt point for gas day D.
backhaul delivery point limit	backhaul delivery point that is also used as a forward haul delivery point <sup>(1)</sup>	MIN(NR, OC) – SF, in each case for the forward haul <i>delivery point</i> for gas day D.
	backhaul delivery point that is also used as a forward haul receipt point <sup>(1)</sup>	SF for the forward haul receipt point for gas day D.

Note (1): Each backhaul service point subcategory includes points treated as being included in the subcategory as provided for in the table in clause 4(c).

### 19.3. Quantities and terms used to calculate auction quantity limits

Table 19.3 sets out, for each product component, the value to be determined for each *gas day* and used to calculate the auction quantity limits.

**Table 19.3: Definitions: Quantities to be determined for each gas day and product component**

Quantity name	Product component	Quantity to be determined for each gas day (GJ)
CC or contracted capacity	forward haul delivery point (not falling into any other category)	The transportation capacity at the forward haul delivery point reserved for use for <i>gas day</i> D by firm forward haul services.
	forward haul delivery point that is also used as a backhaul delivery point	The transportation capacity at the forward haul delivery point reserved for use for <i>gas day</i> D by firm forward haul services plus the transportation capacity at the forward haul delivery point reserved for use for <i>gas day</i> D by firm backhaul services.
	forward haul delivery point that is also used as a backhaul receipt point	The transportation capacity at the forward haul delivery point reserved for use for <i>gas day</i> D by firm forward haul services, in each case for the forward haul delivery point for <i>gas day</i> D.
	forward haul receipt point (not falling into any other category)	The transportation capacity at the forward haul receipt point reserved for use for <i>gas day</i> D by firm forward haul services.
	forward haul receipt point that is also used as a backhaul receipt point	The transportation capacity at the forward haul receipt point reserved for use for <i>gas day</i> D by firm forward haul services; plus the transportation capacity at the forward haul receipt point reserved for use for <i>gas day</i> D by firm backhaul services.
	forward haul receipt point that is also used as a backhaul delivery point	The transportation capacity at the forward haul receipt point reserved for use for <i>gas day</i> D by firm forward haul services.
	<i>forward haul pipeline segment</i>	The transportation capacity in the <i>forward haul pipeline segment</i> reserved for use for <i>gas day</i> D by firm forward haul services.
	compression delivery point	The transportation capacity at the compression delivery point reserved for use for <i>gas day</i> D by firm compression services.

Quantity name	Product component	Quantity to be determined for each gas day (GJ)
	compression receipt point	The transportation capacity at the compression receipt point reserved for use for <i>gas day D</i> by firm compression services.
	<i>compression service facility</i>	The transportation capacity of the <i>compression service facility</i> reserved for use for <i>gas day D</i> by firm compression services.
DC or discretionary capacity	All service points, pipeline segments and compression facilities	A positive quantity of <i>transportation capacity</i> at the <i>service point</i> or on the <i>pipeline segment</i> or <i>compression service facility</i> for <i>gas day D</i> determined by the <i>facility operator</i> in its discretion if it wishes to submit additional <i>transportation capacity</i> to the <i>capacity auction</i> that is available but not reserved for use on <i>gas day D</i> .
NR or nameplate rating	All service points and compression facilities	The nameplate rating for the <i>service point</i> or <i>compression service facility</i> as defined in the Rules.
OC or operational capacity	<i>forward haul pipeline segment</i>	For each direction in which natural gas can be transported on the segment, the quantity of natural gas that can be transported through the pipeline segment on <i>gas day D</i> in that direction.
	forward haul delivery point (all categories)	The quantity of natural gas that can be withdrawn through, or otherwise delivered at, the forward haul delivery point on <i>gas day D</i> .
	forward haul receipt point (all categories)	The quantity of natural gas that can be injected through, or otherwise received at, the forward haul receipt point on <i>gas day D</i> .
	<i>pipeline delivery zone</i>	The sum of operational capacity for <i>gas day D</i> for each <i>pipeline service point</i> in the <i>zone</i> .
	<i>pipeline receipt zone</i>	The sum of operational capacity for <i>gas day D</i> for each <i>pipeline service point</i> in the <i>zone</i> .
	<i>compression service facility</i>	The quantity of natural gas that can be compressed by the <i>compression service facility</i> on <i>gas day D</i> .
	compression delivery point	The quantity of natural gas that can be withdrawn through, or otherwise delivered at, the compression delivery point on <i>gas day D</i> .
	compression receipt point	The quantity of natural gas that can be injected through, or otherwise received at, the compression receipt point on <i>gas day D</i> .
	<i>compression delivery zone</i>	The sum of operational capacity for <i>gas day D</i> for each compression service point in the <i>zone</i> .
	<i>compression receipt zone</i>	The sum of operational capacity for <i>gas day D</i> for each compression service point in the <i>zone</i> .
<i>scheduled net priority forward haul flow</i>	<i>backhaul pipeline segment</i>	SF for the backhaul <i>pipeline segment</i> for <i>gas day D</i> ; less the scheduled quantity for firm backhaul services through the backhaul <i>pipeline segment</i> for <i>gas day D</i> .
SF or scheduled priority flow	<i>forward haul pipeline segment</i>	The scheduled quantity for firm forward haul services for the <i>forward haul pipeline segment</i> for <i>gas day D</i> .
	<i>backhaul pipeline segment</i>	The scheduled quantity for firm forward haul services for the backhaul <i>pipeline segment</i> for <i>gas day D</i> .
	forward haul delivery point (not falling into any other category)	The scheduled quantity at the forward haul delivery point for <i>gas day D</i> for firm forward haul services.

Quantity name	Product component	Quantity to be determined for each gas day (GJ)
	forward haul delivery point that is also used as a backhaul delivery point	The scheduled quantity at the forward haul delivery point for <i>gas day D</i> for firm forward haul services; plus the scheduled quantity for firm backhaul services at the forward haul delivery point for <i>gas day D</i> .
	forward haul delivery point that is also used as a backhaul receipt point	The scheduled quantity at the forward haul delivery point for <i>gas day D</i> for firm forward haul services; less the scheduled quantity for firm backhaul services at the forward haul delivery point for <i>gas day D</i> .
	forward haul receipt point (not falling into any other category)	The scheduled quantity at the forward haul receipt point for <i>gas day D</i> for firm forward haul services.
	forward haul receipt point that is also used as a backhaul receipt point	The scheduled quantity at the forward haul receipt point for <i>gas day D</i> for firm forward haul services; plus the scheduled quantity for firm backhaul services at the forward haul receipt point for <i>gas day D</i> .
	forward haul receipt point that is also used as a backhaul delivery point	The scheduled quantity at the forward haul receipt point for <i>gas day D</i> for firm forward haul services; less the scheduled quantity for firm backhaul services at the forward haul receipt point for <i>gas day D</i> .
	compression delivery point	The scheduled quantity at the compression delivery point for firm compression services for <i>gas day D</i> .
	compression receipt point	The scheduled quantity at the compression receipt point for <i>firm compression services</i> for <i>gas day D</i> .
	<i>compression service facility</i>	The scheduled quantity for the <i>compression service facility</i> for firm compression services for <i>gas day D</i> .

#### 19.4. Allocation of capacity and nominations to facilities

- (a) For the purposes of determining auction quantity limits *a facility operator for a registered facility* must allocate reserved *transportation capacity* to each product component in a manner consistent with the relevant *facility agreement* or, where a methodology has been approved by AEMO under clause 2.1.1(c), that methodology.
- (b) *A facility operator for a registered facility* must allocate nominations for use of reserved *transportation capacity* to each product component in a manner consistent with the allocation of that reserved capacity to product components.

### 20. GIVING EFFECT TO AUCTION RESULTS

#### 20.1. Validation and confirmation process

- (a) Each *gas day d*, AEMO must give an **auction MDQ notice** to each *facility operator* specifying the auction MDQ for that *facility operator* for the following *gas day*.
- (b) An auction MDQ notice must contain the information required to identify the auction MDQ to be allocated to each *auction participant* including the *gas day*, quantity, *auction service*, *auction participant* and contract reference.
- (c) *A facility operator* in receipt of an auction MDQ notice (other than a notice in which all values are nil) must validate the allocation of auction MDQ by checking whether there is an invalid contract reference or a contract transfer restriction.

- (d) An **invalid contract reference** occurs in relation to an allocation of auction MDQ if a contract reference in the auction MDQ notice is invalid, including where it is for a contract with a different *transportation facility user* or relates to a contract that does not extend to the *auction service* or *service points* required for use of the Auction Product.
- (e) A **contract transfer restriction** occurs in relation to an allocation of auction MDQ if the terms of the specified contract prohibits or restricts the allocation of the required quantity of auction MDQ to the *auction participant*, including where the *auction participant* has maintained insufficient credit support under the contract.
- (f) Except where and to the extent there is an invalid contract reference or contract transfer restriction, , when validation is complete a *facility operator* must give effect to an auction MDQ notice by allocating the required quantity of auction MDQ to the *auction participant* under the specified contract for the *gas day*.

## 20.2. DWGM allocations

*Note: This process does not extend to STTM interface points. If an auction participant purchases an Auction Product connecting to the STTM then it must use a Market Schedule Variation (MSV) to reflect any change in pipeline scheduled quantities.*

- (a) In this clause:
  - (i) **DWGM allocation** means an allocation of auction MDQ at a *DWGM interface point*;
  - (ii) **DWGM auction participant** means, in relation to a DWGM allocation, the *auction participant* who purchased the DWGM allocation in the *capacity auction*; and
  - (iii) **Nominated DWGM participant** means, in relation to a DWGM allocation, the DWGM auction participant or the person nominated by a DWGM auction participant in its capacity as agent for that person
- (b) A **Nominated DWGM participant** must be registered as a Market Participant (as defined in Part 19 of the Rules) in the *declared wholesale gas market*.
- (c) For each DWGM allocation:
  - (i) if the Nominated DWGM participant has an *accredited controllable quantity* at the *DWGM interface point*, the Nominated DWGM participant will be taken to have issued a further application under rule 210 for *accreditation* (corresponding to the increase confirmed for the DWGM allocation) in accordance with the *accreditation procedures*; and
  - (ii) AEMO must as soon as practicable after giving the relevant auction MDQ notice:
    - (A) process that application in accordance with rule 210 and the *accreditation procedures*; and
    - (B) adjust the *accredited controllable quantity* of the Nominated DWGM participant to whom the transfer is made in accordance with the *accreditation procedures*.

## 20.3. Nomination cut-off time

- (a) The nomination cut-off time for the use of auction MDQ allocated in the *capacity auction* for *gas day D* is the time on *gas day D* specified, and as may be extended, under the Capacity Transfer and Auction Procedures.
- (b) *Facility operators* must implement the nomination cut-off time referred to in paragraph (a) for the nomination and scheduling of auction MDQ allocated in the *capacity auction*.



## 21. CAPACITY AUCTION SETTLEMENT AND PRUDENTIAL CALCULATIONS

### 21.1. Indices and terms used in equations

The following table defines the indices used in the settlement equations and prudential calculations.

A reference to a **connected auction product** means, in relation to an *auction participant* for a *gas day* and each Auction Product for which the *auction participant* was allocated auction MDQ for the *gas day*, each other Auction Product in the *auction participant's* successful bid (and if there was more than one, the bid in relation to which the auction MDQ was allocated).

Term	Definition
ap	Denotes an <i>auction participant</i> .
bp	Denotes a <i>billing period</i> .
c	Denotes a product component
d	Denotes a <i>gas day</i> .
i	Denotes a bid or, in a stepped bid, a bid step within the stepped bid.
p	Denotes an Auction Product.
p*	Denotes an Auction Product within a set of connected auction products.
p1 to pk	Denotes each Auction Product within a set of connected auction products.
lp	Denotes a connected auction product.
sp	Denotes a <i>facility operator</i> .

The following table defines the terms used in the settlement equations.

Term	Unit	Definition
APP	\$/GJ	Means for a <i>gas day</i> and Auction Product, the Auction Product Price calculated for the <i>gas day</i> under clause 21.3.1.
BE	\$	Means for an <i>auction participant</i> at any time, the Bid Exposure, calculated under clause 23.2(c).
BSP	\$/GJ	Means for a bid step in a stepped bid submitted by an <i>auction participant</i> under clause 18.2.2(e), the bid step price associated with that bid step; or if the bid is not a stepped bid, the bid price.
BSQ	GJ	Means for a bid step in a stepped bid submitted by an <i>auction participant</i> under clause 18.2.2(e), the bid quantity associated with that bid step; or if the bid is not a stepped bid, the bid quantity.
CP	\$/GJ	Means for a <i>gas day</i> and product component, the component price determined by the Auction Solver for the product component for the <i>gas day</i> .
GIA	\$	Means, for an <i>auction participant</i> for a <i>billing period</i> , the gross invoiced amount for Auction Products calculated as owing to AEMO under its <i>capacity auction agreement</i> in respect of that <i>billing period</i> (disregarding the set-off arrangements in the <i>capacity auction agreement</i> , where the Defaulting Participant (as defined in clause 22.1.2) is also an Exchange Member), where the <i>auction participant's</i> invoice for the <i>billing period</i> is not yet due for payment.
IND	\$	Means for an <i>auction participant</i> at any time, the Indicative Settlement Amount, calculated under clause 23.2(b).
ISQ	GJ	Means for a stepped bid submitted by an <i>auction participant</i> under clause 18.2.2(e), the increase in quantity between steps.
NQ	GJ	Means for auction MDQ allocated to an <i>auction participant</i> for a <i>gas day</i> , the <i>auction participant's</i> nomination for use of the auction MDQ on that <i>gas day</i> and, where revised, the most recent auction MDQ so nominated.



Term	Unit	Definition
PC	GJ	Means for a <i>gas day</i> , Auction Product and <i>auction participant</i> , the product capacity calculated under clause 21.3.3(a).
PSA	\$	Means for an <i>auction participant</i> and <i>gas day</i> , the <i>auction participant</i> daily settlement amount determined under clause 21.3.3.
RC	GJ	Means for a <i>gas day</i> , Auction Product and <i>auction participant</i> , the revised product capacity submitted by the relevant <i>facility operator</i> or, if the relevant <i>facility operator</i> has not submitted the revised product capacity, the cleared quantity.
RQ	GJ	Means for auction MDQ allocated to an <i>auction participant</i> for a <i>gas day</i> , actual quantity of auction MDQ available for use by the <i>auction participant</i> , taking into account curtailments and transfer failures, on that <i>gas day</i> .
SSA	\$	Means for a <i>facility operator</i> and <i>gas day</i> , the facility operator daily settlement amount determined under clause 21.3.5.
SQ	GJ	Means for a <i>gas day</i> , Auction Product and <i>auction participant</i> , the settlement quantity calculated under clause 21.3.3(b).

## 21.2. Information for settlement to be provided by facility operators

### 21.2.1. Information from facility operators

- (a) The *facility operator* for an *auction facility* must provide the following information to AEMO for the *auction facility* and each *gas day D*:
  - (i) the RQ for each *auction participant* and each quantity of auction MDQ allocated for *gas day D*;
  - (ii) the NQ for each *auction participant* and each quantity of auction MDQ allocated for *gas day D*.
- (b) The *facility operator* must use reasonable endeavours to provide the information in paragraph (a) by 13:00 on *gas day D+1*. If the *facility operator* is unable to provide the information in paragraph (a) by that time, the *facility operator* must provide that information as soon as practicable thereafter.

### 21.2.2. Revisions and disputes

- (a) A *facility operator* may revise the information in clause 21.2.1(a) by sending updated information to AEMO up to the settlement cut-off time for revised settlement. Information provided before the settlement cut-off time for a *billing period* or revised settlement will be included in settlement for the *billing period* or revised settlement as applicable.
- (b) Any dispute between an *auction participant* and a *facility operator* about the RQ or the NQ is a rule dispute for the purposes of the NGL.

## 21.3. Auction Settlement

### 21.3.1. Calculation of Auction Product Prices

The Auction Product Price for an Auction Product for a *gas day* is determined as follows:

$$APP_p = \sum c(CP(c, ap, d))$$

### 21.3.2. Billing Period settlement amount for auction participants

- (a) For each *billing period*, each *auction participant* must pay to AEMO the billing period settlement amount determined for that *auction participant* and *billing period*.
- (b) The billing period settlement amount for an *auction participant* for a *billing period* is the sum of the daily auction participant settlement amounts for the *auction participant* for each *gas day* starting in the *billing period*.

### 21.3.3. Calculation of daily auction participant settlement amount

- (a) The product capacity for an *auction* participant and each connected auction product in a set of connected auction products for a *gas day* is determined as follows:

$$PC(ap, p *) = \text{Min}(RC(ap, p1, d), \dots, RC(ap, pk, d))$$

- (b) The settlement quantity for an *auction* participant and Auction Product for a *gas day* is determined as follows:

$$SQ(ap, p, d) = \text{Max}(PC(ap, p, d), NQ(ap, p, d))$$

- (c) The settlement amount for an *auction participant* and Auction Product for a *gas day* is determined as follows:

$$PSA(ap, p, d) = (APP \times SQ(ap, p, d))$$

- (d) The daily auction participant settlement amount for an *auction participant* for a *gas day* is determined as follows:

$$PSA(ap, d) = \sum p(PSA(ap, p, d))$$

### 21.3.4. Billing Period settlement amount for facility operators

- (a) For each *billing period*, subject to clause 22, AEMO must pay to each *facility operator* the billing period settlement amount for that *facility operator* and *billing period*.
- (b) The facility operator billing period settlement amount for a *facility operator* for a *billing period* is the sum of the facility operator daily settlement amounts for the *facility operator* for each *gas day* starting in the *billing period*.

### 21.3.5. Calculation of facility operator daily settlement amount

- (a) The daily settlement amount for a *facility operator* for an Auction Product and a *gas day* is determined as follows:

$$SSA(p, sp, d) = \sum ap(PSA(ap, p, d))$$

- (b) The facility operator daily settlement amount for a *facility operator* for a *gas day* is determined as follows:

$$SSA(sp, d) = \sum p(SSA(p, sp, d))$$

### 21.3.6. Settlement statements and invoicing

- (a) The *capacity auction agreement* governs the provision of settlement statements, invoices and payment terms for *auction participants*.
- (b) AEMO will provide settlement statements and invoices and will make payments to *facility operators* on account of auction proceeds in accordance with the Rules.
- (c) GST is payable in accordance with the *capacity auction agreement* or Rules as applicable.

### 21.3.7. Settlement facilities

- (a) Subject to paragraph (b), AEMO, *facility operators* and *auction participants* must use the electronic cash transfer system designated by AEMO for the payment of amounts under the *capacity auction agreement* and these Procedures.
- (b) AEMO must ensure that an electronic funds transfer facility is made available to *facility operators*, *auction participants* and AEMO for use:
- if the designated electronic cash transfer system is not available for settlement;
  - where agreed or determined by AEMO for the payment of ad hoc amounts under the *capacity auction agreement* or these Procedures.

## 22. MAXIMUM PAYMENT CALCULATION

### 22.1.1. Application

The maximum payment calculation and shortfall adjustment in this clause apply for the purposes of:

- (a) payment of auction proceeds to *facility operators*;
- (b) clause 9.2 of these Procedures;
- (c) clause 18 of the Exchange Agreement; and
- (d) each *capacity auction agreement* entered into between AEMO and an *auction participant*.

### 22.1.2. Definitions

In this clause:

**Defaulting Participant** means for a *billing period* each:

- (a) Market Participant who fails to pay an amount payable by it to AEMO for the *billing period* under the Exchange Agreement; and
- (b) *auction participant* who fails to pay an amount payable by it to AEMO for the *billing period* under the *auction participant's capacity auction agreement*,

in each case, in full by 2:00pm on the Payment Date for the *billing period*.

**Exchange Fees** has the meaning given to it in the Exchange Agreement.

**Market Participant** has the meaning given to it in the Exchange Agreement.

**Payee** means a Market Participant, *auction participant* or *facility operator*, as applicable.

**Payment Date** means the payment date under the Relevant Instruments and, if different between Relevant Instruments, the payment date under the *capacity auction agreement*.

**Relevant Instrument** means:

- (a) in relation to a Market Participant, the Exchange Agreement; and
- (b) in relation to an *auction participant*, its *capacity auction agreement*;
- (c) in relation to a *facility operator*, clause 21 of these Procedures; and
- (d) in relation to a *facility operator*, clause 9.2 of these Procedures.

**Relevant Market Amount** means in relation to a Defaulting Participant for a period:

- (a) where the Defaulting Participant is a Market Participant, the net amount calculated as owing to AEMO under the Exchange Agreement in respect of that period (disregarding the set-off arrangements in the *capacity auction agreement*, where the Defaulting Participant is also an *auction participant*); and
- (b) where the Defaulting Participant is an *auction participant*, the amount calculated as owing to AEMO under its *capacity auction agreement* in respect of that period (disregarding the set-off arrangements in the *capacity auction agreement*, where the Defaulting Participant is also an Exchange Member).

### 22.1.3. Maximum Total Payment and Payment Shortfall calculations

- (a) The **Maximum Total Payment** for a *billing period* is equal to:
  - (i) the aggregate of the amounts received by AEMO as payment for an amount owing to AEMO for the *billing period* under a Relevant Instrument by 2:00pm on the Payment Date for that *billing period*; plus

- (ii) the aggregate amount which AEMO is able to obtain by that time from the credit support or security deposit provided by a Defaulting Participant under the Exchange Agreement or the participant's *capacity auction agreement*; less
  - (iii) the aggregate of the amount of all Exchange Fees and *auction fees* payable to AEMO pursuant to the Exchange Agreement or *capacity auction agreements* for the *billing period*.
- (b) The **Total Payment Due** by AEMO in respect of a *billing period* is equal to the sum of all amounts payable by AEMO to relevant Payees under Relevant Instruments for the *billing period* (before adjustment under this clause).
- (c) The **Payment Shortfall** for a *billing period* is equal to the greater of:
  - (i) zero; and
  - (ii) the Total Payment Due for the *billing period* less the Maximum Total Payment for the *billing period*.

#### 22.1.4. Adjustment for shortfall

If the Payment Shortfall for a *billing period* is greater than zero, each Relevant Market Amount payable by AEMO to a Payee under a Relevant Instrument for the *billing period* is reduced by applying the following formula:

$$AAP = P \times [(G - F) / G]$$

where:

- AAP is the reduced Relevant Market Amount payable by AEMO to the Payee under the Relevant Instrument for the *billing period*;
- P is the Relevant Market Amount that would have been payable to the Payee under the Relevant Instrument for the *billing period* but for the application of this clause;
- F is the shortfall amount in respect of the Relevant Instrument, which is calculated as follows:

$$F = PS \times RI / ARI$$

where:

- PS is the Payment Shortfall for the *billing period*;
- RI is the aggregate of the Relevant Market Amount of each Defaulting Participant under the Relevant Instrument for the *billing period*;
- ARI is the aggregate of the Relevant Market Amounts of all Defaulting Participants under all Relevant Instruments for the *billing period*;
- G is the Total Payment Due for the *billing period*.

#### 22.1.5. Refund of adjustment

If the Relevant Market Amount payable by AEMO to a Payee under a Relevant Instrument for the *billing period* is reduced in accordance with clause 22.1.4 and AEMO subsequently receives payment of any part of the shortfall amount, AEMO must:

- (a) recalculate the Relevant Market Amount payable by AEMO in accordance with clause 22.1.4 taking into account the subsequent payment; and
- (b) pay to the Payee pursuant to the next invoice the difference between the revised Relevant Market Amount calculated under paragraph 22.1.5(a) and the Relevant Market Amount paid by the Payee.

## 23. AUCTION PRUDENTIAL EXPOSURE CALCULATION

### 23.1. Where this calculation is used

This clause applies for the purposes of determining the Prudential Exposure (as defined in the *capacity auction agreement*) of an *auction participant*. The Prudential Exposure is used to determine the Trading Margin (as defined in the *capacity auction agreement*) of the *auction participant*.

### 23.2. Calculation of Prudential Exposure

- (a) The indices and defined terms used in this clause are defined in clause 21.1.
- (b) The Indicative Settlement Amount for an *auction participant* at any time is determined by AEMO as follows:

$$IND(ap) = \sum d(PSA(ap, d))$$

where d is a first gas day not yet included in an invoice through to tomorrow.

- (c) The Bid Exposure for an *auction participant* at any time is determined by AEMO as follows, but disregarding bids for a *capacity auction* run that has been completed and bids that are not for the *gas day* on which the calculation is made or the following *gas day*.

$$BE(ap, d) = \sum d(\sum p \sum i (BSP(d, p, i) \times ISQ(d, p, i) \times M(d)))$$

where:

if  $i=1$  or the bid is not a stepped bid:

$$ISQ(d, p, i) = BSQ(d, p, i)$$

otherwise:

$$ISQ(d, p, i) = BSQ(d, p, i) - BSQ(d, p, i - 1)$$

- (d) The Prudential Exposure for an *auction participant* at any time in relation to the *capacity auction* is determined by AEMO as follows:

$$AE(ap) = BE(ap) + IND(ap) + GIA(ap)$$

## 24. BB REPORTING

### 24.1. Reports

Subject to clause 24.2, AEMO must *publish* on the *Natural Gas Services Bulletin Board* the reports specified in the table below at the corresponding times specified in the table below.

**Table 24: Bulletin Board reports**

Report Name	Content	Publication Time
Auction Quantity Limits Report	<i>Auction quantity limits</i> for each product component	On each <i>gas day</i> as soon as practicable after the cut-off time for provision of auction quantity limits by <i>facility operators</i> , as may be extended, under the Capacity Transfer and Auction Timetable
Product Component Price and Volume Report	Cleared quantities, prices and information about the sensitivity of price outcomes to changes in parameters (using parameters determined by AEMO) for each product component	On each <i>gas day</i> as soon as practicable after the <i>capacity auction</i> has provided cleared quantities and prices for each product component

Report Name	Content	Publication Time
Revised Auction Quantities Report	<p>For each product component:</p> <ul style="list-style-type: none"> <li>(a) initial cleared quantity as determined by the Auction Solver;</li> <li>(b) where there has been a curtailment of the initial cleared quantity, the revised auction quantity which must be the aggregate minimum quantity made available to <i>auction participants</i> on the <i>gas day</i>; and</li> <li>(c) final aggregated scheduled nominations.</li> </ul>	14:00 on <i>gas day</i> D+1

## 24.2. Information access restrictions

The Auction Platform will restrict access to the following categories of information:

- (a) information relating to a *service point* which is solely used for the delivery of natural gas used by a *market generating unit* for the generation of electricity or the operation of the *market generating unit*; and
- (b) information relating to a *zone* which comprises solely of *service points* that are solely used for the delivery of natural gas used by a *market generating unit* for the generation of electricity or the operation of the *market generating unit*.

## DIVISION 4 – TRANSITIONAL

### 25. COMPRESSION SERVICE FACILITY INFORMATION

#### 25.1. Application

- (a) This clause 25 applies in relation to a *transitional compression facility* for so long as it is a *transitional compression facility*.
- (b) Reporting under this clause 25 commences for a *transitional compression facility* on a date notified by AEMO, not being earlier than 1 month before the *capacity auction* starts.
- (c) In this clause, the following terms refer to information equivalent to the information provided for BB facilities under Part 18, unless otherwise defined: *nameplate rating* information, *short term capacity outlook*; LCA flag; LCA outlook; nominated and forecast use; daily production data.

#### 25.2. Submission of information

- (a) The *facility operator* for a *transitional compression facility* must nominate and register with AEMO one or more persons to be the authorised users of the *facility operator* for the purposes of uploading information under this clause 25 to the *Natural Gas Services Bulletin Board*.
- (b) The *facility operator* for a *transitional compression facility* must provide information and data to AEMO under this clause 25 in the manner and form specified in the BB Data Submission Procedures published on the *Natural Gas Services Bulletin Board*.

#### 25.3. Nameplate rating information

- (a) Each *facility operator* must provide *nameplate rating* information to AEMO on registration and by 31 March of each year.
- (b) *Nameplate rating* information must take account of long term changes to the availability and performance of plant. For these purposes, **long term** means a period 12 months or more and a **material change** to a *nameplate rating* means a long term change that exceeds 10% of the current *nameplate rating*.

#### 25.4. Short term capacity outlooks for transitional compression facilities

The outlook of uncontracted primary compression capacity on the transitional compression facility for each of the next 12 months must be provided by 7 pm on the last day of each month.

#### 25.5. Short term capacity outlooks for transitional compression facilities

- (a) The *short term capacity outlook* for a *transitional compression facility* must be specified in TJ/day and provided by 7 pm each day, subject to paragraph (f).
- (b) Each *short term capacity outlook* should take account of short term changes to the availability and performance of plant that is materially impacting or will materially impact daily capacity during the 7-day outlook period. For this purpose, a material impact on daily capacity means a change in daily capacity of 10% of the *nameplate rating*.
- (c) Each *facility operator* must ensure that the *short term capacity outlook* for the next 7-day period published on the *Natural Gas Services Bulletin Board* reasonably reflects the *facility operator's* knowledge of the plant capability and availability over that time.
- (d) The daily capacity for a *gas day* in a current *short term capacity outlook* may be updated before or after that *gas day* has commenced by uploading an updated file in the standard format. The *facility operator* may provide the reason for the change in capacity by using the 'free text' field provided for in the transaction file or the web form.



- (e) A *facility operator* is not required to provide a *short term capacity outlook* for a *transitional compression facility* on a day if the *facility operator* considers the *short term capacity outlook* for that *transitional compression facility* is unchanged from the data included in the last *short term capacity outlook* provided by that *facility operator* to AEMO for that *transitional compression facility*.
- (f) If the *facility operator* does not provide the *short term capacity outlook* for its *transitional compression facility* on any day:
  - (i) the *short term capacity outlook* data for that *transitional compression facility* will be deemed to be unchanged for each of the *gas days* specified in the most recent *short term capacity outlook* data provided; and
  - (ii) for subsequent *gas days* the *short term capacity outlook* data will be deemed to be the same as the data for the last *gas day* included in the most recent *short term capacity outlook* provided to AEMO.

## 25.6. Linepack/capacity adequacy indicator

- (a) A *facility operator* must provide to AEMO the *LCA flag* data by 7 pm each day, subject to paragraph (d).
- (b) The *LCA flag* for a *transitional compression facility* must be categorised as green, amber or red as follows:

LCA Flag	Transitional Compression facility
Green	Compressor is able to accommodate increased gas flows.
Amber	Compressor is flowing at full capacity, but no involuntary curtailment of 'firm' shippers is likely or happening as a result of a reduction in capacity.
Red	Involuntary curtailment of 'firm' shippers is likely or happening.

- (c) The *facility operator* must provide the reason for the change in an *LCA flag* and must do so by using the 'free text' field provided for in the transaction file or the web form.
- (d) A *facility operator* is not required to provide a 3-day LCA outlook in respect of its *transitional compression facility* if the *facility operator* considers the 3-day LCA outlook is unchanged from the data included in the last 3-day LCA outlook provided to AEMO for that *transitional compression facility*.
- (e) If on a day the *facility operator* does not provide a 3-day LCA outlook in respect of its *transitional compression facility* to AEMO by 7 pm on a day:
  - (i) the last 3-day LCA outlook provided for that BB pipeline will be deemed to be unchanged; and
  - (ii) the *LCA flag* for the subsequent *gas day* will be deemed to be the same as the *LCA flag* for D+2.

## 25.7. Nominated and forecast use of compression facilities

- (a) Information about nominated and forecast use of a *transitional compression facility* must be in TJ/day.
- (b) Aggregate nominations of natural gas to be compressed for a *gas day* must be provided by no later than one hour after the start of the *gas day* for the relevant *transitional compression facility*.
- (c) The forecast quantity of natural gas to be compressed by the *transitional compression facility* must be provided no later than 7 pm on each day or as soon as practicable after the *facility operator* has been provided with the required information by shippers, whichever is the later and may be provided to AEMO as soon as practicable after being received.

- (d) AEMO will *publish* on the *Natural Gas Services Bulletin Board* the aggregate nominations and the forecast quantities of natural gas to be compressed for up to the next 7 *gas days*. A *facility operator* may provide that information to the *Natural Gas Services Bulletin Board* for a longer period if available.
- (e) The *facility operator* must ensure that information it provides to AEMO under item 11 of Part 5 of Schedule 5 reflects the information provided by shippers.
- (f) If any of the information changes for the *transitional compression facility* for a *gas day* by 10% of *nameplate rating*, the *facility operator* must provide updated information to AEMO as soon as practicable after it is received by the *facility operator*.
- (g) The *facility operator* may provide the reason for *material changes* if this is known by using the 'free text' field provided for in the transaction file or the web form.

## 25.8. Daily production data

Daily production data for a *gas day* must be provided in TJ/day by 12:00 pm on the following *gas day*.

## 26. OTHER TRANSITIONAL ARRANGEMENTS

### 26.1. Transitional firm services

- (a) This clause 26.1 applies in relation to transitional firm services. A transitional firm service is, in general terms, a *transportation service* that:
  - (i) is currently treated as firm once scheduled (e.g. some as available and authorised overrun services);
  - (ii) is used for the supply of gas for consumption by a gas-fired generator that is a market generating unit;
  - (iii) for which at least one *service point* is either a point at which gas is supplied for consumption by a market generating unit, or is on another transportation facility that is used to receive gas for onward transportation to a market generating unit; and
  - (iv) the terms and conditions for use of the transportation service are set out in a primary facility agreement made on or before 19 March 2018 and are the same, or substantially the same, as the terms and conditions in force on that date.
- (b) This clause 26.1 ceases to apply on the second anniversary of the start of the *capacity auction*.
- (c) A *facility operator* for an *auction facility* must provide the following information to AEMO in the manner and form specified in the BB Data Submission Procedures published on the *Natural Gas Services Bulletin Board*:
  - (i) information about whether any transportation service for the transportation facility is classified as a transitional firm service; and
  - (ii) information to identify the transitional firm quantity used in the calculation of the auction quantity limits for the gas day aggregated by service point and the service points to which the quantity relates.

### 26.2. Existing transportation facilities

- (a) For the purposes of this clause 26.2 **Contract Information** means, for a facility operator, Contract Information (as defined in clause 5(a)) for a *facility agreement* with a *transportation facility user* who is an Exchange Member or an *auction participant* or who is an Appointing Participant or an Appointing Member on the date the *facility operator* is granted access to the CTP Interface.
- (b) This clause 26.2:

- (i) prevails over clause 5(c) to the extent of any inconsistency; and
  - (ii) ceases to apply when the *capacity auction* starts (and from that date, clause 5(c) applies in accordance with its terms).
- (c) A *facility operator* for an a *transportation facility* registered under these Procedures before the *capacity auction* starts must provide to AEMO the Contract Information for the *transportation facility* as soon as practicable after the *facility operator* is granted access to the CTP Interface and in any event no later than the date specified in a notice issued by AEMO to *facility operators* under this clause.

## SCHEDULE 1. CAPACITY TRANSFER AND AUCTION TIMETABLE – TO 6:00 am AEST on 1 OCTOBER 2019

### S1.1 Introduction

This Schedule sets out the Capacity Transfer and Auction Timetable applicable prior to 6:00 am AEST on 1 October 2019. Table 1 is the timetable for the transfer of capacity purchased on the Gas Trading Exchange as a Day-Ahead Product (and for which the trading window will be D-1 from market open to 12:30 pm). Table 2 is the timetable for the *capacity auction*. Table 3 is the timetable for the transfer of capacity purchased on the Gas Trading Exchange other than as a Day-Ahead Product (for which the trading window closes by D-2).

Where AEMO must notify an extension of time, it may at the same time notify the extensions to other activities affected by the delay.

Table 1: Timetable for day-ahead transfers of capacity purchased on the Gas Trading Exchange

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
1	AEMO must send a Day-Ahead Transfer Notice to <i>facility operators</i> , for <i>gas day D</i>	D-1 11:30 (no later than)	D-1 12:30 (no later than)	AEMO is unable to send any Day-Ahead Transfer Notice.	For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement.
2	<i>Facility operators</i> must validate transfers for <i>gas day D</i> . If any transfer does not pass validation, the <i>facility operator</i> must send AEMO an interim Capacity Transfer Status report. For transfers that have not passed validation, a reason must be shown.	D-1 12:00 (no later than)	D-1 13:00 (no later than)	AEMO has extended the time for activity 1.	No designated response. Other activities to continue.
3	<i>Facility operators</i> must complete validation of transfers, transfer capacity that has passed validation and send the final Capacity Transfer Status report to AEMO, for <i>gas day D</i> . For transfers that have not passed validation, a reason must be shown.	D-1 12:30 (no later than)	D-1 13:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1.</li> <li>AEMO has not extended the time for activity 1 and one or more <i>facility operators</i> fails to complete this activity.</li> </ul>	For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement.

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
4	AEMO must send day-ahead transfer confirmation reports to Exchange Members relating to <i>gas day D</i> . AEMO must make DWGM adjustments for DWGM transfers.	D-1 13:00 (no later than)	D-1 14:00 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1 or 3.</li> <li>AEMO has not extended the time for activity 1 or 3 and AEMO is unable to complete this activity.</li> </ul>	<ul style="list-style-type: none"> <li>For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement.</li> <li>AEMO must notify the relevant <i>facility operators</i>. The relevant <i>facility operators</i> must reverse affected transfers.</li> </ul>
5	Nomination cut off time for <i>gas day D</i> (other than Auction Products)	As specified in the applicable <i>facility agreement</i> .	As specified in the applicable <i>facility agreement</i> .	AEMO has extended the time for activity 1, 3 or 4	Not specified in Procedures. Facility agreement terms may be applicable.

Table 2: Capacity Auction timetable

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
1	<i>Facility operators</i> to calculate and send to AEMO the auction quantity limits for <i>gas day D</i> .	D-1 17:30 (no later than)	D-1 19:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for any activity under table 1.</li> <li>AEMO has not extended the time for any activity under table 1 and either a <i>facility operator</i> does not complete this activity or AEMO is unable to accept the auction quantity limits sent by a <i>facility operator</i>.</li> </ul>	<p>If one or two <i>auction facilities</i> are affected, AEMO is to suspend the <i>auction facility or facilities</i> from the <i>capacity auction</i> for <i>gas day D</i>.</p> <p>If three or more <i>auction facilities</i> are affected, AEMO is to cancel the <i>capacity auction</i> for <i>gas day D</i>.</p>
2	AEMO publishes auction quantity limits.	D-1 17:45 (no later than)	D-1 19:45 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for any activity under table 1 or activity 1.</li> <li>AEMO has not extended the time for any activity under table 1 or activity 1 and AEMO does not complete this activity.</li> </ul>	AEMO to notify cancellation of the <i>capacity auction</i> for D.

## CAPACITY TRANSFER AND AUCTION PROCEDURES



Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
3	Last time for the submission of bids in the <i>capacity auction</i> for <i>gas day D</i> .	D-1 18:00 (no later than)	D-1 20:00 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for any activity under table 1 or activity 1 or 2.</li> <li>AEMO has not extended the time for any activity under table 1 or activity 1 or 2 and AEMO is unable to receive or process bids.</li> </ul>	AEMO to notify cancellation of the <i>capacity auction</i> for <i>gas day D</i> .
4	AEMO to run the <i>capacity auction</i> for <i>gas day D</i> (run the Auction Solver and determine auction results) and send auction MDQ notice to <i>facility operators</i> and auction results to bidders for <i>gas day D</i> .	D-1 18:30 (no later than)	D-1 20:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for any activity under table 1 or activity 1, 2 or 3.</li> <li>AEMO has not extended the time for any activity under table 1 or activity 1, 2 or 3 and AEMO is unable to complete this activity (for example, system failure or Auction Solver does not run).</li> </ul>	AEMO to notify cancellation of the <i>capacity auction</i> for <i>gas day D</i> .
5	<i>Facility operators</i> must validate auction results and give effect to auction results by increasing MDQ of winning bidders.	D-1 19:30 (no later than)	D-1 21:30 (no later than)	<p>AEMO has extended the time for any activity under table 1 or activity 1, 2, 3 or 4.</p> <p>Note: This activity does not include failure to pass validation.</p>	Treated as a transfer failure for the purposes of RQ.
6	AEMO must make DWGM adjustments for DWGM transfers.	D-1 19:30 (no later than)	D-1 22:00 (no later than)	AEMO has extended the time for any activity under table 1 or activity 1, 2, 3 or 4.	Treated as a transfer failure for the purposes of RQ.
7	Nomination cut-off time for capacity purchased at auction.	D-1 19:45 (no earlier than)	D-1 21:45 (no later than)	AEMO has extended the time for any activity under table 1 or activity 1, 2, 3 or 4.	Not specified in Procedures. <i>Facility agreement</i> terms may be applicable.

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
8	Settlement cut-off time for the provision of revised auction settlement information under Procedures clause 21.2.2(a).	14th <i>business day</i> after the end of the <i>billing period</i> in which D falls 09:00 (no later than)	Not applicable	<i>Facility operator</i> unable to send revised NQ and RQ to AEMO by the settlement cut-off time.	Settlement based on the information provided before the settlement cut-off time.  Later settlement adjustments may be made if agreed or determined under the Rules.

Table 3: Timetable for the transfer of capacity purchased on the Gas Trading Exchange other than day-ahead transfers

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
1	AEMO must send a Forward Transfer Notice to <i>facility operators</i> , covering <i>gas days</i> d+2 to d+14.	gas day d 19:30 (no later than)	gas day d 20:30 (no later than)	AEMO is unable to send a Forward Transfer Notice.	For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement. This affects only <i>gas days</i> d+2 to d+14. Later days in the <i>service term</i> extending beyond <i>gas day</i> d+14 are not affected.
2	For each of <i>gas days</i> d+2 to d+14, <i>facility operators</i> must validate transfers. If any transfer does not pass validation, the <i>facility operator</i> must send AEMO an interim Capacity Transfer Status report. For transfers that have not passed validation, a reason must be shown.	gas day d 20:30 (no later than)	gas day d 21:30 (no later than)	AEMO has extended the time for activity 1.	No designated response. Other activities to continue.



Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
3	<p>For <i>gas day</i> d+2, <i>facility operators</i> must complete validation of transfers, transfer capacity that has passed validation and send a final Capacity Transfer Status report to AEMO. For transfers that have not passed validation, a reason must be shown.</p> <p>For each of <i>gas days</i> d+3 to d+14, <i>facility operators</i> must send AEMO an interim Capacity Transfer Status report.</p> <p>For transfers that have not passed validation, a reason must be shown.</p>	gas day d 21:30 (no later than)	gas day d 23:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1.</li> <li>AEMO has not extended the time for activity 1 and one or more <i>facility operators</i> fails to complete this activity.</li> </ul>	For affected transfers for gas day d+2, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement. Gas days d+3 to d+14 are not affected – refer to activities 5 and 6.
4	<p>For <i>gas day</i> d+2, AEMO must send forward transfer confirmation reports to Exchange Members.</p> <p>For <i>gas day</i> d+2, AEMO must make DWGM and STTM adjustments for DWGM and STTM transfers.</p>	gas day d 22:00 (no later than)	gas day d 24:00 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1 or 3.</li> <li>AEMO has not extended the time for activity 1 or 3 and AEMO is unable to complete this activity.</li> </ul>	<ul style="list-style-type: none"> <li>For affected transfers for gas day d+2, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement.</li> <li>AEMO must notify the affected <i>facility operators</i> and the <i>facility operators</i> must reverse affected transfers.</li> </ul>
5	<p>For each of <i>gas days</i> d+3 to d+14, <i>facility operators</i> must complete validation of transfers, transfer capacity that has passed validation and send the final Capacity Transfer Status report to AEMO.</p> <p>For transfers that have not passed validation, a reason must be shown.</p>	gas day d+1 21:30 (no later than)	gas day d+1 23:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1 on <i>gas day</i> d+1.</li> <li>AEMO has not extended the time for activity 1 on <i>gas day</i> d+1 and one or more <i>facility operators</i> fails to complete this activity.</li> </ul>	<ul style="list-style-type: none"> <li>For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement. This affects only <i>gas days</i> d+3 to d+14. Later days in the <i>service term</i> extending beyond <i>gas day</i> d+14 are not affected.</li> </ul>

## CAPACITY TRANSFER AND AUCTION PROCEDURES



Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
6	<p>For <i>gas days</i> d+3 to d+14, AEMO must send forward transfer confirmation reports to Exchange Members</p> <p>For <i>gas days</i> d+3 to d+14, AEMO must make DWGM and STTM adjustments for DWGM and STTM transfers.</p>	<p>gas day d+1</p> <p>22:00 (no later than)</p>	<p>gas day d+1</p> <p>24:00 (no later than)</p>	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1 on <i>gas day</i> d+1 or activity 5.</li> <li>AEMO has not extended the time for activity 1 on <i>gas day</i> d+1 or activity 5 and AEMO is unable to complete this activity.</li> </ul>	<ul style="list-style-type: none"> <li>For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement. This affects only <i>gas days</i> d+3 to d+14. Later days in the <i>service term</i> extending beyond <i>gas day</i> d+14 are not affected.</li> <li>AEMO must notify the affected <i>facility operators</i> and the <i>facility operators</i> must reverse affected transfers.</li> </ul>

**SCHEDULE 2. CAPACITY TRANSFER AND AUCTION TIMETABLE – FROM 6:00 am AEST on 1 OCTOBER 2019**
**S2.1 Introduction**

This Schedule sets out the Capacity Transfer and Auction Timetable applicable from 6:00 am AEST on 1 October 2019. Table 1 is the timetable for the transfer of capacity purchased on the Gas Trading Exchange as a Day-Ahead Product (and for which the trading window will be D-1 from market open to 12:30 pm). Table 2 is the timetable for the *capacity auction*. Table 3 is the timetable for the transfer of capacity purchased on the Gas Trading Exchange other than as a Day-Ahead Product (for which the trading window closes by D-2).

Where AEMO must notify an extension of time, it may at the same time notify the extensions to other activities affected by the delay.

Table 1: Timetable for day-ahead transfers of capacity purchased on the Gas Trading Exchange

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
1	AEMO must send a Day-Ahead Transfer Notice to <i>facility operators</i> , for <i>gas day D</i>	D-1 13:00 (no later than)	D-1 14:00 (no later than)	AEMO is unable to send any Day-Ahead Transfer Notice.	For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement.
2	<i>Facility operators</i> must validate transfers for <i>gas day D</i> . If any transfer does not pass validation, the <i>facility operator</i> must send AEMO an interim Capacity Transfer Status report. For transfers that have not passed validation, a reason must be shown.	D-1 13:30 (no later than)	D-1 14:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1.</li> </ul>	No designated response. Other activities to continue.
3	<i>Facility operators</i> must complete validation of transfers, transfer capacity that has passed validation and send the final Capacity Transfer Status report to AEMO, for <i>gas day D</i> . For transfers that have not passed validation, a reason must be shown.	D-1 14:00 (no later than)	D-1 15:00 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1.</li> <li>AEMO has not extended the time for activity 1 and one or more <i>facility operators</i> fails to complete this activity.</li> </ul>	For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
4	AEMO must send day-ahead transfer confirmation reports to Exchange Members relating to <i>gas day D</i> . AEMO must make DWGM adjustments for DWGM transfers.	D-1 14:30 (no later than)	D-1 16:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1 or 3.</li> <li>AEMO has not extended the time for activity 1 or 3 and AEMO is unable to complete this activity.</li> </ul>	<ul style="list-style-type: none"> <li>For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement.</li> <li>AEMO must notify the relevant <i>facility operators</i>. The relevant <i>facility operators</i> must reverse affected transfers.</li> </ul>
5	Nomination cut off time for <i>gas day D</i> (other than Auction Products)	D-1 15:00 (no earlier than)	D-1 17:00 (no earlier)	AEMO has extended the time for activity 1, 3 or 4	Not specified in Procedures. Facility agreement terms may be applicable.

Table 2: Capacity Auction timetable

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
1	<i>Facility operators</i> to calculate and send to AEMO the auction quantity limits for <i>gas day D</i> .	D-1 16:30 (no later than)	D-1 18:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for any activity under table 1.</li> <li>AEMO has not extended the time for any activity under table 1 and either a <i>facility operator</i> does not complete this activity or AEMO is unable to accept the auction quantity limits sent by a <i>facility operator</i>.</li> </ul>	<p>If one or two <i>auction facilities</i> are affected, AEMO is to suspend the <i>auction facility or facilities</i> from the <i>capacity auction</i> for <i>gas day D</i>.</p> <p>If three or more <i>auction facilities</i> are affected, AEMO is to cancel the <i>capacity auction</i> for <i>gas day D</i>.</p>
2	AEMO publishes auction quantity limits.	D-1 16:45 (no later than)	D-1 18:45 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for any activity under table 1 or activity 1.</li> <li>AEMO has not extended the time for any activity under table 1 or activity 1 and AEMO does not complete this activity.</li> </ul>	AEMO to notify cancellation of the <i>capacity auction</i> for D.

## CAPACITY TRANSFER AND AUCTION PROCEDURES



Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
3	Last time for the submission of bids in the <i>capacity auction</i> for <i>gas day D</i> .	D-1 17:00 (no later than)	D-1 19:00 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for any activity under table 1 or activity 1 or 2.</li> <li>AEMO has not extended the time for any activity under table 1 or activity 1 or 2 and AEMO is unable to receive or process bids.</li> </ul>	AEMO to notify cancellation of the <i>capacity auction</i> for <i>gas day D</i> .
4	AEMO to run the <i>capacity auction</i> for <i>gas day D</i> (run the Auction Solver and determine auction results) and send auction MDQ notice to <i>facility operators</i> and auction results to bidders for <i>gas day D</i> .	D-1 17:30 (no later than)	D-1 19:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for any activity under table 1 or activity 1, 2 or 3.</li> <li>AEMO has not extended the time for any activity under table 1 or activity 1, 2 or 3 and AEMO is unable to complete this activity (for example, system failure or Auction Solver does not run).</li> </ul>	AEMO to notify cancellation of the <i>capacity auction</i> for <i>gas day D</i> .
5	<i>Facility operators</i> must validate auction results and give effect to auction results by increasing MDQ of winning bidders.	D-1 18:30 (no later than)	D-1 20:30 (no later than)	<p>AEMO has extended the time for any activity under table 1 or activity 1, 2, 3 or 4.</p> <p>Note: This activity does not include failure to pass validation.</p>	Treated as a transfer failure for the purposes of RQ.
6	AEMO must make DWGM adjustments for DWGM transfers.	D-1 18:30 (no later than)	D-1 22:00 (no later than)	AEMO has extended the time for any activity under table 1 or activity 1, 2, 3 or 4.	Treated as a transfer failure for the purposes of RQ.
7	Nomination cut-off time for capacity purchased at auction.	D-1 18:45 (no earlier than)	D-1 20:45 (no later than)	AEMO has extended the time for any activity under table 1 or activity 1, 2, 3 or 4.	Not specified in Procedures. Facility agreement terms may be applicable.

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
8	Settlement cut-off time for the provision of revised auction settlement information under Procedures clause 21.2.2(a).	14th <i>business day</i> after the end of the <i>billing period</i> in which D falls 09:00 (no later than)	Not applicable	<i>Facility operator</i> unable to send revised NQ and RQ to AEMO by the settlement cut-off time.	Settlement based on the information provided before the settlement cut-off time.  Later settlement adjustments may be made if agreed or determined under the Rules.

Table 3: Timetable for the transfer of capacity purchased on the Gas Trading Exchange other than day-ahead transfers

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
1	AEMO must send a Forward Transfer Notice to <i>facility operators</i> , covering <i>gas days</i> d+2 to d+14.	gas day d 19:30 (no later than)	gas day d 20:30 (no later than)	AEMO is unable to send a Forward Transfer Notice.	For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement. This affects only <i>gas days</i> d+2 to d+14. Later days in the <i>service term</i> extending beyond <i>gas day</i> d+14 are not affected.
2	For each of <i>gas days</i> d+2 to d+14, <i>facility operators</i> must validate transfers. If any transfer does not pass validation, the <i>facility operator</i> must send AEMO an interim Capacity Transfer Status report. For transfers that have not passed validation, a reason must be shown.	gas day d 20:30 (no later than)	gas day d 21:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1.</li> </ul>	No designated response. Other activities to continue.

Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
3	<p>For <i>gas day</i> d+2, <i>facility operators</i> must complete validation of transfers, transfer capacity that has passed validation and send a final Capacity Transfer Status report to AEMO. For transfers that have not passed validation, a reason must be shown.</p> <p>For each of <i>gas days</i> d+3 to d+14, <i>facility operators</i> must send AEMO an interim Capacity Transfer Status report.</p> <p>For transfers that have not passed validation, a reason must be shown.</p>	gas day d 21:30 (no later than)	gas day d 22:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1.</li> <li>AEMO has not extended the time for activity 1 and one or more <i>facility operators</i> fails to complete this activity.</li> </ul>	For affected transfers for gas day d+2, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement. Gas days d+3 to d+14 are not affected – refer to activities 5 and 6.
4	<p>For <i>gas day</i> d+2, AEMO must send forward transfer confirmation reports to Exchange Members.</p> <p>For <i>gas day</i> d+2, AEMO must make DWGM and STTM adjustments for DWGM and STTM transfers.</p>	gas day d 22:00 (no later than)	gas day d 23:00 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1 or 3.</li> <li>AEMO has not extended the time for activity 1 or 3 and AEMO is unable to complete this activity.</li> </ul>	<ul style="list-style-type: none"> <li>For affected transfers for gas day d+2, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement.</li> <li>AEMO must notify the affected <i>facility operators</i> and the <i>facility operators</i> must reverse affected transfers.</li> </ul>
5	<p>For each of <i>gas days</i> d+3 to d+14, <i>facility operators</i> must complete validation of transfers, transfer capacity that has passed validation and send the final Capacity Transfer Status report to AEMO.</p> <p>For transfers that have not passed validation, a reason must be shown.</p>	gas day d +1 21:30 (no later than)	gas day d 22:30 (no later than)	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1 on <i>gas day</i> d+1.</li> <li>AEMO has not extended the time for activity 1 on <i>gas day</i> d+1 and one or more <i>facility operators</i> fails to complete this activity.</li> </ul>	<ul style="list-style-type: none"> <li>For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement. This affects only <i>gas days</i> d+3 to d+14. Later days in the <i>service term</i> extending beyond <i>gas day</i> d+14 are not affected.</li> </ul>



## CAPACITY TRANSFER AND AUCTION PROCEDURES



Ref	Activity	Time	Delayed time	Delay event (event triggers where delay time applicable)	Response where activity continues beyond delayed time
6	<p>For <i>gas days</i> d+3 to d+14, AEMO must send forward transfer confirmation reports to Exchange Members.</p> <p>For <i>gas days</i> d+3 to d+14, AEMO must make DWGM and STTM adjustments for DWGM and STTM transfers.</p>	<p>gas day d+1 22:00 (no later than)</p>	<p>gas day d+1 23:00 (no later than)</p>	<ul style="list-style-type: none"> <li>AEMO has extended the time for activity 1 on <i>gas day</i> d+1 or activity 5</li> <li>AEMO has not extended the time for activity 1 on <i>gas day</i> d+1 or activity 5 and AEMO is unable to complete this activity.</li> </ul>	<ul style="list-style-type: none"> <li>For the affected transfers, transfer completion is not reached under the Exchange Agreement and a delivery failure or acceptance failure occurs for the purpose of that agreement. This affects only <i>gas days</i> d+3 to d+14. Later days in the <i>service term</i> extending beyond <i>gas day</i> d+14 are not affected.</li> <li>AEMO must notify the affected <i>facility operators</i> and the <i>facility operators</i> must reverse affected transfers.</li> </ul>

## APPENDIX A. AUCTION AGREEMENT

### PART 1 - FORMAL INSTRUMENT OF AGREEMENT

#### PARTIES

**Australian Energy Market Operator Limited** ABN 94 072 010 327 of Level 22, 530 Collins Street, Melbourne, Victoria 3000 ("**AEMO**")

and

**[Company name]** ABN [number] of [registered address] ("**Applicant**")

*[Note: For joint applicants, list all applicants here.]*

#### RECITALS

- A AEMO has established and operates the Capacity Auction the National Gas Rules and the Auction Procedures.
- B The Applicant has applied to participate in the Capacity Auction.
- C This Agreement sets out the terms and conditions for the Applicant to participate in the Capacity Auction.

#### AGREEMENT

The Applicant and AEMO agree as follows:

##### 1. Interpretation

- (a) This Agreement comprises the following parts:
  - (i) Part 1 - this formal instrument of agreement ("Formal Instrument"); and
  - (ii) Part 2 - the Auction Agreement Standard Terms in the Auction Procedures, as amended from time to time.
- (b) Capitalised words used in this Formal Instrument have the meaning given to them in the Auction Agreement Standard Terms unless otherwise defined in this Formal Instrument.
- (c) The rules of interpretation in the Auction Agreement Standard Terms apply to the interpretation of this Formal Instrument.
- (d) The Auction Agreement Standard Terms form part of, and are incorporated into, this Formal Instrument and together they form one agreement to which the Applicant and AEMO are a party. This Formal Instrument and the Auction Agreement Standard Terms must be read and construed as one document.
- (e) To the extent that there is any inconsistency between the Auction Agreement Standard Terms and this Formal Instrument, this Formal Instrument will prevail.

##### 2. Agreement to be bound

The parties agreed to perform and be bound by the Auction Agreement Standard Terms as those terms may be amended, supplemented or replaced from time to time.

##### 3. Other matters

- (a) The liability of each party with respect to any breach of this Formal Instrument or the Auction Agreement Standard Terms is governed by the Auction Agreement Standard Terms.
- (b) This Formal Instrument may be executed in any number of counterparts and by different parties on separate counterparts. Each counterpart when executed and delivered constitutes an original. All counterparts together constitute one and the same instrument.

**EXECUTED** as an agreement.

**SIGNED** for and on behalf of **Australian Energy Market Operator Limited** in the presence of:

\_\_\_\_\_  
Signature (Witness)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name (Witness)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

**SIGNED** for and on behalf of **[Name of Applicant]** in the presence of:

\_\_\_\_\_  
Signature (Witness)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name (Witness)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

Each person who executes this document under a power of attorney declares and warrants that the person is not aware of any fact or circumstance that might affect the person's authority to do so under that power of attorney.

## PART 2 - AUCTION AGREEMENT STANDARD TERMS

### A1 Definitions and interpretation

#### A1.1 Definitions

Capitalised words and phrases in these Auction Agreement Standard Terms are defined below unless specified otherwise.

**AEMC** means the Australian Energy Market Commission, which is established under section 5 of the Australian Energy Market Commission Establishment Act 2004 (SA).

**AEMO** means Australian Energy Market Operator Limited (ACN 072 010 327).

**AER** means the Australian Energy Regulator, which is established under section 44AE of the Competition and Consumer Act 2010 (Cth).

**Agent Participant** has the meaning given to it in the Auction Procedures.

**Agreement** means the agreement between AEMO and the Auction Participant comprising the Formal Instrument executed by the Auction Participant and AEMO and the Auction Agreement Standard Terms.

**Appointing Participant** has the meaning given to it in the Auction Procedures.

**Auction Agreement Close-Out Amount** means, at any time in relation to the Auction Participant, the aggregate amount calculated as owing to AEMO under this Agreement at that time (but where the Auction Participant is also an Exchange Member, disregarding the set-off arrangements in this Agreement).

**Auction Agreement Standard Terms** means the Auction Agreement Standard Terms in the Auction Procedures as maybe amended, supplemented or replaced from time to time.

**Auction Capacity** means transportation capacity offered or purchased in the Capacity Auction.

**Auction Fees** means fees for participating in the capacity auction, determined by AEMO from time to time in accordance with the National Gas Rules.

**Auction Participant** means each party to this Agreement other than AEMO.

**Auction Platform** has the meaning given to it in the Auction Procedures.

**Auction Procedures** means the Capacity Transfer and Auction Procedures made by AEMO, as amended from time to time.

**Auction Service** means a transportation service (as defined in the National Gas Law) provided by means of Auction Capacity.

**Auction Settlement** means the activity of billing and settlement of amounts payable in respect of the Capacity Auction.

**Auction Settlement Amount** for a Billing Period means the amount determined by AEMO under the Auction Procedures to be the amount payable by the Auction Participant in respect of the Billing Period including Auction Fees for the Billing Period and payment for Auction Capacity purchased in the Capacity Auction.

**Auction Settlement Statement** means a statement provided under clause A7.1.

**Authority** means any government, government department, instrumentality, Minister, agency, statutory authority or other body in which a government has a controlling interest and includes the AEMC, AEMO, the AER and their respective successors.

**Billing Period** means the period commencing at the start of the Gas Day starting on the first day of the month and ending at the end of the Gas Day starting on the last day of the month.

**Business Day** has the same meaning as 'business day' in the National Gas Law.

**Capacity Auction** means the capacity auction established by AEMO under the National Gas Rules.

**Combined Revised Settlement Statement** is defined in clause A8.2(b)(iii).

**Combined Settlement Statement** is defined in clause A8.2(b)(i).

**Confidential Information** is defined in clause A15.1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Credit Support** means a security provided to AEMO in respect of the Auction Participant that meets the requirements of clause A6.2(c).

**Credit Support Provider** means a person that meets the requirements under clause A6.3 and A6.4 and is the issuing party that assumes obligations to AEMO pursuant to a Credit Support.

**Default Event** means any event which is defined as a default event in this Agreement (including clause A12.1) or the Auction Procedures.

**Default Notice** means a notice issued by AEMO under clause A12.2.

**Disclosed Information** means any information provided to the Auction Participant by or on behalf of AEMO in connection with this Agreement or the Capacity Auction.

**Exchange Agreement** means the Exchange Agreement made by AEMO under Part 22 of the National Gas Rules governing participation in and the operation of the gas trading exchange established by AEMO under that Part.

**Exchange Member** means a person who is a party to the Exchange Agreement.

**Facility Operator** has the same meaning as in the National Gas Rules.

**Final Net Settlement Amount** has the meaning given to it in clause A13.4(b).

**Force Majeure** is defined in clause A18.1.

**Formal Instrument** means the formal instrument of agreement forming part of this Agreement under which the Auction Participant agrees to be bound by these Auction Agreement Standard Terms.

**Gas Day** has the meaning given to 'gas day' it in the Auction Procedures.

**Intellectual Property Rights** means any intellectual property rights and any industrial property rights throughout the world and includes rights in respect of or in connection with inventions (including patents), copyright, trade marks, service marks, designs and circuit layouts; trade, business, company or domain names; rights to have confidential information kept confidential; other proprietary rights; or rights to registration of such rights existing anywhere in the world.

**Interest Rate** has the same meaning as in the National Gas Rules.

**Margin Call** means a request issued by AEMO to the Auction Participant under clause A6.9 for the Auction Participant to bring its Trading Margin above a specified level.

**Market Conduct Rules** means the market conduct and nomination rules applicable to the Capacity Auction under the National Gas Rules.

**Maximum Total Payment** has the meaning given in the Auction Procedures.

**National Gas Law** means the National Gas Law as set out in the Schedule to the National Gas (South Australia) Act 2008 (SA).

**National Gas Rules** has the same meaning as in the National Gas Law.

**Net Payment Amount** is defined in clause (c)(a) and is an amount payable in circumstances where the Auction Participant is also an Exchange Member.

**Payment Shortfall** has the meaning given in the Auction Procedures.

**Prudential Exposure**, for the Auction Participant at any time, means the amount of its actual or contingent liability calculated by AEMO under clause A6.8 or clause A9 (as applicable).

**Related Body Corporate** has the meaning given to it in the Corporations Act.

**Revised Auction Statement** means a statement provided under clause A7.3.

**Security Deposit Balance** means:

- (a) the credit balance of the Auction Participant in the security deposit fund under clause A6.7 recorded in AEMO's books of account, as reduced by applications of that credit balance by AEMO from time to time in accordance with this Agreement; plus
- (b) where the Auction Participant is also an Exchange Member, any credit balance of the Auction Participant in the security deposit fund under clause 9.3 of the Exchange Agreement

**Settlement Statement** means an Auction Settlement Statement, Revised Auction Statement, Combined Settlement Statement or Combined Revised Settlement Statement, as the case requires.

**Settlements and Prudential Methodology** has the meaning given in the Exchange Agreement.

**Trading Halt** means a suspension by AEMO of the Auction Participant's access to or use of the Auction Platform.

**Trading Limit**, for the Auction Participant at any time, means the amount calculated by AEMO under clause A6.8 or clause A9 (as applicable) by reference to the amount of the Auction Participant's Credit Support.

**Trading Margin**, for the Auction Participant at any time, means its Trading Limit less its Prudential Exposure calculated under clause A6.8 or clause A9 (as applicable).

## A1.2 Headings

In this Agreement, any heading, index, table of contents or marginal note is for convenience only and does not affect the interpretation of this Agreement.

## A1.3 General interpretation rules

In this Agreement, unless a contrary intention appears:

- (a) a reference to a clause, schedule or annexure is a reference to a clause, schedule or annexure to this Agreement;
- (b) a reference to this Agreement or another agreement or document includes that document as amended, varied, novated, supplemented or replaced from time to time;
- (c) a reference to legislation or a provision of legislation includes all regulations, orders or instruments issued under the legislation or provision; and any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision;
- (d) a reference to a person, corporation, trust, partnership, unincorporated body, government authority or other entity includes any of them;
- (e) a reference to a person includes that person's successors, substitutes and permitted assigns (and, where applicable, the person's legal personal representatives);
- (f) a reference to dollars or \$ is a reference to Australian dollars;
- (g) where a word or expression is defined or given meaning, another grammatical form has a corresponding meaning;
- (h) the singular includes the plural and vice versa;
- (i) a gender includes all other genders;
- (j) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (k) the word "includes" or "including" or "such as" are not words of limitation, and when introducing an example, do not limit the meaning of the words to which the example relates to examples of a similar kind;

- (l) if a party to this Agreement is made up of more than one person, an obligation of that party is a joint and several obligation of those persons, a right of that party is held by each of those persons separately, and any other reference to that party is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately; and
- (m) a provision of this Agreement shall not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement.

#### **A1.4 Time and days**

- (a) References in this Agreement to a time of day are to Australian Eastern Standard Time (and are not adjusted for daylight saving time in any jurisdiction).
- (b) In this Agreement, unless otherwise specified:
  - (i) a period of time expressed to commence before or after a given day, or before or after the day of an act or event, is to be calculated exclusive of that day; and
  - (ii) a period of time expressed to commence on a given day, or on the day of an act or event, is to be calculated inclusive of that day.

#### **A1.5 Quantities**

- (a) All references to units of measurement are references to the units of measurement defined in or for the purposes of the *National Measurement Act 1960* (Cth).
- (b) All numerical information used and calculations made under this Agreement will be, as far as practical, to an accuracy of 4 decimal places, or such greater accuracy as may be necessary to ensure that financial calculations are correct to the nearest cent.

#### **A1.6 Agent Participants**

In relation to an Agent Participant and its Appointing Participants:

- (a) the Agent Participant will represent the Appointing Participants and will exercise the rights and perform the obligations of the Appointing Participants under and in connection with this Agreement as agent for the Appointing Participants;
- (b) each Appointing Participant's rights of access to and use of the Auction Platform must be the same as each other Appointing Participant and must only be exercised through its Agent Participant;
- (c) except as otherwise expressly provided in this Agreement, a reference to the Auction Participant includes a reference to the Agent Participant acting for and on behalf of the Appointing Participants;
- (d) the obligations of the Appointing Participants are joint and several obligations of those Appointing Participants, a right of an Appointing Participant is held by each of those Appointing Participants separately, and any other reference to that Appointing Participant is a reference to each of the Appointing Participants separately, so that (for example) a representation, warranty or undertaking is given by each of them separately;
- (e) all acts and omissions of the Agent Participant under or in connection with this Agreement are taken to be acts and omissions of all the Appointing Participants;
- (f) the Appointing Participants are jointly and severally liable for the acts and omissions of the Agent Participant under or in connection with this Agreement;
- (g) payment or delivery to or other performance in favour of the Agent Participant under or in connection with this Agreement is taken to be payment or delivery to or other performance in favour of its Appointing Participants; and



- (h) no party to this Agreement is required to inquire into the scope of the authority of the Agent Participant and each Appointing Participant is bound by and will ratify all acts and omissions of the Agent Participant under or in connection with this Agreement.

## **A2 Participation in the Capacity Auction**

### **A2.1 Terms of participation**

- (a) The Auction Participant agrees that it will:
  - (i) participate in the Capacity Auction in accordance with the Auction Procedures and on the terms and conditions of this Agreement; and
  - (ii) pay AEMO for all Auction Capacity allocated to the Auction Participant in the Capacity Auction and any other amounts payable by the Auction Participant under this Agreement on the terms of this Agreement and the Auction Rules.
- (b) The Auction Participant acknowledges and agrees that AEMO will:
  - (i) conduct the Capacity Auction in accordance with the Auction Procedures and this Agreement;
  - (ii) notify the results of the Capacity Auction to Facility Operators in accordance with the Auction Procedures and the National Gas Rules; and
  - (iii) receive payment from the Auction Participant and make payments to Facility Operators in connection with the Capacity Auction, in each case as principal, and not as agent for the Auction Participant or any Facility Operator.

### **A2.2 Use of Auction Services**

The Auction Participant acknowledges and agrees that:

- (a) the provision and use of an Auction Service represented by Auction Capacity purchased in the Capacity Auction is a matter between the Auction Participant and the Facility Operator that provides the Auction Service;
- (b) AEMO is not responsible for, and has no liability in respect of, the provision or use of any Auction Service;
- (c) AEMO makes no representation or warranty as to the availability, fitness for purpose or otherwise of any Auction Capacity or Auction Service;
- (d) the Auction Participant (and not AEMO) is responsible for ensuring that the Auction Participant has an agreement with each Facility Operator who provides the Auction Service represented by Auction Capacity purchased by the Auction Participant in the Capacity Auction;
- (e) to the extent that the Auction Participant does not have an agreement with the relevant Facility Operator mentioned in clause A2.2(d), the relevant Facility Operator may decline to provide the Auction Service; and
- (f) the Auction Participant is not relieved of any of its payments obligations to AEMO in relation to the Capacity Auction in the circumstances mentioned in clause A2.2(e) or by reason of any other act or omission of any Facility Operator or any other person, except as expressly provided for in the Auction Procedures.

### **A2.3 Eligibility**

- (a) To be eligible (and to remain eligible) to access the Auction Platform and participate in the Capacity Auction, the Auction Participant must meet and continue to satisfy the eligibility criteria specified in the Auction Procedures.
- (b) The Auction Participant must give information to AEMO on request to verify that it continues to satisfy the eligibility criteria specified in the Auction Procedures.

- (c) The Auction Participant must notify AEMO immediately if it ceases to satisfy the eligibility criteria specified in the Auction Procedures.

#### **A2.4 Market Conduct**

- (a) The National Gas Rules contains Market Conduct Rules applicable to the Auction Participant in relation to its participation in the Capacity Auction.
- (b) If AEMO has reasonable grounds to believe that any act or omission of the Auction Participant on or in relation to the Auction Platform breaches the Market Conduct Rules, AEMO may do any one or more of the following:
  - (i) raise the matter with the Auction Participant and, if it is satisfied with the Auction Participant's response, take no further action, or take no further action subject to the Auction Participant complying with conditions agreed between AEMO and the Auction Participant; or
  - (ii) refer the conduct to the AER.

#### **A2.5 Termination of the Capacity Auction or auction participation**

- (a) AEMO may terminate this Agreement on not less than 30 days' notice to the Auction Participant if the Auction Platform ceases permanently to operate.
- (b) An Auction Participant may request AEMO to terminate this Agreement pursuant to any right to make such a request in the Rules by giving AEMO a notice in accordance with clause A19.2 specifying the proposed date of termination, which must be at least 30 days after the date of the notice.
- (c) The termination of this Agreement under clause A2.5(a) or clause A2.5(b) takes effect at the time specified by notice from AEMO to the Auction Participant (which in the case of a notice under clause A2.5(a), may be given after that notice of termination). AEMO is not required to give a notice under this clause A2.5(c) until it is reasonably satisfied that:
  - (i) all liability accrued under this Agreement in respect of the Auction Participant has been satisfied; and
  - (ii) the Auction Participant has executed all documents reasonably required by AEMO to give effect to that termination, as notified by AEMO to the Auction Participant.
- (d) The termination of this Agreement under this clause A2.5 does not entitle the Auction Participant to any payment under this Agreement.

#### **A2.6 Effect of termination**

- (a) The termination of this Agreement under clause A2.5 or otherwise does not affect:
  - (i) the rights of a party to recover an amount, or the obligation of a party to pay an amount, that became payable prior to the date of termination or expiration;
  - (ii) any rights of a party that otherwise relate to, or may arise in the future from, any breach or non-observance of obligations under this Agreement; or
  - (iii) the operation of this clause and clauses A11 (dispute resolution), A15 (confidentiality), A17 (liability) and A20.2 to A20.10 (miscellaneous).
- (b) If the Auction Participant comprises more than one entity and one of those entities withdraws from this Agreement, this Agreement continues (and does not terminate) in relation to the other entities notwithstanding that withdrawal.

### **A3 Auction Participant Representatives**

- (a) The Auction Participant must nominate one or more individuals within its organisation (or that of the Agent Participant, in the case of Appointing Participants) to fulfil the roles required under the Auction Procedures in connection with the Auction Participant's

participation in the Capacity Auction, on behalf of the Auction Participant. Appointing Participants must make joint nominations of the same person for each role and must do so through their Agent Participant.

## **A4 Auction Platform**

### **A4.1 Access to Auction Platform**

- (a) Subject to the Auction Procedures and this Agreement, AEMO will give the Auction Participant access to the Auction Platform to the extent required for the purpose of participating in the Capacity Auction.
- (b) AEMO may suspend the Auction Participant's access to the Auction Platform if a Suspension Event or a Default Event occurs in relation to the Auction Participant.
- (c) The Auction Participant's right of access to and use of the Auction Platform terminates on termination of this Agreement.

## **A5 Auction Fees**

- (a) The Auction Participant must pay the Auction Fees specified and published by AEMO from time to time.
- (b) The Auction Fees may include:
  - (i) an application fee;
  - (ii) a fee payable upon the acceptance of an application;
  - (iii) annual fees for participation in the Capacity Auction;
  - (iv) a fee for purchases in the Capacity Auction; and
  - (v) ad hoc fees for services provided by AEMO to the Auction Participant from time to time, including training, assistance or advice in relation to access to and use of the Auction Platform.

## **A6 Prudential Requirements**

### **A6.1 Confidentiality**

Information about the Credit Support, Prudential Exposure, Trading Limit and Trading Margin of the Auction Participant is Confidential Information.

### **A6.2 Auction Participant obligations**

- (a) If the Auction Participant is not eligible to be a Credit Support Provider, the Auction Participant must provide and at all times maintain Credit Support for the amount and forward period required to ensure that its Trading Margin does not fall below zero.
- (b) The Auction Participant is responsible for ensuring that its Credit Margin does not reduce below zero and must not submit a bid that, if accepted or registered, would result in its Trading Margin being less than zero.
- (c) Any Credit Support provided under this Agreement must:
  - (i) be an unconditional bank guarantee in a form specified by AEMO;
  - (ii) be duly executed and delivered unconditionally to AEMO by an entity satisfying the requirements in clause A6.3 and A6.4 for Credit Support Providers; and
  - (iii) subject to clause A6.2(d), constitute valid and binding unsubordinated obligations of the Credit Support Provider to pay AEMO amounts, in accordance with its terms, relating to the obligations of the Auction Participant under this Agreement.

- (d) At any time that the Auction Participant is also an Exchange Member, any Credit Support provided under this Agreement must (in addition to satisfying clause A6.2(c)) constitute valid and binding unsubordinated obligations of the Credit Support Provider to pay AEMO amounts, in accordance with its terms, relating to the obligations of the Auction Participant under this Agreement and the Exchange Agreement.

### **A6.3 Credit Support Provider**

A Credit Support Provider must:

- (a) be either:
  - (i) an entity under the prudential supervision of the Australian Prudential Regulation Authority; or
  - (ii) a central borrowing authority of an Australian State or Territory or the Commonwealth which has been established by an Act of Parliament of that jurisdiction;
- (b) be resident in, or have a permanent establishment in, Australia;
- (c) not be an externally-administered body corporate (as defined in the Corporations Act) or under a similar form of administration under any laws applicable to it in any jurisdiction;
- (d) not be immune from liabilities incurred under this Agreement or any Credit Support; and
- (e) be capable of being sued in its own name in a court of competent jurisdiction.

### **A6.4 Minimum credit rating**

A Credit Support Provider must have a credit rating of:

- (a) A-1 or higher for short term unsecured counterparty obligations of the entity, as rated by Standard & Poor's (Australia) Pty Ltd;
- (b) P-1 or higher for short term unsecured counterparty obligations of the entity, as rated by Moody's Investor Services Pty Ltd; or
- (c) some other acceptable credit rating determined by AEMO.

### **A6.5 Replacement and return of Credit Support**

- (a) Within 24 hours of becoming aware that its existing Credit Support ceases to meet all the requirements of clause A6.2, the Auction Participant must deliver to AEMO a replacement or additional Credit Support sufficient to ensure that the Auction Participant complies with its obligations under that clause.
- (b) The Auction Participant may deliver a replacement Credit Support to AEMO at any other time.
- (c) AEMO must return any unexpired and undrawn Credit Support to the Credit Support Provider on request, provided that AEMO will continue to hold Credit Support in respect of the Auction Participant that meets the requirements of this clause A6.5 and takes effect on or before the return date.
- (d) AEMO must return any unexpired and undrawn Credit Support to the relevant Credit Support Provider immediately after the termination of this Agreement takes effect under clause A2.5 unless this Agreement is continuing in relation to other parties to that Auction Agreement as provide for in clause A2.6(b).

### **A6.6 Drawdown of Credit Support**

- (a) AEMO may, at any time after the occurrence of a Default Event in respect of the Auction Participant and while that Default Event is subsisting, exercise its rights to draw down any amount under a Credit Support relating to the Auction Participant and apply it against

any amount actually or contingently owing to AEMO under this Agreement or (if the Auction Participant is also an Exchange Member) the Exchange Agreement.

- (b) AEMO must inform the Auction Participant if AEMO exercises its rights to draw down any amount under a Credit Support.

#### A6.7 Security deposit amounts

- (a) Subject to this clause, the Auction Participant may at any time pay a cash amount to AEMO as a security deposit to secure payment of any amount which may become payable under this Agreement or (if the Auction Participant is also an Exchange Member) the Exchange Agreement.
- (b) AEMO must record security deposit amounts paid by the Auction Participant together with any interest earned on those amounts, as a credit balance in respect of that Auction Participant in AEMO's security deposit fund.
- (c) AEMO may apply the credit balance of an Auction Participant in the security deposit fund by setting off all or part of that amount against any amount owing by that Auction Participant to AEMO under a Settlement Statement.
- (d) An Auction Participant may, in accordance with any guidance published by AEMO on its website, request AEMO's agreement to arrangements for the application of that participant's credit balance in respect of a Settlement Statement. If AEMO agrees, it must apply (or maintain) the Credit Balance in accordance with those arrangements unless a Default Event occurs in relation to the Auction Participant.
- (e) AEMO may deduct any liabilities or expenses of the security deposit fund from the balance of a Market Participant in that fund, to the extent those liabilities or expenses are attributable to the maintenance or application of that balance.
- (f) If there is a credit balance in the security deposit fund for a former Auction Participant immediately after the termination of this Agreement takes effect under clause A2.5, AEMO must pay to that former Auction Participant an amount equal to that balance, unless this Agreement is continuing in relation to other parties to that Auction Agreement as provide for in clause A2.6(b).

#### A6.8 Calculation of prudential amounts for Auction Participant

- (a) If the Auction Participant is eligible to be a Credit Support Provider, the Auction Participant will not have a Trading Limit or a Trading Margin.
- (b) AEMO must calculate the Trading Limit, Prudential Exposure and Trading Margin for the Auction Participant at least once each Business Day and make the calculations available to the Auction Participant.
- (c) Subject to clause A9:
  - (i) the **Trading Limit** of the Auction Participant at any time is an amount equal to the amount of the Auction Participant's current valid and undrawn Credit Support, provided that any Credit Support having an expiry date of less than 10 Business Days from the date of calculation must be disregarded;
  - (ii) the **Prudential Exposure** of the Auction Participant at any time is the amount calculated by AEMO in accordance with the Auction Procedures, reflecting a reasonable estimate of the maximum net aggregate amount actually or contingently owing to AEMO under this Agreement or under the National Gas Rules in relation to the Capacity Auction at that time, less the Auction Participant's Security Deposit Balance (if any); and
  - (iii) the **Trading Margin** of the Auction Participant at any time is an amount equal to its Trading Limit less its Prudential Exposure.

## **A6.9 Trading Margin requirements**

- (a) If at any time the Trading Margin of the Auction Participant is less than zero, the Auction Participant:
  - (i) must not submit any further bids; and
  - (ii) may modify or cancel existing bids, provide Credit Support or pay a security deposit amount in cleared funds to AEMO under clause A6.7 to increase its Trading Margin.
- (b) If the Trading Margin remains below zero for 2 consecutive Business Days, AEMO may issue a Margin Call by notice to the Auction Participant. If the Auction Participant is also an Exchange Member, a single Margin Call may be made under this Agreement and the Exchange Agreement.
- (c) If the Auction Participant receives a Margin Call, the Auction Participant must, by the applicable time under clause A6.9(d):
  - (i) deliver additional Credit Support to AEMO; and/or
  - (ii) pay a security deposit amount in cleared funds to AEMO under clause A6.7, so that the Prudential Exposure of the Auction Participant immediately after taking that action is not more than 80% of its Trading Limit.
- (d) The Auction Participant must comply with clause A6.9(c) by 12:00 noon 2 Business Days after the Margin Call was issued.
- (e) If a Margin Call was not issued on a Business Day, or was issued after 2:00pm on a Business Day, it is taken to have been issued at 9:00am on the next Business Day.

## **A7 Auction Settlements**

### **A7.1 Auction Settlement Statements**

- (a) By the 15th Business Day after the end of each Billing Period, AEMO must make available to the Auction Participant an Auction Settlement Statement stating the Auction Settlement Amount for the Billing Period payable by or to the Auction Participant on the payment date for that Statement, adjusted by:
  - (i) any adjustments payable under clause A7.5 in respect of a previous Billing Period; and
  - (ii) the application of the Auction Participant's Security Deposit Balance (if any).
- (b) Each Auction Settlement Statement must be accompanied by supporting data that is sufficient to enable each Auction Participant to audit the calculation of the net amount payable.
- (c) If the net amount payable by or to an Auction Participant for a Billing Period is less than \$10, that amount is taken to be zero (that is, no payment is to be made by or to AEMO).

### **A7.2 Payment of Auction Amounts**

By 12 noon on the 17th Business Day after the end of a Billing Period or 12 noon on the 2nd Business Day after an Auction Settlement Statement is made available under clause A7.1, whichever is the later, the Auction Participant must pay to AEMO in cleared funds the net amount stated to be payable to AEMO by that participant in its Auction Settlement Statement, whether or not the Auction Participant disputes the amount payable.

### **A7.3 Revised Auction Statements**

- (a) Subject to clause A7.3, the Auction Participant may notify AEMO of a query concerning the amount payable in an Auction Settlement Statement before 9:00am on the 1st



Business Day of the 4th Billing Period after the end of the Billing Period for the Auction Settlement Statement and AEMO and the Auction Participant must each use reasonable endeavours to resolve that query before that cut-off time.

- (b) If the Auction Participant's query is about an error (including an omission) or discrepancy in settlement information provided by a facility operator to AEMO and used by AEMO to determine the auction amount payable by the Auction Participant, the Auction Participant must comply with the Rules in relation to the query and any dispute about that query must be resolved as a rule dispute under Part 15C of the Rules.
- (c) By the 2nd Business Day of the 4th Billing Period after each Billing Period, AEMO must make available to the Auction Participant a Revised Auction Statement in respect of that Billing Period, taking into account the outcome of any queries or disputes resolved in respect of the Auction Settlement Statement for that Billing Period.
- (d) Each Revised Auction Statement (including any further Revised Auction Statement issued under clause A7.4) must:
  - (i) set out the revised amounts payable by or to the Auction Participant for the relevant Billing Period;
  - (ii) set out the amount of the adjustment to the net amount payable under the Auction Settlement Statement for that Billing Period, plus interest at the Interest Rate, calculated as simple interest on a daily basis, for the period commencing on the day after the payment date for that Settlement Statement and ending on the payment date applicable to the Revised Auction Statement, but taking into account any adjustments previously made as a result of an earlier Revised Auction Statement for the same Billing Period; and
  - (iii) include supporting data that is sufficient to enable the Auction Participant to audit the calculation of any adjustment to its net amount payable.

#### **A7.4 Disputes on Revised Statements**

- (a) A dispute in respect of the net amount payable for a Billing Period after adjustment in accordance with a Revised Auction Statement:
  - (i) may only be raised on the basis that AEMO has made an error in calculation or has not used the correct information validly provided to it in accordance with this agreement or the National Gas Rules; and
  - (ii) must be notified by the Auction Participant to AEMO under clause A14 within 30 Business Days after the date on which AEMO made the Revised Auction Statement available to the Auction Participant.
- (b) If a dispute under this clause is resolved in a way that causes the adjusted net amount payable for a Billing Period to differ from the amount calculated under the disputed Revised Auction Statement, AEMO must, within 5 Business Days of the resolution of that dispute, make a further Revised Auction Statement available to the Auction Participant.

#### **A7.5 Payment of adjustments**

- (a) Payment of an adjustment under a Revised Statement is due on the next payment date determined under clause A7.2 which occurs 10 or more Business Days after the date on which that Revised Auction Statement is made available to the Auction Participant.
- (b) AEMO must apply the adjustment to the amount stated to be payable to or by the Auction Participant in respect of the relevant Auction Settlement Statement on the payment date, and for the avoidance of doubt clause A7.2 applies to the payment of adjustments.



## A8 Joint settlement with the Exchange Agreement

### A8.1 Application

- (a) This clause A8 applies if the Auction Participant is also an Exchange Member.
- (b) To the extent that there is any inconsistency between this clause A8 and the Exchange Agreement or any other provision of this Agreement, this clause A8 prevails.

### A8.2 Combined Settlement Statement

- (a) In respect of any Billing Period during which the Auction Participant is also an Exchange Member, AEMO must issue to the Auction Participant a single settlement statement covering amounts owed by or to the Auction Participant under this Agreement and the Exchange Agreement and those amounts will be subject to netting and must be paid as provided for in this clause A8.
- (b) Settlement statements will be combined as follows:
  - (i) AEMO must issue a single statement which separately sets out the details of the Auction Settlement Statement required to be issued by AEMO under clause A7.1 for the Billing Period and the details of the Final Statement (as defined in the Exchange Agreement) for the Billing Period required to be issued by AEMO to the Auction Participant under the Exchange Agreement (a **Combined Settlement Statement**);
  - (ii) for each Combined Settlement Statement, AEMO must determine the net amount payable by or to the Auction Participant after netting under clause (c);
  - (iii) AEMO must issue a single statement which separately sets out the details of the Revised Auction Statement required to be issued by AEMO under clause A7.3 and the details of the Revised Statement (as defined in the Exchange Agreement) for the Billing Period required to be issued by AEMO to the Auction Participant under the Exchange Agreement (a **Combined Revised Settlement Statement**); and
  - (iv) for each revised Combined Revised Settlement Statement, AEMO must determine the net amount payable by or to the Auction Participant after netting under clause (c).
- (c) The issue of a Combined Settlement Statement or a Combined Revised Settlement Statement discharges AEMO's obligations to the Auction Participant to issue separate statements for the relevant Billing Period under this Agreement and the Exchange Agreement.

### A8.3 Payment netting

- (a) If, in respect any Billing Period during which the Auction Participant is also an Exchange Member, amounts would (but for this clause A8) be payable:
  - (i) by one party (the **first party**) to the other (the **second party**) under the Exchange Agreement (after allowing for netting as provided for in the Exchange Agreement); and
  - (ii) by the second party to the first party under this Agreement,

then the obligations of AEMO and the Auction Participant respectively to make payment of the relevant amount for the Billing Period will be automatically set off such that the obligations are replaced by an obligation upon the party by which the larger amount would otherwise have been payable to pay to the other party the amount by which the larger amount exceeds the smaller amount (**Net Payment Amount**).
- (b) The failure to pay a Net Payment Amount shall be deemed to be a failure to pay an amount owed under both this Agreement and the Exchange Agreement and the party the

Net Payment Amount is owed to has all the rights and remedies which apply to the failure to pay according to the terms of this Agreement and the Exchange Agreement.

- (c) The scope of this clause (c) is limited to payments owed between the parties under this Agreement and the Exchange Agreement in the ordinary course and absent any Close-Out under those agreements.
- (d) Nothing in this clause (c) amends, overrides, restates or otherwise alters any of the provisions of the Exchange Agreement or this Agreement concerning Close-Out and the accrual and obligation to make, or the mechanics provided in this Agreement for the payment of, a Final Net Settlement Amount.

#### **A8.4 Payment of Net Payment Amount**

- (a) By 12 noon on the 17th Business Day after the end of a Billing Period or 12 noon on the 2nd Business Day after a Combined Settlement Statement is made available under clause A8.2, whichever is the later, the Auction Participant must pay to AEMO in cleared funds the net amount stated to be payable by the Auction Participant to AEMO in the Combined Settlement Statement, whether or not the Auction Participant disputes the amount payable.
- (b) By 2:00pm on the payment date under clause A8.4(a), AEMO must pay to the Auction Participant in cleared funds the net amount stated to be payable to that participant in the Combined Settlement Statement, if at that time the Maximum Total Payment determined under the Auction Procedures is not less than the Total Payment Due.
- (c) If there is a Payment Shortfall for a Billing Period, AEMO must pay the Auction Participant the reduced amount determined in the manner provided for in the Auction Procedures by 4:00pm on the same date.
- (d) If AEMO subsequently receives payments in respect of a Payment Shortfall, AEMO will refund a portion of the reduction made under clause A8.4(c) determined in accordance with the Auction Procedures by making an adjustment to the next Combined Settlement Statement.

### **A9 Joint Credit Support**

- (a) At any time the Auction Participant is also an Exchange Member:
  - (i) the **Trading Limit** of the Auction Participant at that time is an amount equal to the amount of the Auction Participant's current valid and undrawn Credit Support provided under this Agreement or the Exchange Agreement, provided that any Credit Support having an expiry date of less than 10 Business Days from the date of calculation must be disregarded; and
  - (ii) the **Prudential Exposure** of the Auction Participant at that time is:
    - (A) the amount calculated by AEMO, in accordance with the Auction Procedures, reflecting a reasonable estimate of the maximum net aggregate amount actually or contingently owing to AEMO under this Agreement or under the National Gas Rules in relation to the Capacity Auction at that time; plus
    - (B) the net amount calculated by AEMO in accordance with the Settlements and Prudential Methodology, reflecting a reasonable estimate of the maximum net aggregate amount actually or contingently owing to AEMO by the Auction Participant under the Exchange Agreement and the National Gas Rules in relation to the Exchange at that time; less
    - (C) the Auction Participant's Security Deposit Balance (if any).
- (b) If a Final Net Settlement Amount is payable to AEMO and AEMO has the benefit of Credit Support and/or if there is a Prepayment Balance in respect of the Auction

Participant, then AEMO is entitled to apply the Credit Support and/or Security Deposit Balance (as applicable) against the Final Net Settlement Amount.

## **A10 Other matters relating to Auction Settlements**

### **A10.1 Settlement Facilities**

- (a) Subject to clause A10.1(b), AEMO and the Auction Participant must use the electronic cash transfer system designated by AEMO for the payment of amounts under this Agreement.
- (b) AEMO must ensure that an electronic funds transfer facility is made available to the Auction Participant and AEMO for use:
  - (i) if the designated electronic cash transfer system is not available for Auction Settlement; or
  - (ii) where agreed or determined by AEMO for the payment of ad hoc amounts under this Agreement between AEMO and the Auction Participant.
- (c) AEMO and each Auction Participant must submit any matching receipt details required to enable another party to make a payment under this Agreement through the designated electronic cash transfer system.

### **A10.2 Late payment**

- (a) An Auction Participant must pay interest on any unpaid moneys due and payable by it under this Agreement at the Interest Rate, calculated as simple interest on a daily basis, for the period commencing on the date payment was due and ending on the date payment is made.
- (b) Any payment received or applied by AEMO in respect of an Auction Participant for a Billing Period is taken to be made, and may be applied by AEMO, in satisfaction of the Auction Fees payable to AEMO by that Auction Participant (as specified in the relevant final or Revised Statement issued to that Auction Participant) before it is applied by AEMO in satisfaction of any other obligation or liability.

### **A10.3 Amounts in dispute**

If a dispute under this Agreement or the Exchange Agreement or a dispute about an error (including an omission) or discrepancy in settlement information provided by a facility operator to AEMO and used by AEMO to determine the auction amount payable by the Auction Participant is resolved in a way that causes the amount payable for a Billing Period to differ from the amount calculated under a Settlement Statement, AEMO must, within 5 Business Days of the resolution of the dispute, issue a Revised Statement or Revised Combined Statement (as applicable) to give effect to the adjustment.

### **A10.4 Application of GST**

- (a) In this clause, the terms “adjustment event”, “GST”, “GST law”, “recipient”, “recipient created tax invoice”, “supply”, “supplier”, “tax invoice” and “taxable supply” have the meanings given to them in the A New Tax System (Goods and Services) Tax Act 1999 of the Commonwealth (**GST Act**).
- (b) All monetary amounts payable determined, published or notified under, or referred to in, this Agreement (including Auction Fees) exclude GST.
- (c) A statement or invoice issued in relation to a taxable supply made under or in connection with this agreement must set out the amount of GST in respect of that supply.
- (d) If a party (**the supplier**) is required to pay GST in respect of a supply made under or in connection with (including by reason of a breach of) this Agreement, the recipient must (in addition to any other payment for, or in connection with, the supply) pay to the

supplier an amount equal to such GST (**GST gross-up**). Notwithstanding any other clause in this agreement, GST is only payable subject to the provision of a valid tax invoice or recipient created tax invoice (as applicable).

- (e) AEMO and the Auction Participant must be and remain registered for GST.
- (f) If a GST gross-up is payable, then:
  - (i) AEMO will issue a recipient created tax invoice to the Auction Participant where it is treated under GST law as making a supply to AEMO;
  - (ii) subject to the recipient created tax invoice agreement between AEMO and the Auction Participant, the supplier must give the recipient a tax invoice for the supply (including when AEMO is treated under GST law as making a supply); and
  - (iii) a tax invoice or recipient created tax invoice issued by AEMO may be in the form of a Settlement Statement.
- (g) If any payment to be made to a party under or in connection with this Agreement is a reimbursement or indemnification of an expense or other liability incurred or to be incurred by that party, then the amount of the payment must be reduced by the amount of any input tax credit to which that party is entitled for that expense or other liability, such reduction to be effected before any GST gross-up.
- (h) If an adjustment event has occurred in respect of a supply made under or in connection with this Agreement and is not otherwise taken into account in the calculation of Settlement Statements, any party that becomes aware of the occurrence of that adjustment event must notify AEMO (or in the case of AEMO, the affected parties) as soon as practicable, and the parties agree to take whatever steps are necessary (including to issue an adjustment note), and to make whatever adjustments are required, to ensure that any GST or additional GST on that supply, or any refund of GST, is paid no later than 20 Business Days after the supplier first becomes aware that the adjustment event has occurred.

## A11 Suspension

### A11.1 Definitions

- (a) Each of the following events is a **Suspension Event** in relation to the Auction Participant:
  - (i) AEMO has issued a Margin Call to the Auction Participant which remains outstanding;
  - (ii) there has been a material breach by the Auction Participant of any provision of this Agreement or of the Auction Procedures which AEMO has by notice to the Auction Participant required the Auction Participant to remedy and which remains unremedied at the expiry of the period specified in the notice (being not shorter than 2 Business Days); or
  - (iii) a Default Event has occurred in relation to the Auction Participant and is subsisting; or
  - (iv) AEMO has reasonable grounds to believe the Auction Participant no longer satisfies the eligibility criteria specified in the Auction Procedures, and the Auction Participant has failed to give AEMO information to verify its continued eligibility within 2 Business Days of AEMO requesting that information from the Auction Participant.

#### A11.1.1 Trading Halt

- (a) AEMO may impose a Trading Halt on the Auction Participant by suspending the Auction Participant's access to or use of the Auction Platform:
  - (i) if a Suspension Event has occurred in relation to the Auction Participant;

- (ii) under another provision of this Agreement or the Auction Procedures that allows AEMO to suspend or limit the Auction Participant's access to the Auction Platform;
  - (iii) at the request of the AER in connection with any investigation of an alleged breach of the Market Conduct Rules;
  - (iv) in order to comply with an order or instruction from any other Authority; or
  - (v) the Auction Participant is in breach of any provision of the Law or the Rules.
- (b) In determining whether to impose a Trading Halt, AEMO must consider whether there is an increased risk of default or disruption to the Capacity Auction arising from the continued participation of the Auction Participant and the extent to which a Trading Halt may mitigate that risk, having regard to all relevant circumstances including:
  - (i) the cause, severity and effect of any applicable Suspension Event;
  - (ii) the steps taken by the Auction Participant to remedy the event or circumstances and to prevent any reoccurrence;
  - (iii) the availability and effectiveness of any other available measures (such as a recalculation of Prudential Exposure) to mitigate any increased risk.
- (c) As far as reasonably practicable, the extent of a suspension should be commensurate with the nature and extent of the matter giving rise to the suspension.
- (d) AEMO must notify the Auction Participant before, or as soon as reasonably practicable after, imposing a Trading Halt or varying the extent of the related suspension, specifying:
  - (i) the reason for the Trading Halt;
  - (ii) the extent of the suspension, including the Auction Capacity in respect of which the suspension applies; and
  - (iii) the commencement time of the Trading Halt.
- (e) Except in circumstances where AEMO has issued a termination notice under this Agreement while the Auction Participant is subject to a Trading Halt, AEMO must permit the Auction Participant to resume access to and use of the Auction Platform as soon as reasonably practicable after AEMO is reasonably satisfied that:
  - (i) the circumstances giving rise to the Trading Halt no longer apply; or
  - (ii) the circumstances, acts or omissions giving rise to the Trading Halt do not warrant continued suspension, and the Auction Participant has made reasonable arrangements to ensure that similar circumstances, acts or omissions will not reoccur.
- (f) AEMO must notify the Auction Participant of the date and time at which a Trading Halt ends.

#### **A11.1.2 Effect of Trading Halt**

- (a) During a Trading Halt, AEMO may suspend access to and use of the Auction Platform by the Auction Participant that is subject to the Trading Halt in whole or in part, and AEMO may vary the extent of the suspension at any time having regard to subsequent events or circumstances.
- (b) AEMO may withdraw or cancel any bid submitted by the Auction Participant while it is subject to a Trading Halt, whether the bid was submitted before or after the Trading Halt commenced.
- (c) The Auction Participant must while it is subject to a Trading Halt continue to perform its obligations under this Agreement (including its obligations with respect to payment).

## A12 Default and termination

### A12.1 Default events

- (a) Each of the following is a **Default Event** under this Agreement:
- (i) the Auction Participant does not pay an amount due for payment by it to AEMO under this Agreement, or fails to comply with a Margin Call in accordance with clause A6.9(c), by the appointed time on the due date;
  - (ii) AEMO does not receive payment in full of any amount claimed by AEMO under any Credit Support in respect of the Auction Participant, within 90 minutes after the due time for payment of that claim;
  - (iii) the Auction Participant admits to the AER that it has breached, or is declared by a court to have breached, the Market Conduct Rules, and AEMO reasonably considers that:
    - (A) the breach is ongoing and is likely to have a material adverse effect on the Capacity Auction; and
    - (B) the Auction Participant is unlikely to remedy or remove the circumstances leading to that breach within a reasonable period of time;
  - (iv) the Auction Participant ceases to meet the criteria for registration under the Auction Procedures;
  - (v) a representation made or repeated or deemed to have been made or repeated by the Auction Participant under clauses A16.2 and A16.3 of this Agreement proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;
  - (vi) the Auction Participant or its Credit Support Provider ceases or is likely to cease to carry on its business or a substantial part of its business;
  - (vii) the Auction Participant or its Credit Support Provider enters into or takes any action to enter into an arrangement (including a scheme of arrangement), composition or compromise with, or assignment for the benefit of, all or any class of their respective creditors or members, or a moratorium involving any of them;
  - (viii) the Auction Participant or its Credit Support Provider states that it is unable to pay from its own money its debts as and when they fall due for payment;
  - (ix) a receiver or receiver and manager is appointed in respect of any property of the Auction Participant or its Credit Support Provider;
  - (x) an administrator, provisional liquidator, liquidator, trustee in bankruptcy or person having a similar or analogous function is appointed in respect of the Auction Participant or its Credit Support Provider;
  - (xi) an order is made, or a resolution is passed, for winding up the Auction Participant or its Credit Support Provider;
  - (xii) a notice under section 601AB(3) of the Corporations Act is given to the Auction Participant or its Credit Support Provider, unless the registration of that Auction Participant or Credit Support Provider is reinstated under section 601AH of that Act;
  - (xiii) the Auction Participant or its Credit Support Provider dies or is dissolved and the notice of dissolution is not discharged; and
  - (xiv) the Auction Participant or its Credit Support Provider is taken to be insolvent or unable to pay its debts under any applicable legislation.



### A12.2 Default Notice

- (a) Where a Default Event has occurred in relation to the Auction Participant, AEMO may, in addition to exercising any other rights under this Agreement, issue a Default Notice to the Auction Participant.
- (b) A Default Notice issued by AEMO under this Agreement must specify:
  - (i) the nature of the Default Event; and
  - (ii) the period within which the Auction Participant must remedy the Default Event, being 24 hours unless AEMO considers it reasonable to allow a longer remedy period in all the circumstances.
- (c) AEMO must revoke a Default Notice if:
  - (i) the Default Event is remedied within the time specified in the Default Notice; and
  - (ii) there are no other circumstances which would entitle AEMO to issue a Default Notice.

### A12.3 Consequences of failure to comply with Default Notice

If a Default Event is not remedied by the time specified in the Default Notice, or if AEMO receives notice from the Auction Participant that it is not likely to remedy the Default Event, then AEMO may do any or all of the following:

- (a) give notice to the Auction Participant terminating this Agreement with effect from the date in the notice and *publish* a statement on its website that the notice has been given and apply the Close-Out procedure under clause A12.4;
- (b) if it has not already done so, make a claim upon any Credit Support held in respect of the Auction Participant in accordance with clause A6.6(a);
- (c) calculate a provisional Settlement Statement for the Auction Participant in respect of all or any part of its Prudential Exposure and require payment of the amount in the provisional Settlement Statement within 2 Business Days of the issue of that statement;
- (d) apply the Auction Participant's Prepayment Balance (if any) against any provisional statement amount;
- (e) withhold the payment of any amount otherwise due by AEMO to the Auction Participant under this Agreement until the relevant liabilities of the Auction Participant have been finally determined; and
- (f) set off any amount payable by AEMO under this Agreement against any other amount payable by the Auction Participant to AEMO under this Agreement or the Exchange Agreement.

### A12.4 Close-Out under this Agreement

- (a) If AEMO gives a termination notice to the Auction Participant under clause A12.3(a), termination will take effect from the date specified in the notice.
- (b) At the time of giving a termination notice to the Auction Participant under clause A12.3(a), or as soon as reasonably practicable afterwards:
  - (i) AEMO must give a notice to the Auction Participant that Close-Out will apply to the Auction Participant;
  - (ii) AEMO must determine and notify the Auction Participant of the Auction Agreement Close-Out Amount; and
  - (iii) the Auction Agreement Close-Out Amount is due and payable on the date of termination specified in the notice under clause A12.3(a).



## A13 Simultaneous Close-Out under Exchange Agreement

### A13.1 Application of this clause

- (a) This clause A13 applies if the Auction Participant is also an Exchange Member.
- (b) To the extent that there is any inconsistency between this clause A13 and the Exchange Agreement or any other provision of this Agreement, this clause A13 prevails.

### A13.2 Definitions

In this clause A13:

**Close-Out** means:

- (a) when used as a verb:
  - (i) in relation to this Agreement, to terminate this Agreement and accelerate the payment of the Auction Agreement Close-Out Amount under clause A12.4; and
  - (ii) in relation to the Exchange Agreement, to give effect to the close out and offset procedure in clause 20.5 of the Exchange Agreement where the Auction Participant is the "Defaulting Participant" under that clause, calculate the Exchange Agreement Close-Out Amount in respect of that Auction Participant and the net amount owed to or by the Auction Participant and terminate the Membership Agreement" in respect of the Auction Participant; and
- (b) when used as a noun, means the act of Closing-Out and Closed-Out shall be construed accordingly.

**Close-Out Event** means:

- (a) in relation to this Agreement, in relation to the Auction Participant, any event on the basis of which AEMO has the contractual right to Close-Out under clause A12.4; and
- (b) in relation to the Exchange Agreement, in relation to the Auction Participant, any event on the basis of which AEMO has the contractual right to Close-Out in relation to the Auction Participant under the Exchange Agreement,

even if there are no transactions outstanding under the relevant agreement at the relevant time.

**Early Termination Date** has the meaning given to it in clause A13.3(a).

**Exchange Agreement Close-Out Amount** means, at any time in relation to the Auction Participant, the amounts determined by AEMO under the Exchange Agreement to be the "Close-Out Amount" for the Auction Participant at that time.

**Termination Notice** has the meaning given to it in clause A13.3(a).

### A13.3 Simultaneous Close-Out of this Agreement and Exchange Agreement

- (a) If a Close-Out Event has occurred and is continuing in respect of the Auction Participant, AEMO may Close-Out under both this Agreement and the Exchange Agreement by sending to the Auction Participant a notice (**Termination Notice**) specifying the date on which all transactions under both agreements are Closed-Out (the **Early Termination Date**), which date must be no earlier than the day the Termination Notice is deemed to be received under clause A19.2 and no later than the day falling 5 Business Days after that day.
- (b) A Termination Notice given in accordance with clause A19 of this Agreement is also taken to satisfy the notice requirements of the Exchange Agreement.
- (c) AEMO may not Close-Out only this Agreement, only the Exchange Agreement or only a part of either of them. If AEMO attempts to do so, the exercise of that right will be taken for the purposes of this clause to be effective provision of a Termination Notice initiating

Close-Out of both this Agreement and the Exchange Agreement and all transactions under them in their entirety, effective on the designated Early Termination Date.

- (d) A Close-Out Event is taken to be continuing until the earlier of such time as the conditions that constituted the Close-Out Event cease to exist or the payment in full of any amount that has become due and payable under this Agreement or the Exchange Agreement as the result of the occurrence of the Close-Out Event.

#### A13.4 Effect of Early Termination Date

- (a) When Close-Out has been commenced:
  - (i) AEMO must determine the Auction Agreement Close-Out Amount and the Exchange Agreement Close-Out Amount in each case on the basis that the parties shall be treated as not being entitled to exercise any rights to Credit Support (each a **Settlement Amount**);
  - (ii) each Settlement Amount is due and payable on the Early Termination Date; and
  - (iii) with effect from the Early Termination Date, all further payment obligations under this Agreement and the Exchange Agreement are released (and not merely suspended) and replaced by the single, surviving obligation of one party to pay the other a single Final Net Settlement Amount due from one party to the other in accordance with the provisions of this clause.
- (b) If, on the Early Termination Date, a Settlement Amount would be payable:
  - (i) by one party (the first party) to the other (the second party) under the Exchange Agreement (after allowing for netting as provided for in the Exchange Agreement); and
  - (ii) by the second party to the first party under this Agreement,

then the obligations of AEMO and the Auction Participant respectively to make payment of each such Settlement Amount will be automatically set off such that the obligations are replaced by an obligation upon the party by which the larger amount would otherwise have been payable to pay to the other party the amount by which the larger amount exceeds the smaller amount (the **Final Net Settlement Amount**) on the Early Termination Date.
- (c) If a Settlement Amount has been netted off in whole or in part on the Early Termination Date, such Settlement Amount shall, to the extent of such netting-off, be deemed to have been discharged and no longer due under the relevant agreement that has been Closed-Out.
- (d) AEMO must determine the Final Net Settlement Amount due and provide to the Auction Participant a statement showing the calculation of the Final Net Settlement Amount (which may be, at the option of AEMO, provided at the same time and as part of the Termination Notice or by separate notice following the Early Termination Date).
- (e) The Final Net Settlement Amount is payable by the party from whom such payment is due on or before the Business Day falling 3 Business Days after the Business Day on which the statement is provided under clause A13.4(d).
- (f) The Final Net Settlement Amount must be paid in accordance with the payment instructions provided by AEMO in the statement provided under clause A13.4(d), together with interest on the Final Net Settlement Amount, from (and including) the payment date under clause A13.4(e) to (but excluding) the date the Final Net Settlement Amount is paid, at the Interest Rate.

## **A14 Dispute resolution**

### **A14.1 Dispute notice**

- (a) Subject to clause A14.1(b), if any dispute arises between the parties in connection with this Agreement, the party requiring it to be resolved must promptly give the other party written notice giving details of the dispute.
- (b) A dispute subject to determination as a rule dispute (as defined in the Rules) must be resolved under Part 15C of the Rules.

### **A14.2 Negotiation period**

- (a) Within 10 Business Days of a party receiving a dispute notice under clause A14.1 or such longer period agreed by the parties, a senior executive of each party with authority to resolve the dispute must meet and, in good faith, attempt to resolve the dispute by negotiation.
- (b) If the parties are unable to reach a resolution of the dispute by negotiation within a period of 10 Business Days, then any party may by notice in writing to the other given at any time after the negotiation period, bring the good faith negotiation period to an end.

### **A14.3 Urgent relief**

- (a) Nothing in this Agreement denies any party the right to seek injunctive or declaratory relief from an appropriate court where failure to obtain that relief would cause irreparable damage to the party concerned.
- (b) The dispute resolution procedures in this clause do not apply to impair, delay or otherwise prejudice the exercise by a party of its rights under this Agreement (including without limitation any right of termination).

### **A14.4 Mediation**

- (a) The parties may agree to seek to have the dispute resolved by mediation. In that case, within five Business Days of reaching that agreement, the parties must refer the matter to a mutually agreed mediator, or failing agreement to a mediator appointed at the request of any party by the Institute of Arbitrators and Mediators Australia.
- (b) The mediation will be conducted in accordance with the procedures determined by the mediator. The mediator must determine who will bear the liability for the mediator's fees and the disbursements and other costs of the mediation which must be paid accordingly.

## **A15 Confidentiality**

### **A15.1 Definition of Confidential Information**

Confidential Information means information, of whatever kind, provided to the Auction Participant or to AEMO under or in connection with this Agreement that is, and remains, of a confidential or commercially sensitive nature.

### **A15.2 Obligations of confidentiality**

- (a) A party must, in relation to the Confidential Information of the other party:
  - (i) keep confidential any Confidential Information that comes into the party's possession or control in the course of performing the party's obligations or exercising its rights under this Agreement;
  - (ii) not disclose Confidential Information except as permitted or required by this Agreement;

- (iii) only use or reproduce Confidential Information for the purpose for which it was disclosed or another purpose contemplated by this Agreement; and
- (iv) not permit, and use all reasonable endeavours to prevent, unauthorised access to Confidential Information.
- (b) In respect of Confidential Information that is also protected information within the meaning of section 91G of the National Gas Law, the Auction Participant consents to the disclosure of that Confidential Information by AEMO as permitted or required by this Agreement.

### **A15.3 Permitted disclosures**

Subject to clause A15.4, clause A15.2 does not prevent:

- (a) the use or disclosure of information that is in the public domain, other than as a result of a breach of clause A15.2 by the person seeking to rely on this provision or breach of an obligation owed to that person under clause A15.4;
- (b) the disclosure of information to agents, officers, employees, auditors or professional advisers of the party or a Related Body Corporate for the purposes of this Agreement or for obtaining advice about the application of this Agreement;
- (c) the use or disclosure of Confidential Information with the consent of the person to whom the duty of confidentiality is owed;
- (d) the use or disclosure of information as required by law or a lawful requirement imposed by any Authority or any recognised stock exchange;
- (e) the use or disclosure of information for the purposes of legal proceedings (including dispute resolution processes under this Agreement, arbitration proceedings, proceedings when an expert determination of a disputed question, or proceedings by way of mediation or some other alternative dispute resolution mechanism);
- (f) the use or disclosure of information to protect the safety of any person or property;
- (g) the use or disclosure of information reasonably required in connection with the party's financing arrangements, investment in the party or a disposal of the party's assets;
- (h) the disclosure of information to the AER, the AEMC, the Australian Competition and Consumer Commission or the Australian Securities and Investments Commission or another regulatory body having jurisdiction over the party;
- (i) the use or disclosure of information as required or authorised by or under the National Gas Law or the National Gas Rules;
- (j) the use or disclosure of information of a historical nature that does not identify the person to whom it relates, for the preparation of a report under this Agreement; or
- (k) the use or disclosure of information in an aggregated or other form in which its confidential aspects cannot be identified.

### **A15.4 Conditions of disclosure**

- (a) A party proposing to disclose Confidential Information under clauses A15.3 (d), (e), (f), (h) or (i) must, where it is reasonably practicable to do so, inform the person to whom disclosure is proposed of the confidentiality of the information.
- (b) A party proposing to disclose Confidential Information under clauses A15.3 (b) or (g) must ensure that the person to whom disclosure is proposed is subject to binding obligations:
  - (i) to keep the information confidential and not to further disclose it;
  - (ii) not to use or reproduce the information for a purpose other than that for which it was disclosed; and

- (iii) to take all reasonable steps to prevent unauthorised access to the information.

## **A16 Representations**

### **A16.1 AEMO**

AEMO makes the representations in clause A16.3 (excluding clauses A16.3 (f), (j), (k) and (l)) to the Auction Participant at the time this Agreement is entered into.

### **A16.2 Auction Participant**

The Auction Participant makes the representations in clause A16.3 to AEMO at the time it enters into this Agreement. Each representation is deemed to be repeated by the Auction Participant on each date that the Auction Participant submits a bid in the Capacity Auction.

### **A16.3 Representations**

AEMO represents in accordance with and subject to clause A16.1, and the Auction Participant represents in accordance with clause A16.2 that:

- (a) it is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation (and, if relevant under those laws, in good standing);
- (b) it has the power to execute the Formal Instrument and any other documentation relating to the Formal Instrument to which it is a party, to deliver the Formal Instrument and any other document relating to the Formal Instrument that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorise that execution, delivery and performance;
- (c) the execution, delivery and performance of the Formal Instrument and the performance of this Agreement do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (d) all governmental and other licences, authorisations, permits, consents and other approvals (if any) that are required to enable the party to fulfil any of its obligations under this Agreement have been obtained and are in full force and effect and all conditions of any required authorisations have been complied with;
- (e) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws affecting creditors' rights generally and subject as to enforceability to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law);
- (f) in the case of Auction Participant, no Default Event, or event which with notice and/or lapse of time would constitute a Default Event, has occurred with respect to it and is continuing and no such event or circumstance would occur as a result of it entering into or performing its obligations under this Agreement;
- (g) no litigation, arbitration or administrative suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency, official or arbitrator is pending, so far as it is aware, threatened against it which would, if adversely determined, result in a material adverse changes in its financial condition or its ability to perform its obligations under this Agreement, or that is likely to affect the legality, validity or enforceability against it of this Agreement or its ability to perform its obligations under this Agreement;
- (h) it has entered into and executed this Agreement as principal (and not as agent or in any other capacity, fiduciary or otherwise) (except that if the party is both an Appointing Participant and an Agent Participant, then this representation is only given by the party in its capacity as Appointing Participant);

- (i) except in the case of fraudulent misrepresentation, it is not relying upon any oral or written representation, warranty or other assurance of any party other than expressly provided for or referred to in this Agreement;
- (j) in the case of the Auction Participant, it has carried out all investigations it considers relevant to assess the risks associated with participation in the Auction Platform and use of information provided through the Auction Platform and the suitability of any Auction Capacity or information for its purposes and has entered into this Agreement with the full understanding of the material terms and risks of this Agreement and it is capable of assuming those risks;
- (k) in the case of the Auction Participant, AEMO is not acting as a fiduciary or an adviser for the party, nor has AEMO given to it any advice, representation, assurance or guarantee as to the expected performance, benefit or result of this Agreement, any Auction Capacity, any Auction Service, any information provided through the Auction Platform or otherwise in relation to or in connection with this Agreement, or any transaction or arrangement contemplated under this Agreement; and
- (l) in the case of an Appointing Participant, it has authorised and will ratify all acts and omissions of its Agent Participant as agent for the Appointing Participant under or in connection with this Agreement.

#### **A16.4 Exclusion of implied terms**

- (a) To the maximum extent permitted by law and except in the case of fraud or as otherwise expressly provided in this Agreement:
  - (i) all terms, conditions, warranties or statements (whether express, implied, written, oral, collateral, statutory or otherwise) which would be implied or incorporated into this Agreement as having been given by a party in favour of any other party (**implied terms**) are excluded;
  - (ii) each party disclaims all liability in relation to any implied terms; and
  - (iii) each party waives all rights and remedies which might otherwise be available to that party in relation to any implied terms.
- (b) AEMO makes no representation and gives no warranty as to the accuracy, suitability or fitness for purpose of the Auction Platform, any Auction Capacity, any information provided through the Auction Platform and none of the Auction Platform, any Auction Capacity or the information provided purports to be suitable for the Auction Participant's business objectives, financial situation or needs.

#### **A16.5 Acknowledgements regarding Disclosed Information**

Without limiting the generality of clauses A16.1 to A16.4, the Auction Participant acknowledges, in respect of this Agreement and the Capacity Auction, the following:

- (a) the Disclosed Information does not constitute an invitation, offer or recommendation by or on behalf of AEMO;
- (b) the purpose of the Disclosed Information is to provide the Auction Participant with information to assist it in making decisions regarding bidding in the Capacity Auction;
- (c) the Disclosed Information does not purport to contain all of the information that the Auction Participant requires for the purpose of making decisions regarding bidding for Auction Capacity in the Capacity Auction, and does not purport to have been prepared having regard to the Auction Participant's business objectives, financial situation or particular needs;
- (d) neither AEMO, nor any person acting on behalf of or associated with AEMO, makes any representation or warranty either express or implied as to the accuracy, reliability or completeness of the Disclosed Information;



- (e) the Auction Participant will not rely in any way on the Disclosed Information or on the skill or judgement of AEMO or any person acting on behalf of or associated with AEMO and will rely absolutely on its own opinion and professional advice based on its own independent analysis, assessment, investigation and appraisal in making decisions regarding bidding in the Capacity Auction; and
- (f) the Auction Participant will carry out all investigations it considers relevant and will examine and acquaint itself concerning:
  - (i) the contents, correctness and sufficiency of the Disclosed Information; and
  - (ii) any other information which it considers relevant to the risks, contingencies and other circumstances which could affect the Auction Capacity and the Auction Participant's decisions regarding bidding in the Capacity Auction.

## **A17 Liability**

### **A17.1 Liability of AEMO**

To the maximum extent permitted by law, AEMO is not liable to the Auction Participant for any act or omission (including any act or omission amounting to a breach of this Agreement or breach of statute or any negligent act or omission) under or in connection with this Agreement or any Capacity Auction whether arising in contract, tort (including negligence), breach of duty or on any other ground unless the act or omission was done or made in bad faith, within the meaning of section 91K of the National Gas Law.

### **A17.2 Interruption of Auction Platform**

Without limiting clause A17.1, AEMO is not liable to the Auction Participant in respect of any interruption, failure, shutdown or malfunction of equipment or systems affecting the Auction Platform or any part of the Auction Platform, unless caused by AEMO's failure to take reasonable steps to mitigate against those risks.

### **A17.3 Indemnity in relation to third party DWGM transfers**

The Auction Participant must indemnify AEMO and keep it indemnified against any liability, claim, cost or expense (including legal expense) whether arising in contract, tort (including negligence), breach of duty or on any other ground suffered or incurred by AEMO in connection with the nomination by the Auction Participant of a person as Nominated DWGM participant in connection with a DWGM transfer (as defined in clause 20), except to the extent that the liability, claim, cost or expense is due to an act or omission of AEMO done or made in bad faith, within the meaning of section 91K of the National Gas Law.

### **A17.4 Recoverable losses**

- (a) The liability of a party to any other party for any act or omission (including any act or omission amounting to a breach of this Agreement or a breach of statute or any negligent act or omission) under or in connection with this Agreement or the Capacity Auction is limited to the recovery by that party of Direct Loss less any amount of Excluded Loss relating to that other party in respect of that act or omission.
- (b) No party is liable to any other party under or in connection with this Agreement or the Capacity Auction in any circumstances for any amount in respect of or comprising Consequential Loss however arising (including, without limitation, at law, in equity or pursuant to statute) and all such liability is excluded.
- (c) Clauses A17.4(a) and A17.4(b) apply:
  - (i) to limit or exclude liability to the maximum extent permitted by law;
  - (ii) subject to clause A17.6;



- (iii) subject to any provision which provides for an exclusive remedy in respect of the act or omission; and
- (iv) without prejudice and subject to clauses A17.1 and A17.2.

### A17.5 Definitions

In this clause:

- (a) **Direct Loss** means any loss, damage, cost, liability or expense (however incurred) but excludes any Consequential Loss.
- (b) **Consequential Loss** means any:
  - (i) indirect loss, damage, cost, liability or expense;
  - (ii) special, indirect, consequential, incidental or punitive damages;
  - (iii) damages for economic loss, loss of profits, loss of opportunity, loss of market, loss of contract, loss of revenue, goodwill, bargain, anticipated savings or loss or corruption of data,

whether arising in contract, tort (including negligence), under statute or otherwise, whether or not such loss or damage was foreseeable and even if advised of the possibility of the loss or damage.
- (c) **Excluded Loss** means loss or damage suffered or incurred by a party to this Agreement as a result of, or to the extent contributed to by, any act or omission by that party, its Related Bodies Corporate or any of their officers, employees, agents, consultants or subcontractors.

### A17.6 Carve-outs

The limitations and exclusions in this clause A17 do not apply to limit or exclude any liability:

- (a) for payments required to be made under this Agreement;
- (b) under any indemnity given under this Agreement in favour of AEMO including the indemnity in clause A17.3;
- (c) under the National Gas Law or the National Gas Rules in respect of any breach of the Market Conduct Rules; or
- (d) arising from any fraudulent act or omission.

### A17.7 Australian Consumer Law

- (a) Pursuant to section 64A of the Australian Consumer Law (being Schedule 2 to the *Competition and Consumer Act 2010* (Cth)) this clause applies in respect of obligations to supply goods or services under this Agreement which are not of a kind ordinarily acquired for personal, domestic or household use or consumption, except to the extent that the recipient of the goods or services establishes that reliance on this clause would not be fair and reasonable.
- (b) This clause A17.7 prevails over the preceding provisions of this clause A17.
- (c) Liability for a failure to comply with a guarantee imposed by the Australian Consumer Law:
  - (i) is limited in the case of goods (other than a guarantee under section 51, 52 or 53) to any one of the following as determined by the seller of the goods:
    - (A) the replacement of the goods or the supply of equivalent goods;
    - (B) the repair of the goods;
    - (C) the payment of the cost of replacing the goods or acquiring equivalent goods; or

- (D) the payment of the cost of having the goods repaired; and
- (ii) is limited in the case of services, to any one of the following as determined by the supplier of the services:
  - (A) the supplying of the services again; or
  - (B) the payment of the cost of having the services supplied again.

## **A18 Force Majeure**

### **A18.1 Definition of Force Majeure**

- (a) Subject to this clause A18.1, **Force Majeure** means any event or circumstance (or combination of events and/or circumstances) the occurrence of which is beyond the reasonable control of the party seeking to rely on it (acting and having acted in accordance with Good Gas Industry Practice) and in relation to AEMO, includes any event or circumstance by reason of which the Capacity Auction is delayed, suspended or cancelled.
- (b) The act or omission of any agent or contractor of a party is not Force Majeure unless such act or omission is caused by or results from events and/or circumstances which would be Force Majeure if that person were the Affected Party (as defined in clause A18.2(a)).
- (c) Force Majeure does not include events or circumstances such as loss of a party's markets, a party's inability to economically use or resell energy products or a party's inability to procure contracts for Auction Services.

### **A18.2 Effect of Force Majeure**

- (a) If a party (**Affected Party**) is prevented or hindered by Force Majeure from complying with its obligations under this Agreement (other than an obligation referred to in clause A18.2(b)) then the obligations of the Affected Party are suspended during the period and to the extent that those circumstances continue to prevent or hinder that party from complying with its obligations.
- (b) Force Majeure cannot be claimed in respect of, and does not excuse non- performance of, and does not suspend, any obligation with respect to:
  - (i) payment of any money; or
  - (ii) providing or replacing Credit Support.

### **A18.3 Notice requirements**

- (a) If the Affected Party is the Auction Participant, the Auction Participant must give prompt written notice to AEMO of the occurrence of the event or circumstance of Force Majeure, giving an estimate of its expected duration and the probable impact on the performance of its obligations under this Agreement.
- (b) The Auction Participant must:
  - (i) as soon as reasonably practicable, provide any additional information reasonably requested by AEMO in respect of the event or circumstance of Force Majeure;
  - (ii) use its reasonable endeavours to remove or overcome the event or circumstance of Force Majeure; and
  - (iii) give notice to AEMO of the cessation of the event or circumstance giving rise to Force Majeure.
- (c) If the Affected Party is AEMO, AEMO must:

- (i) promptly *publish* on its website as much information as is reasonably practicable about the event or circumstance giving rise to the Force Majeure, the expected duration of that event and the cessation of that event; and
- (ii) use its reasonable endeavours to remove or overcome the event or circumstance of Force Majeure.

#### **A18.4 Resumption of performance**

An Affected Party must resume the performance of any obligation which it was unable to fulfil as a result of Force Majeure as soon as reasonably practicable after the Force Majeure ends.

### **A19 Notices, Communications and Publication**

#### **A19.1 Communication through the Auction Platform**

Where this Agreement requires any information, submission or notice to be communicated:

- (a) by AEMO to the Auction Participant; or
- (b) the Auction Participant to AEMO,

and the functionality of the Auction Platform allows for that communication to be made using the Auction Platform, the relevant party must use the Auction Platform for that communication, unless otherwise specified in the Auction Interface Protocol or (for a communication to be made by the Auction Participant) agreed by AEMO.

#### **A19.2 Other notices**

- (a) A notice in connection with this Agreement which is not able to be communicated through the Auction Platform must be:
  - (i) in writing in English;
  - (ii) signed by the party or its agent.
- (b) A notice in connection with this Agreement which is not able to be communicated through the Auction Platform may be given to the recipient either by hand delivery, pre-paid registered mail, or email, in each case addressed to the address for notices of the recipient specified in the Formal Instrument.
- (c) Where two or more persons comprise a party, notice to or by one of those persons is effective notice to and by all of them.
- (d) Proof of delivery by pre-paid registered mail of a notice in accordance with this clause is proof of receipt of such notice on the day it is delivered.
- (e) Unless proved to the contrary, proof of transmission by email of a notice in accordance with this clause is proof of receipt on the date of transmission, but if a transmission is not made on a Business Day or not made before 4.00pm, then it is proof of receipt at 10.00am on the next Business Day after transmission.

### **A20 Miscellaneous**

#### **A20.1 Assignment and subcontracting**

- (a) AEMO may subcontract the performance of all or any part of its obligations under this Agreement. In connection with any such subcontracting, AEMO may disclose Confidential Information to the subcontractor provided that AEMO procures that the subcontractor agrees to maintain the confidentiality of that information on terms no less onerous than the terms of this Agreement.
- (b) AEMO may assign its rights and novate its obligations under this Agreement to a person appointed by AEMO to operate all or part of the Auction Platform, subject to the

requirements of the National Gas Rules, by giving prior notice of that assignment and novation to the Auction Participant.

- (c) For the purposes of giving effect to that assignment and novation under clause A20.1(b), by this clause, the Auction Participant consents to such assignment and novation provided that the incoming operator undertakes to the Auction Participant to assume the obligations of AEMO accrued and not discharged prior to the date that the assignment and novation takes effect.
- (d) The Auction Participant must not assign or novate its rights or obligations under this Agreement. Any purported assignment or novation in breach of this clause is void.

### **A20.2 Auction Platform terms of use**

- (a) All Intellectual Property Rights in the Auction Platform and the content and layout of the Auction Platform are owned by AEMO or its licensors and are subject to copyright.
- (b) Any database comprised in the Auction Platform is Confidential Information of AEMO (but without prejudice to the application of clause A15 in respect of Confidential Information of the Auction Participant contained in a database).
- (c) The terms of use for the Auction Platform in Appendix B of the Procedures apply in this Agreement.

### **A20.3 Waiver**

- (a) A party waives a right under this Agreement only by written notice that it waives that right. A waiver is limited to a right of the party giving the waiver and the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No failure, or delay, in exercising any right, power or remedy by a party operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.

### **A20.4 Severance**

If any provision of this Agreement is or becomes invalid, unenforceable or illegal or is declared to be invalid, unenforceable or illegal by any court of competent jurisdiction, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this Agreement which shall continue in full force and effect.

### **A20.5 Entire agreement**

This Agreement records the entire agreement between the parties as to its subject matter. It supersedes all prior contracts, obligations, representations, conduct and understandings.

### **A20.6 Governing law**

- (a) The laws of Queensland govern this Agreement. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland.
- (b) Each party irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (c) Each party irrevocably waives any immunity in respect of its obligations under this document that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment before judgment, attachment in aid of execution or execution.

### **A20.7 Relationship of the parties**

Nothing in this Agreement is to be treated as creating a partnership or trust and except as specifically provided in this Agreement no party may act as agent of a party or in any way bind another party to any obligation.

### **A20.8 Costs**

- (a) A party will bear its own costs in relation to the preparation and execution of this Agreement and any further document required.
- (b) The Auction Participant will be responsible for all costs and expenses incurred by it in connection with the Capacity Auction. AEMO will not be liable on any grounds whatsoever for costs and expenses incurred by the Auction Participant in the conduct of due diligence in relation to Auction Capacity, Auction Services or the Capacity Auction, making decisions regarding bidding for Auction Capacity in the Capacity Auction or in any other way in connection with the Capacity Auction.
- (c) All stamp duty (including fines, penalties and interest) that may be payable on or in connection with this Agreement and any instrument executed under this Agreement must be borne by the Auction Participant.

### **A20.9 Further assurances**

Each party must do all things reasonably required to facilitate the performance of this Agreement.

### **A20.10 Indemnities**

Unless expressly provided otherwise:

- (a) any indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this Agreement;
- (b) it is not necessary for a party to incur expense or make any payment before enforcing a right of indemnity conferred by this Agreement; and
- (c) the making of a claim by a party under an indemnity contained in this Agreement in respect of a particular event does not preclude that party from subsequently making further claims under that indemnity in respect of any further loss arising out of the same event for which it has not previously been indemnified.

- End of Capacity Auction Standard Terms -

## APPENDIX B. CTAP SYSTEMS TERMS OF USE

### B1 Definitions

In this Appendix:

- (a) **Principal User** means in relation to the CTP Interface, a *facility operator* and in relation to the Auction Platform, an auction participant; and
- (b) **CTAP System** means in relation to a facility operator and its authorised users, the CTP Interface and in relation to an auction participant and its authorised users, the Auction Platform.

### B2 Terms of use

#### B2.1 Authorised user identities

- (a) A Principal User must provide to AEMO complete and accurate identification, contact and other information as reasonably required to enable separate authorised user identities and direct contact details to be established for each of the Principal User's representatives for the purposes of the representative's access to the CTAP System.
- (b) Each authorised user identity is defined by reference to a single user name and password (**user identity**). A Principal User is responsible for all activities that occur using the user identity of any of its representatives.
- (c) A Principal User must maintain, and must ensure each of its representatives maintains, the confidentiality and security of each user identity created for a representative of the Principal User such that the user identity is only used by the relevant representative.
- (d) A Principal User must notify AEMO immediately if it becomes aware of any unauthorised disclosure or use of a user identity created for a representative of the Principal User.
- (e) AEMO may suspend or revoke the access of a representative of a Principal User to the CTAP System for any reason at any time. The Principal User must ensure that its representative ceases access immediately on notice of the suspension or revocation from AEMO.
- (f) A Principal User must ensure that its authorised users comply with the terms of use for the CTAP System in clause B2.2 as if the authorised user were the Principal User.
- (g) AEMO may require authorised users to agree to terms of use when accessing the CTAP System, including terms relating to the use of personal information provided to AEMO in accordance with AEMO's privacy policy.

#### B2.2 CTAP System terms of use

- (a) A Principal User must not permit use of or access to the CTAP System by any third party, other than its representatives nominated in accordance with the Procedures.
- (b) A Principal User must not:
  - (i) alter or remove any copyright, trademark or other proprietary mark, logo or notice of AEMO or of any other company, organisation or public authority appearing anywhere in the CTAP System;
  - (ii) modify or edit the data, text, images, material and information in the CTAP System or *publish* or sell any information from the CTAP System including by making that information available on any website;
  - (iii) reverse engineer, transfer, adapt or modify any software used in connection with any part of the CTAP System;

- (iv) attempt to damage or corrupt (including through the introduction of any malicious software) any software or data of AEMO or any third party used in connection with any part of the CTAP System; or
  - (v) attempt to gain unauthorised access to the CTAP System, the server on which the CTAP System is stored or any server, computer or database connected to the CTAP System.
- (c) A Principal User must at all times ensure that no improper, fraudulent or unlawful use is made of the CTAP System directly or indirectly including any activity which is prohibited under any law of the Commonwealth or States of Australia or elsewhere.
- (d) A Principal User must not:
  - (i) engage in any activities or actions in connection with the CTAP System that may infringe or misappropriate the intellectual property rights of others or that is defamatory or discriminatory or otherwise found by AEMO to be offensive or unacceptable; or
  - (ii) attempt to probe, scan or test the vulnerability of the CTAP System or the services or networks connected to the CTAP System or to breach security or authentication measures without express authorisation of AEMO.
- (e) A Principal User must not interfere with or disrupt the CTAP System or the services or networks connected to the CTAP System, including by deliberate attempts to overload a system or by allowing the introduction of any harmful virus or other code that may have harmful, disruptive, contaminating, malicious or destructive elements.

### **B2.3 Rights in the CTP Interface**

- (a) All Intellectual Property Rights in each CTAP System and the content and layout of the CTAP System are owned by AEMO or its licensors and are subject to copyright.
- (b) A Principal User registered under these Procedures and its authorised users has a non-exclusive, non-transferable right to access the applicable CTAP System and to use the functionality of the CTAP System in accordance with these Procedures, any applicable interface protocol and any access and licensing agreement entered into under the applicable interface protocol. The CTAP System must not be used in any way that is not authorised by these Procedures or the applicable interface protocol.