

## **Notice to Gas Supply Hub Exchange Members of amendments to the Gas Supply Hub Exchange Agreement for the GSH Wallumbilla Product product**

This Notice advises all Gas Supply Hub Exchange members and other interested stakeholders that AEMO has completed its consultation for the Gas Supply Hub Proposed Exchange Agreement Amendment – GSH Wallumbilla Product (IIR 010). AEMO proposed changes to the Gas Supply Hub (GSH) Exchange Agreement, Settlements and Prudential Methodology, GSH Reports Guide and GSH End of Day Benchmark Methodology to complete implementation of the Optional Hub Services model.

Taking into account the assessment provided in the Impact and Implementation Report (IIR), AEMO has decided to implement the proposed amendments to the Exchange Agreement, Settlements and Prudential Methodology, GSH Reports Guide and GSH End of Day Benchmark Methodology effective from 28 March 2017.

The changes will be incorporated into the documents as follows:

Version 9.0 of the Exchange Agreement:

- New Wallumbilla (WAL) product
  - Trading location groups together delivery points at, and connecting to, the Wallumbilla gas hub.
- New Delivery Matching concept:
  - Process of matching Trading Participants for the purpose of gas delivery.
  - Matching process prioritises buyers and sellers located at the same delivery point.
  - Where elected by a Trading Participant, the Delivery Matching process may prioritise matching within a defined set of delivery points (priority grouping).
  - Buy and sell positions that cannot be matched at a preferred delivery point (or priority group) will be matched at the default delivery point (Wallumbilla High Pressure Trade Point).
- The ability for Trading Participants to update the delivery point associated with a transaction prior to gas delivery.
- New South East Queensland (SEQ) product.
  - Transactions for delivery at the RBP In Pipe Trade Point.
- New WAL – SEQ Spread Product.
- Changes to the Balance of Day product - it will have a new name, and references to the product being traded in GJ / hr will be removed and it will now trade on a GJ/day basis like other products.
- Moving delivery netting run time from D-2 5pm to D-1 1pm.
- Adjusting delivery netting fall back timing.
- New Low Pressure Settlement Adjustment concept.

Amendment of the GSH Settlements Methodology:

- Low Pressure Settlement Adjustment - Physical Gas transaction settlement amounts will be adjusted if delivery occurs at a low pressure location.

Amendment of the Guide to GSH Reports:

- A new report 'Delivery Netting Preferences Report'.

Amendment of Gas Supply Hub End of Day Benchmark Methodology:

- RBP, SWQP and QGP trading locations replaced with the WAL trading location.
- The Wallumbilla benchmark price will be determined using transactions, bids and offers in the WAL product.

In addition, a new clause has been added (Clause 13.2(a4)) to clarify that for a non-netted pre-matched trade the delivery point to be used is the delivery point nominated by the Seller in the transaction. It is expected that the parties to a non-netted pre-matched trade have agreed on the same delivery point. However, as the system requires both the seller and buyer to specify the delivery point, there is a risk that the parties may inadvertently specify different delivery points. Clause 13.2(a4) has been inserted to confirm the delivery point if this happens.

AEMO received no submissions from stakeholders.

As required by the Gas Supply Hub Exchange Agreement clause 3.3(d) (iv) and 3.3(e), AEMO informs Participants that version 9.0 of the Gas Supply Exchange Agreement will be effective from 28 March 2017.

**Notice Date: 2 March 2017**

## **Attachment A: Revision to Proposed Exchange Agreement Amendments**

### **Documentation Changes**

See draft Exchange Agreement v9.0 with amendments to:

- Section 12.5, 13.1.1, 13.2 to facilitate a transition from current suite of products to new suite products and market arrangements.
- Section 14.7 to provide for concept of Delivery Matching, priority groupings, common delivery point for a trading location, and change delivery netting cut off times.
- Section 17 for Low Pressure Settlement Adjustment concept.
- Schedule 2 changes for new trading locations at Wallumbilla and SEQ
- Schedule 4, 5, 6, 7, 8, 10, 11, 14, 17 specify the last trading date is 27 March 2017.
- All references to 'Balance of Day' product in schedules changed to 'On-the-Day'.
- Additional schedules 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 to facilitate trading at Wallumbilla and SEQ trading locations as well as a spread product to facilitate trading between Wallumbilla and SEQ.
- Addition of an Appendix listing a summary of all products.

Blue represents additions. Red and strikethrough represents deletions – Marked up changes.

## Attachment B: Amendment to the GSH Procedures

Blue represents additions. Red and strikethrough represents deletions – Marked up changes.

### 1. Gas Supply Hub Interface Protocol

FORM OF DOCUMENTATION	DOCUMENT	VERSION
Reports	<b>Guide to Gas Supply Hub Reports</b>  Purpose: specify all of the reports published by the Operator on its Gas Hub Direct System (to trading participants and the public).	1.7

2. See draft GSH Benchmark Price Methodology V2.0 with amendments as specified above (section 2)
3. See draft Settlements and Prudential methodology V4.0 with amendments as specified above (section 2)