



PCT Reference Group Meeting

10 July 2018

Agenda

1. GMRG Update
2. Zones consultation
 1. Introduction
 2. Consultation
 3. Zones consultation paper
 4. Facility examples
3. Market Systems: public and private reports
4. Market Readiness: readiness reporting



Final design of the reform package and implementation of the legal and regulatory instruments

10 July 2018



Approval of final design of the reform package

On 19 March 2018, the draft legal and regulatory instruments required to give effect to the capacity trading reform package were released for consultation and stakeholders were provided six weeks to provide feedback on:

- the proposed drafting of the National Gas Law (NGL), National Gas Rules (NGR) and Regulations and Operational Transportation Services Code (Code); and
- a number of proposed refinements to some aspects of the reform package.

24 submissions were received in response to the consultation paper.

These submissions informed the GMRG's final recommendations on the design of the reform package and the legal and regulatory instruments, which were approved by the Energy Council on 29 June 2018.



Refinements made to the final design

The consultation paper outlined a number of proposed refinements to:

- the exemptions framework;
- the governance arrangements, including:
 - the role of the AER in approving amendments to the Code;
 - who will be responsible for determining the service points, zones and pipeline segments to be used in the capacity trading platform and the auction; and
 - who will be responsible for determining the method for calculating auction quantity limits.
- the auction, including:
 - the contract path model that will be used in the auction; and
 - the scope of grandfathered rights.
- the measures to improve the transparency of allocation agreements; and
- the transitional arrangements required to facilitate the harmonisation of gas day times.



Final position on refinements

Refinement	Final design
Exemptions framework	<p>The exemptions framework provides for:</p> <ul style="list-style-type: none">• Exemptions from all aspects of the capacity trading reform package (excl. the secondary capacity reporting framework) to be:<ul style="list-style-type: none">○ <u>automatically available</u> to distribution pipelines, facilities forming part of the DTS and compression facilities that are not designated in the Regulations or are not stand-alone facilities○ <u>available on application to the AER</u>, to transportation facilities that are not providing third party access.• Exemptions from the auction and obligation to publish a standard OTSA to be available on application to the AER, to transportation facilities:<ul style="list-style-type: none">○ with a nameplate capacity less than 10 TJ/day; and○ that are servicing a single transportation user (shipper). <p>The designated compression facilities include the Moomba, Wallumbilla, Ballera and Iona facilities.</p>
Role of the AER in approving amendments to the Code	<p>The AER will have the power to accept, reject or remit the Code Panel's proposed amendments to the Code and to amend the Code on its own initiative, following consultation with the Panel, AEMO and other interested parties (including consumer and industry representatives).</p>
Service points, zones and pipeline segments	<p>AEMO will be responsible for determining the service points, zones and pipeline segments that will be used for the CTP and auction.</p>
Auction quantity limits	<p>AEMO will be responsible for determining the method used to calculate auction quantity limits and the method will be prescribed in the Procedures.</p>



Final position on refinements (cont.)

Refinement	Final design
Contract path model for auction	<p>A hybrid point-to-point and zonal model is to be used for the auction. Under this model, auction participants will be able to bid for any unused capacity at individual receipt or delivery points, but the ability to secure capacity at those points will depend on whether there is sufficient:</p> <ul style="list-style-type: none">• CBU capacity available in the zones they wish to use; and• CBU capacity on the pipeline segments (or compression service facility) connecting the receipt point zone and delivery point zone.
Grandfathered rights	<p>Transitional arrangements will be implemented for a two-year period to enable services that meet the following criteria to be treated as ‘transitional firm’ services and to rank ahead of the auction product both in relation to nominations and renominations:</p> <ul style="list-style-type: none">• the service is currently treated as firm once scheduled (e.g. as available and some authorised overrun services);• the service is used for the supply of gas for consumption by a gas-fired generator that is a market generating unit;• at least one of the service points is either a point at which gas is supplied to 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• the terms and conditions for use of the service are set out in a primary facility agreement made on or before 19 March 2018.



Final position on refinements (cont.)

Refinement	Final design
Transparency of allocation agreements	Allocation agents will be required to publish information on the allocation methodology and the process for joining and leaving an allocation arrangement on the Bulletin Board.
Transitional arrangements for harmonised gas day times	Transitional rules will be included in the NGR that provide for: <ul style="list-style-type: none">• AEMO to publish information on the arrangements for the transition to the standard gas day in the STTM, DWGM, GSH and retail markets by no later than 1 April 2019.• facility operators providing services to third parties to publish information on the operational arrangements to transition to the standard market timetable by the earlier of 30 June 2019 and 20 business days before they implement the standard market timetable.



Other refinements made to the final design

Where appropriate, the final legal and regulatory instruments also incorporated the feedback received on the drafting of specific provisions in the NGL, Regulations, NGR and Code, which are intended to provide market participants with:

- greater clarity about their rights and obligations under the various elements of the capacity trading reform package; and
- greater confidence in the platform and auction by providing for greater levels of transparency, stakeholder consultation and oversight by the AER.

For example, the provisions relating to the measures to facilitate capacity trading and the auction in the NGR have been amended to require:

- the AER to consult with interested parties before exercising its power to amend the Code on its own initiative and allow the Code Panel and AER to seek the advice of consumer and industry representative bodies where it is appropriate to do so.
- AEMO to consult with interested parties before making a determination on service points, zones and pipeline segments and simplify the principles it is to consider.
- the AER to review service providers' standard OTSAs and standardisation charges against the Code and the NGR, within the first 12 months of the CTP and auction commencing.
- service providers and users to negotiate in good faith if an amendment to an existing facility agreement is required to enable capacity to be sold and include a dispute resolution mechanism in the NGR that parties may rely on if negotiations fail.



Application of the reform package

The Energy Council has agreed that the reform package will initially apply in the ACT, NSW, Qld, SA, Tas and Vic (outside the DTS).

Application in the NT

The Energy Council has agreed, at the request of the Northern Territory Government, to:

- implement a derogation that will delay the application of the day-ahead auction to transportation facilities located wholly or partly in the NT; and
- apply all other aspects of the capacity trading reform package in the NT once the Northern Gas Pipeline (NGP) is commissioned.

The derogation will cease to apply on the earlier of:

- the date determined by the NT Minister by declaration in the NT Government Gazette; and
- the date determined by Energy Council, which must be after the fifth anniversary of the commencement of the capacity trading reform package amendments.

Application in WA

The Energy Council intends to direct the AEMC to conduct a separate review in 2020 (at the earliest) into whether the reforms should apply in WA.



Implementation of legal and regulatory instruments

Process for changing the Legal and regulatory instruments

Changes to the NGL are tabled in SA Parliament and proclaimed.



Changes to the NGR and Regulations and the initial Code are made (expected end October/early November)



Publication of:

- NGL, NGR, Regulations and initial Code
- Explanatory Note that will provide further detail on the legal and regulatory framework

Consistent with the approach that is usually employed when changes of this nature need to be made to the legal and regulatory framework, the final version of the NGL, NGR, Regulations and Code will only be published when they are made.

To provide stakeholders with some guidance in the intervening period, the GMRG has published an Information Paper, which sets out the final design of the reform package and key dates for various obligations market participants will be subject to.

In August, the GMRG intends to publish a list of:

- matters that the procedures AEMO is responsible for preparing can cover; and
- matters that the guidelines that the AER is responsible for preparing can cover.

The GMRG will also publish an explanatory note once the final instruments are published.



Next steps

Date	Responsibility	Process
July – early November 2018	SA Minister	Amendments to the NGL progressed through SA Parliament and once NGL changes are proclaimed, the amendments to the Regulations and the NGR, and the initial Code will be made.
July	AEMO and GMRG	Consultation on zones to be used in the capacity trading platform and day-ahead auction
Aug – Sep 2018	AEMO	Formal consultation on the Capacity Transfer and Auction Procedures, the Auction Agreement, changes to the Exchange Agreement and some amendments to the Bulletin Board (BB) Procedures.
Oct – Nov 2018	AEMO	Formal consultation on amendments to the Short Term Trading Market (STTM) and Declared Wholesale Gas Market (DWGM) Procedures and the remaining amendments to the BB Procedures.
On or before 1 Dec 2018	AEMO	AEMO to make the Capacity Transfer and Auction Procedures and Auction Agreement and amend the Exchange Agreement and other AEMO-made Procedures.

Service Point, Zone and Segment Specification

Initial consultation



Service points, zones and pipeline segments

Under the legal and regulatory framework that the Energy Council has agreed to implement, AEMO will be responsible for:

- maintaining and publishing a register of each service point (physical or notional) at or between which transportation services are (or may be) provided by the facilities that will be subject to the reform package and each park service point;
- determining the backhaul service points between which backhaul auction services will be available in the day-ahead auction (DAA) on single direction pipelines (or parts of pipelines).
- determining the allocation of service points to the zones that will be used for both the CTP and DAA; and
- determining the forward haul pipeline segments (i.e. the part of a pipeline between pipeline zones) and, where relevant the backhaul pipeline segments that will be used in the DAA.

Before making a determination, AEMO must have regard to a range of matters and must also consult with stakeholders.



Requirements for service points

Definitions

The term 'service point' refers to the following types of service points:

- a **pipeline service point**, which is a point, or a combination of points, at which gas is received or delivered on a pipeline and includes physical and notional pipeline receipt and delivery points and in-pipe trading points;
- a **park service point**, which is a point at which gas must be received or delivered to use the park service on the CTP;
- a **compression service point**, which is a point, or a combination of points, at which gas is received or delivered via a compressor and includes physical and notional points; and
- a **backhaul service point**, which is a point at which gas is received (backhaul receipt point) or delivered (backhaul delivery point) through a backhaul service in the DAA.

Responsibility for service points

- Service providers that are subject to the capacity trading reforms will be required to provide AEMO (and keep up to date) a specification of each service point.
- AEMO will be responsible for publishing this information in the transportation service point register, which will set out the service points, zones and, where relevant, pipeline segments for each facility subject to the reforms.
- AEMO will also be responsible for determining the points between which backhaul services will be available in the DAA on single direction pipelines (or parts of pipelines). There are no specific criteria AEMO must consider when making a determination on backhaul points.



Zone definitions

The term 'zone' is used to refer to the following types of zones:

- **a pipeline zone**, which may either be a:
 - **pipeline delivery zone**, which means one or more pipeline delivery points which comprise a pipeline delivery zone;
 - **a pipeline receipt zone**, which means one or more pipeline receipt points which comprise a pipeline receipt zone;
- **a compression zone**, which may either be a:
 - **a compression delivery zone**, which means one or more compression delivery points which comprise a compression delivery zone; and
 - **a compression receipt zone**, which means one or more compression receipt points which comprise a compression receipt zone.



Responsibility for determining zones

AEMO will be responsible for determining the allocation of service points to zones. In doing so, AEMO will be required to consult with stakeholders and apply a number of principles.

The principles provide that AEMO may have regard to:

- the impact of the proposed allocation of points on the trade of products through the CTP and DAA, including the impact on demand or liquidity;
- the possible curtailment of capacity transferred between points within a zone, over time or at particular times or in particular conditions; and
- the technical or operational characteristics of the transportation facility.

The principles also require:

- service points used for **receipt** of gas must be allocated to **receipt zones**;
- service points used for **delivery** of gas must be allocated to **delivery zones**; and
- a service point cannot be in more than one delivery zone or receipt zone, but if:
 - the point is used for delivery and receipt, it may be in both a delivery and receipt zone; or
 - the facility is bi-directional, a service point may be in both a delivery zone and receipt zone.

Note also that a zone may consist of only one service point.



Requirements for segments

Definitions

The term 'pipeline segment' is used to refer to both:

- a forward haul pipeline segment, which is that part of a pipeline between pipeline receipt and delivery point zones; and
- a backhaul pipeline segment, which is that part of a pipeline between the service points used for the backhaul auction service.

Responsibility for determining segments

AEMO will be responsible for determining the forward haul pipeline segments and, where relevant, the backhaul segments to be used in the DAA.

There are no specific criteria that AEMO must consider when making this determination, because the specification of pipeline segments is inextricably linked to the specification of zones and backhaul points. Any change to the proposed specification of zones or backhaul points will therefore result in changes to the proposed pipeline segments.

Zones Consultation Paper

Introduction

- Specification of service points, zones and segments are fundamental building blocks for the operation of the CTP and DAA.
 - Capacity products listed on the CTP are defined by their 'from' and 'to' zone.
 - Auction participants bid for services on a point-to-point basis – the Transportation Service Point Register will define the zone and segment capacity bid for by the auction participant.
- The GMRG and AEMO have prepared an initial consultation paper for the specification of service points, zones and segments.
 - Consultation will run to 27 July 2018.
 - Stakeholder feedback template outlines consultation questions.
- The register will be updated following the initial consultation and will be issued for another round of consultation in September.
- Final register will be published following the commencement of the Rules.

Zones Consultation Paper

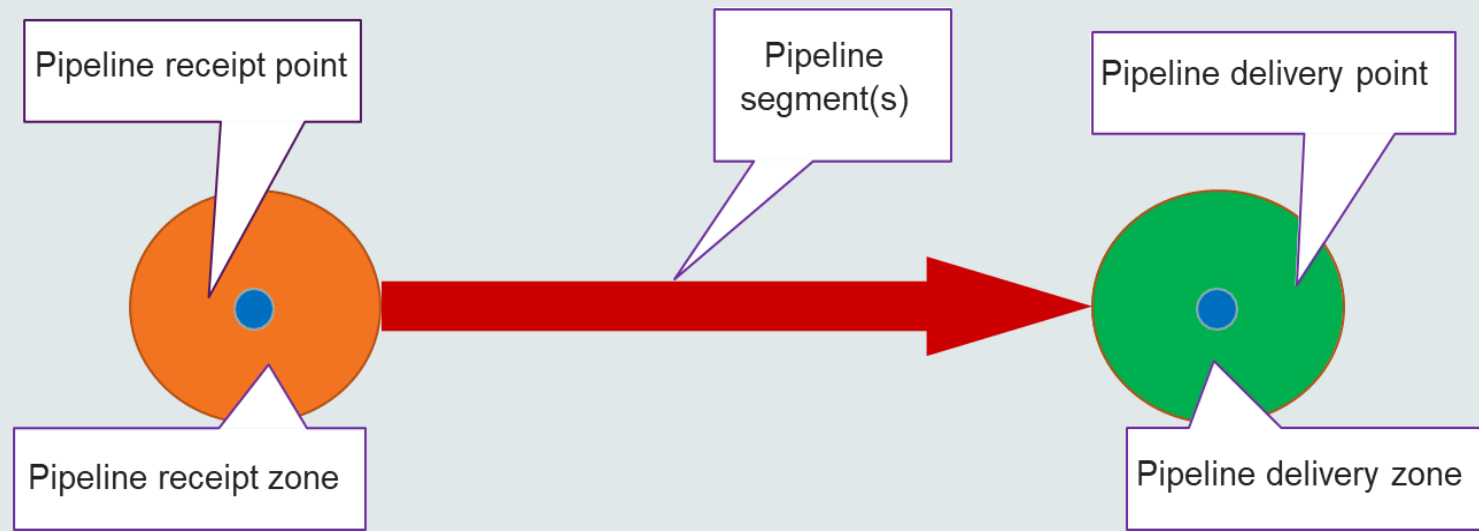
- The Zones Consultation Paper contains guidance in relation to:
 - The operation of the CTP,
 - The operation of the DAA, and
 - Integration with STTM and DWGM
- Proposed naming convention (and Appendix 1)
- Specification of service points, zones and segments are presented in the facility specific chapters (chp. 3 to 27)
- A pipeline example is outlined in Appendix 2 to assist participants

Capacity Trading Platform

- Firm forward haul and compression products will be available for trading on the CTP.
 - Shippers with firm forward haul or compression capacity will be able to sell their point-to-point capacity on a zone-to-zone basis.
 - Secondary shippers will be able to acquire firm forward haul (and/or compression) capacity on a zone-to-zone basis and have secondary firm rights at each receipt and delivery point in the relevant zone.
- Capacity products listed on the CTP will be defined by their 'from' and 'to' zone.
- The receipt and delivery points that a buyer can use (or seller can release capacity from) will be specified in the ***Transportation Service Point Register***.
- Shippers will also be able trade park service where firm park products are available on a pipeline.

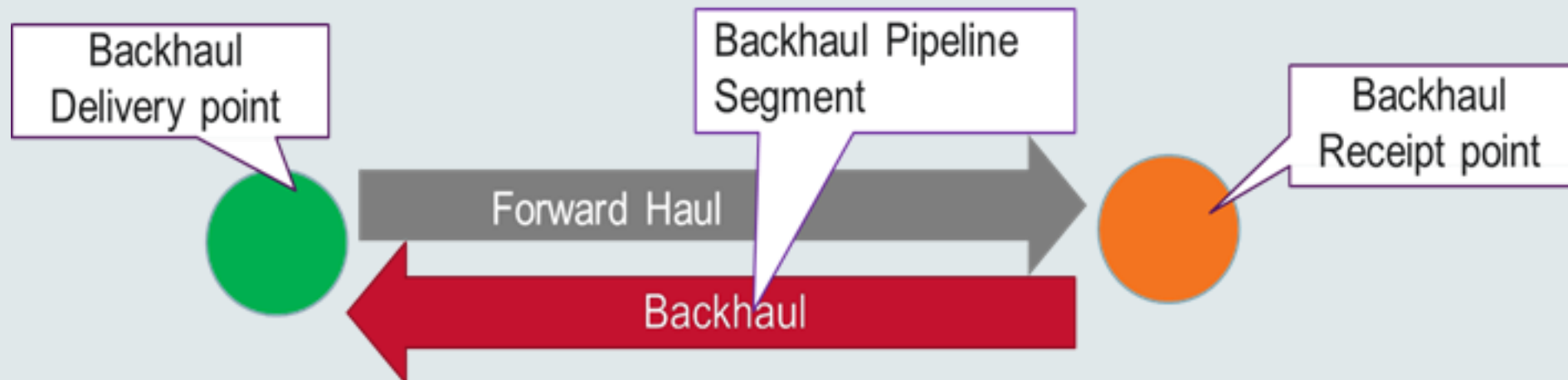
Day-ahead Auction

- **Forward haul** and **compression** auction services will be sold using a hybrid point-to-point and zonal model.
 - Auction participants will bid on a point-to-point basis.
 - The purchase of auction services will require capacity to be purchased at service points (unused capacity), zones (CBU) and segments (CBU).
 - The **Transportation Service Point Register** will define the zone and segment capacity bid for by the auction participant.



Day-ahead Auction

- When bidding in the auction for a **backhaul auction service**, the shipper will bid for the backhaul receipt and backhaul delivery point pair that they wish to use.
- The availability of backhaul services will instead depend on whether there are sufficient firm net forward haul flows between the points used for the backhaul service
- The shipper's bid will then be broken down into the following product components by AEMO prior to the solver being run.



Facility specific chapters

Key information	Detail
Facility name	Expected facility name (pending registration). Based on information provided by facility operators in preliminary consultation.
Facility operator/owner	Expected operator (pending registration). Based on information provided by facility operators in preliminary consultation.
Location	Description of the location of the facility
Single or bi-directional pipeline	Specifies whether a pipeline is single or bi-directional. A pipeline may have single and bi-directional pipeline segments.
Services that will be available through the CTP and DAA	Summary of the services expected to be available on the facility for each platform: <ul style="list-style-type: none">• Forward haul services will be available on all pipeline facilities subject to the CTP and DAA.• Compression services will be available on all compression facilities subject to the CTP and DAA.• Those pipelines that offer park services to primary shippers will have park services available for trading through the CTP.• Single direction pipelines (or parts of pipelines) where it is feasible to offer and provide backhaul services and where there is likely to be a reasonable level of demand for these services, will have backhaul services available on the DAA.
Subject to CTP?	Self-explanatory
Subject to DAA?	Self-explanatory

Specification of service points

Name	Type	Zone Name	Description
The names in this paper are as per advice AEMO and GMRG have received from facility operators in initial consultation.	Some points may have multiple types.	See section 2.3 for convention.	Description will be used to call out attributes of the service point such as: <ul style="list-style-type: none">• Where the point is also a backhaul point.• Where the point is also a park service point.

Names of service points will be provided by the facility operator.

Options include: receipt, delivery, backhaul receipt, backhaul delivery, compression receipt, compression delivery.

Zone in which the service point is allocated.

- Matters that are important to the operation of the CTP or DAA are discussed in the **Service points** section.

Specification of zones

Name	Type	Description
See section 2.3 for convention.		A description will be added where it aids the interpretation

Options include: receipt, delivery, compression receipt, compression delivery.
Note: backhaul is not allocated to a zone.

- Zones are specified for each facility with a description to aid interpretation.
- Matters that are important to the specification of zones or that require feedback from industry are discussed in the **Proposed Zone** section.

Specification of segments

Name	Type	From Location	To Location
See section 2.3 for convention		If the segment is forward haul, this will be a zone/s on that facility. If the segment is <u>backhaul</u> , this will be a backhaul point/s on that facility.	If the segment is forward haul, this will be a zone/s on that facility. If the segment is <u>backhaul</u> , this will be a backhaul point/s on that facility.

Options include: forward haul and backhaul.

From and to locations define the segment and its direction.

- Matters that are important to the operation of the DAA or where feedback is sought, are discussed in the **Proposed segment** section.
- A diagram of the pipeline zones and segments is also included where it aid interpretation.

STTM Integration

- On some pipelines the STTM hub definition doesn't perfectly align with zonal definitions.
- Three potential variations include:
 - **Discrete zone:** where the pipeline zone and STTM hub definition align.
 - **Mixed zone:** where there is a mix of STTM and non-STTM delivery points in the same zone, or
 - **Split zones:** where an STTM hub is split across more than one pipeline zone.
- Proposed approach for integration of STTM capacity trades:
 - AEMO will automatically reduce the capacity of the seller's contract (CRN) capacity (and trading right capacity), and increase the contract capacity of the buyer.
- Where there is a **mixed zone** it is proposed that there will be the following capacity products on the CTP:
 - Integrated product – will automatically adjust buyer's and seller's STTM contract capacity.
 - Non integrated product – no adjustments made to STTM contracts.

DWGM Integration

- DWGM interface points (e.g. Culcairn, VicHub) will be included in zones for trading on the CTP and DAA
- **Integration** – confirmed capacity transfers at a DWGM interface pace will result in an automatic change to the maximum hourly flow bid constraint in the DWGM
 - Participants must have their DWGM accreditation set up at the relevant point with AEMO prior to trading on the CTP or DAA
- Similar to the options for the STTM, mixed zones or discrete zones could be used

EGP

Example 1

EGP - Overview

- The following services will be available on the EGP:
 - Forward-haul services tradeable via the CTP with CBU volumes in the DAA
 - Park Services tradeable via the CTP
 - Backhaul services available between specific service points in the auction.
- The EGP has an interconnection with the MSP, VICHub* and TGP
 - TGP interconnection requires a facility-specific transfer service to transport gas from the EGP to TGP.
 - The EGP also has connection points and zones that interface with STTM

EGP – Forward haul and Park (CTP)

- Forward haul products on the EGP will be available between RZ-01 (Longford) and RZ-02 (Orbost) and the relevant EGP delivery zones.
- The designated park point for the EGP is EGP (Longford)
- In the consultation paper, sections 18.2, 18.3 and 18.4 discuss the proposed forward haul product component register for the EGP

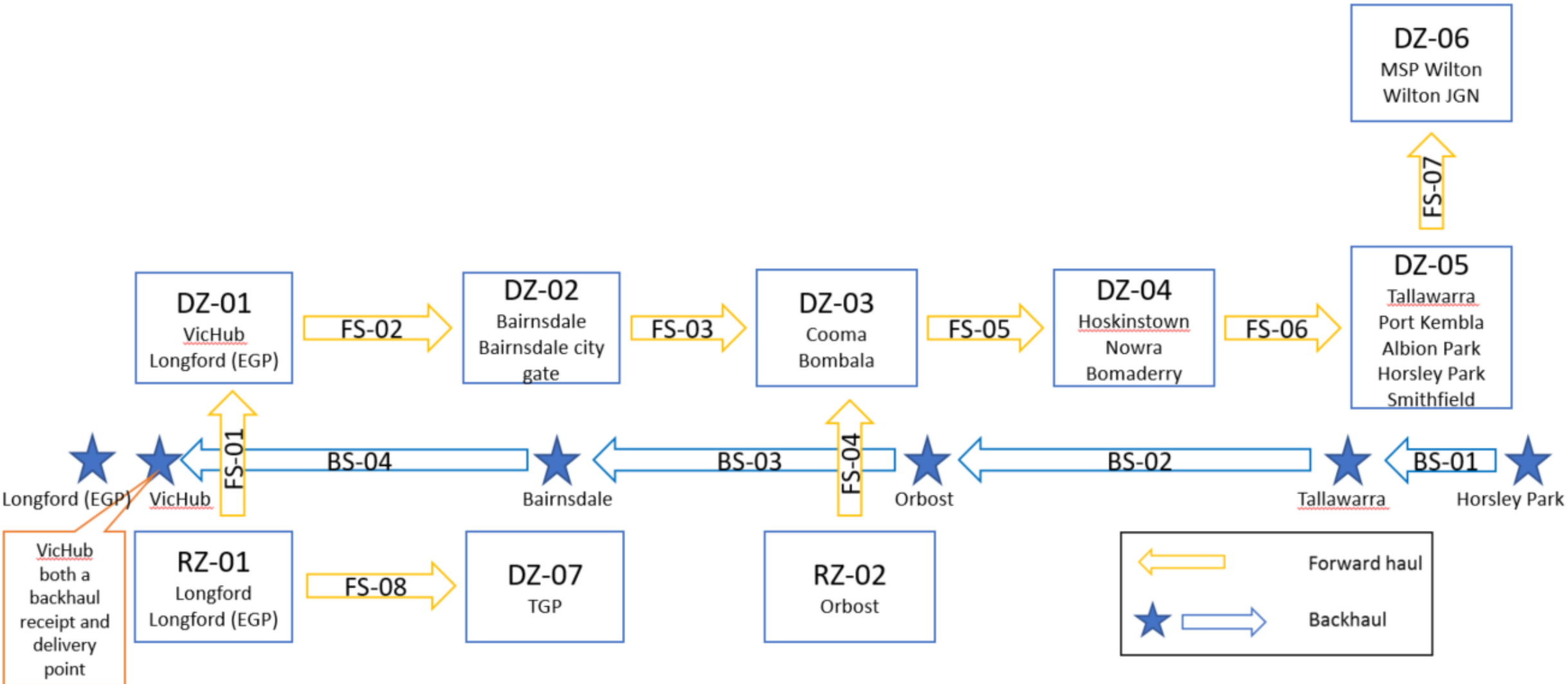
TGP in a single point delivery zone: DZ-07

Receipt points near Longford grouped into RZ-01

18.2 Service points

Name	Type	Zone Name	Description
Longford	Receipt	EGP-RZ-01	Connection point from Longford Gas Plant to the EGP
Longford (EGP)	Receipt	EGP-RZ-01	Park service receipt point.
Tasmania Gas Pipeline	Delivery	EGP-DZ-07	Connection point from EGP to TGP
VicHub Pipeline	Delivery	EGP-DZ-01	Connection point from EGP to VicHub. VicHub is also a backhaul receipt point and backhaul delivery point.
Longford (EGP)	Delivery	EGP-DZ-01	This point is used to nominate delivery for park and backhaul services on the EGP.
Bairnsdale	Delivery	EGP-DZ-02	Connects to Bairnsdale power station. Bairnsdale is also a backhaul delivery point.
Bairnsdale city	Delivery	EGP-DZ-02	Connects to Bairnsdale network
Cooma	Delivery	EGP-DZ-03	Connects to Cooma network
Bombala	Delivery	EGP-DZ-03	Connects to Bombala Network
Orbost	Receipt	EGP-RZ-02	Connection to Orbost Gas Plant. Orbost is also a backhaul receipt point

EGP – Zone configuration overview



EGP Forward haul (CTP – STTM)

- STTM integration needs specific consideration.
- DZ-05 and DZ-06 are mixed STTM zones – containing both STTM (highlighted in orange) and non-STTM points

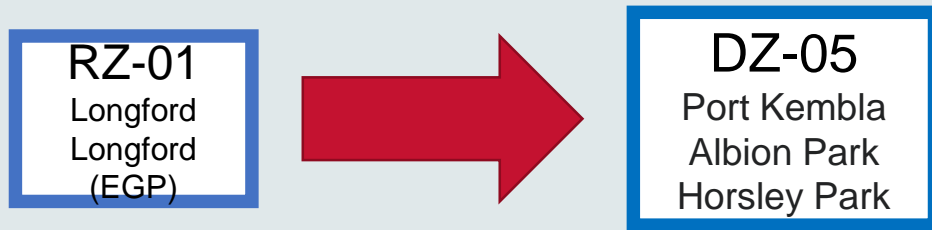
DZ-05
Tallawarra
Port Kembla
Albion Park
Horsley Park
Smithfield

DZ-06
MSP Wilton
Wilton JGN

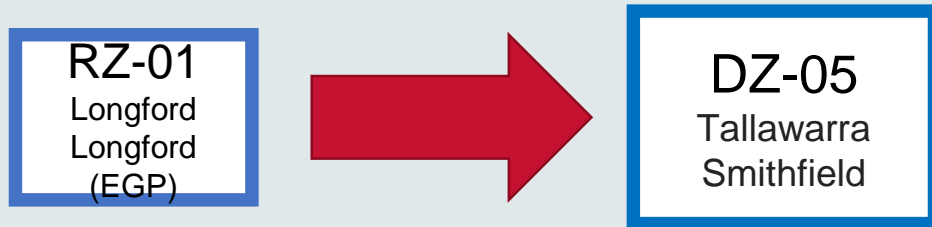
- Trades for transport to STTM CTMs will be integrated with market systems (STTM TRNs will be adjusted to reflect the outcome of trades).
- In a mixed zone there will be two products:
 - An integrated product including only the STTM points
 - A non-integrated product including non-STTM points
- CRN and TRN adjustments will only be made for the STTM integrated product

EGP – STTM product examples

Product 1 – Integrated



Product 2- Non-integrated

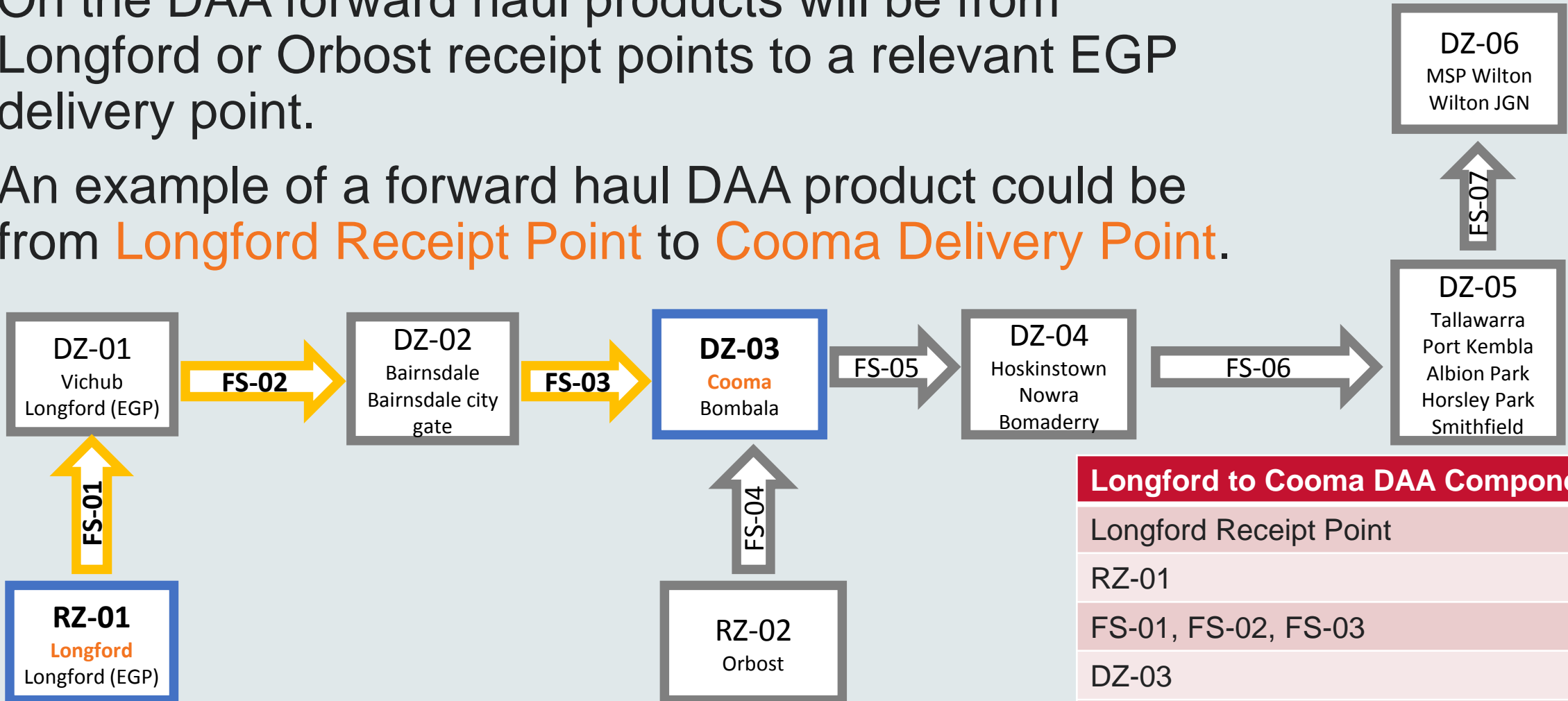


- The two products will trade separately on the CTP and both products would not have to be exchange-listed
- STTM adjustments would only apply for trades in *product 1*
- *Note that for the DAA, all points will be available as part of DZ-05 as there is no STTM integration*

AEMO and the GMRG have asked for feedback to the consultation paper on the treatment of STTM points on the EGP

EGP – Forward haul (DAA)

- On the DAA forward haul products will be from Longford or Orbost receipt points to a relevant EGP delivery point.
- An example of a forward haul DAA product could be from **Longford Receipt Point** to **Cooma Delivery Point**.



Longford to Cooma DAA Components

Longford Receipt Point

RZ-01

FS-01, FS-02, FS-03

DZ-03

Cooma Delivery Point

EGP – Backhaul (DAA)

- Backhaul will be available via the EGP at designated backhaul receipt and delivery points

Backhaul service points

Service Point Type	Service Point
Backhaul Receipt Point	Horsley Park (Sydney STTM)
	Orbost
	VicHub*
	Longford
Backhaul Delivery Point	Tallawarra
	Bairnsdale
	VicHub*
	Longford EGP

Backhaul Segments

Segment	Segment Description
BS-01	Horsley Park to Tallawarra
BS-02	Tallawarra to Orbost
BS-03	Orbost to Bairnsdale
BS-04	Bairnsdale to Longford (EGP)

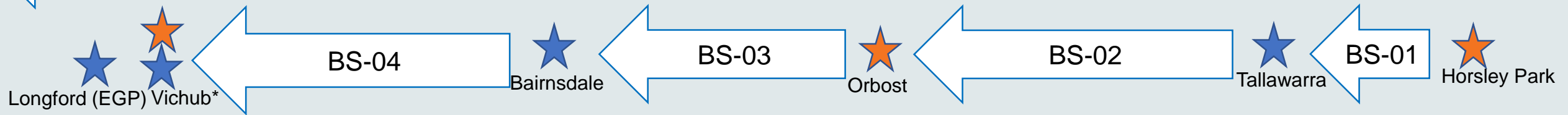
EGP – backhaul (DAA)

EGP backhaul components:

★ Backhaul Delivery Point

★ Backhaul Receipt Point

← Backhaul Segment



Backhaul example - Horsley Park to Longford EGP

Horsley Park to Longford EGP DAA Components

Horsley Park Backhaul Receipt Point

BS-01, BS-02, BS-03, BS-04

Longford EGP Backhaul Delivery Point

AEMO and GMRG have asked for feedback to the consultation paper on the specification of EGP backhaul components and whether backhaul from EGP Wilton should be included for the DAA

VicHub

Example 2

VicHub overview

- The following services will be available on the VicHub:
 - Forward-haul services tradeable via the CTP with CBU volumes in the DAA
 - Backhaul services available between specific service points in the auction.
- VicHub interconnects with the Declared Transmission System and the EGP
- VicHub has a DWGM interface point

VicHub Components

- The VicHub zones are relatively simple with a single receipt point from the EGP and delivery point at the DTS
- A backhaul service is available from the DTS to the EGP

Service Point	Type	Zone
Eastern Gas Pipeline	Receipt	RZ-01
Eastern Gas Pipeline	Backhaul Delivery	N/A
Declared Transmission System	Delivery	DZ-01
Declared Transmission system	Backhaul receipt	N/A

Segments		Location
FS-01	Forward haul	RZ-01 to DZ-01
BS-01	Backhaul	DTS delivery point to EGP receipt point

VicHub DWGM integration

- The Declared Transmission System forward haul receipt point and backhaul delivery point are DWGM interface points
- Prior to trading these points in the CTP or bidding for them in the DAA, a participant will need to be accredited at the Declared Transmission System point in the DWGM
- Following a trade or successful auction bid at the DWGM interface point, a participant MHQ bid accreditation constraint will be adjusted to reflect the outcome of the relevant transaction.

SWQP and Compression Facilities

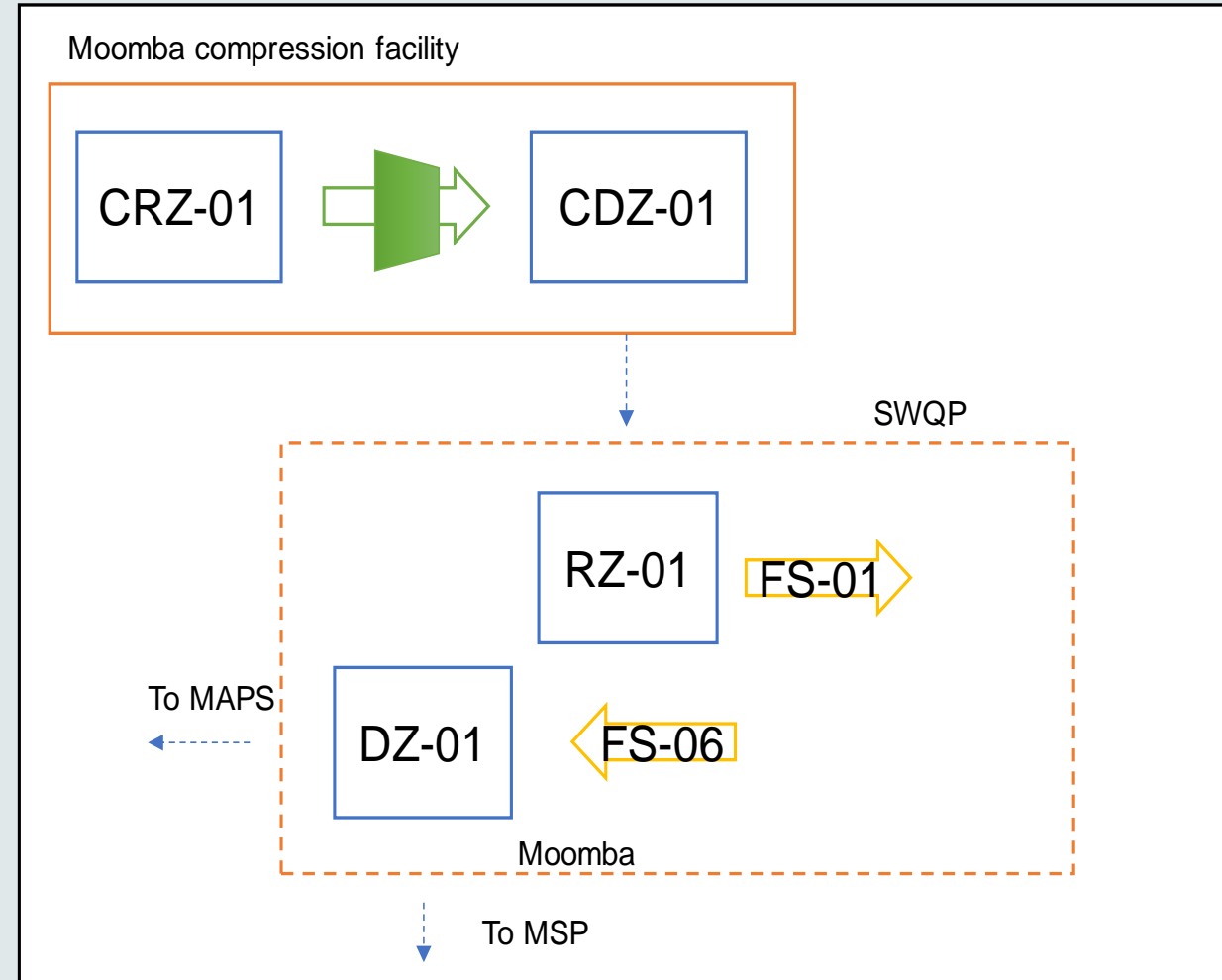
Example 3

SWQP - Overview

- South West Queensland Pipeline (SWQP) is a bi-directional pipeline.
- Forward haul services in an eastern and western direction will be available for trading through the CTP and DAA.
- Park services will be available for trading through the CTP.
- The SWQP connects to MCF, WCF1 & 2, BCF, CGP, MSP, MAPS
 - Compression facilities at Moomba and Wallumbilla on the SWQP have been separated into stand-alone facilities.

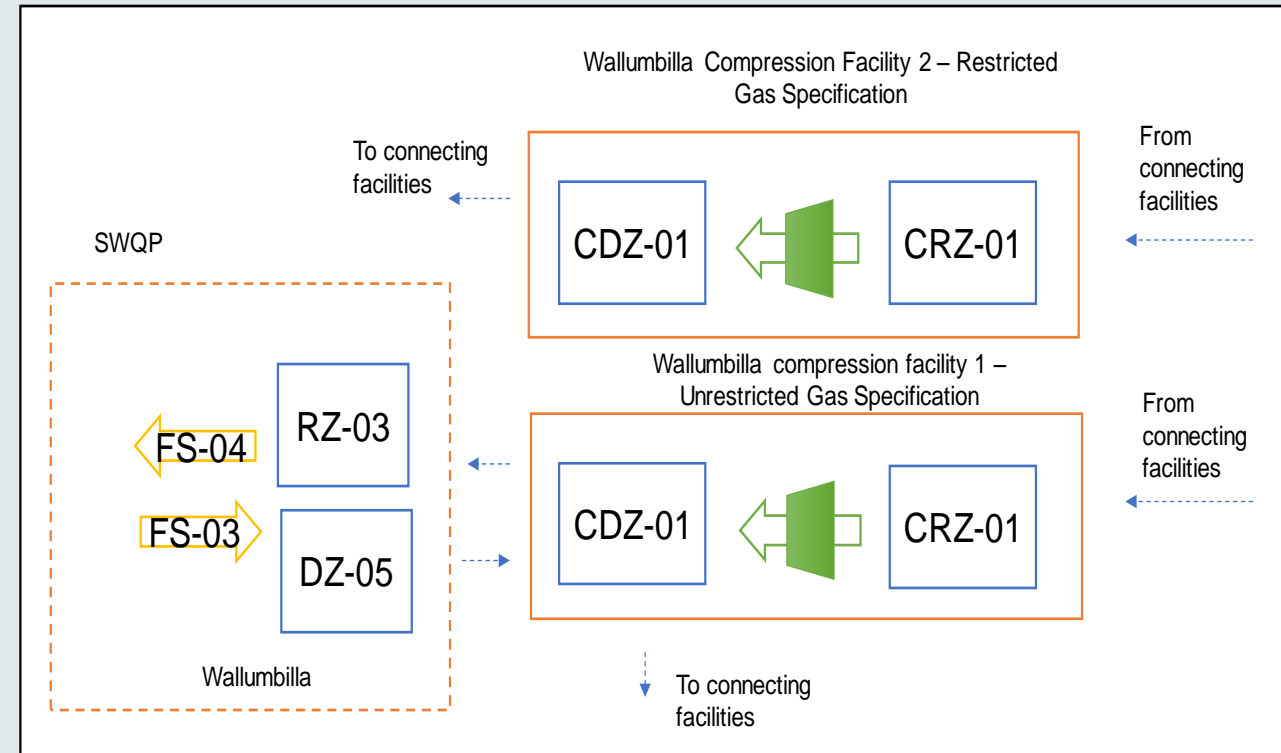
SWQP – Moomba receipts

- When transporting gas on the SWQP from Moomba a shipper requires access to a compression service.
- The Moomba Compression Facility (MCF) will be established as a separate facility to the SWQP.
- The Moomba HP Trade Point on the SWQP is the outlet of the Moomba Compressor Facility and it is proposed that this service point is:
 - the compression delivery point on the MCF;
 - and
 - the pipeline receipt point on the SWQP.



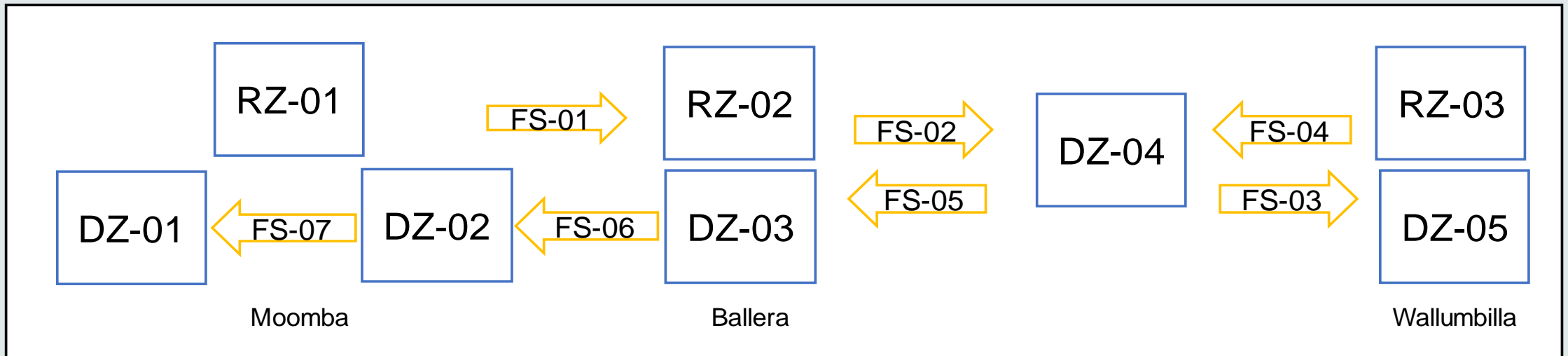
SWQP – Wallumbilla receipt

- The Wallumbilla Compression Facilities will be established as separate facilities to the SWQP.
- The Wallumbilla HP Trade Point is a receipt point on the SWQP that represents gas that has been transferred from the Wallumbilla Compression Facility 1.
- The Wallumbilla HP Trade Point is also specified as the compression delivery point on the Wallumbilla Compression Facility 1.



SWQP – Zones and segments

- Pipeline receipt zones at Moomba, Ballera and Wallumbilla.
- Pipeline delivery zones Moomba, Ballera, South West Queensland and Wallumbilla
 - DZ-01 connects to MSP or MAPS
 - DZ-02 contains Moomba Trade Point
- The pipeline segments to and from Ballera connect to the Ballera receipt and delivery zones.



Wallumbilla Compression Facility

- APA Group propose that the Wallumbilla compressor stations will be established as two compressor facilities for the purpose of the CTP and DAA.
- Wallumbilla Compression Facility 1 (WCF1) includes Wallumbilla Compression Stations 1 and 2.
 - Compression services on WCF1 are used to transport gas away from Wallumbilla on SWQP, BWP, QGP, RCWP or RBP.
 - Gas may be receipted from SWQP, BWP, DDP, QGP, SGP, RBP or RCWP.
- APA Group proposes that the gas specification for this facility be based on the standard gas specification.
 - In comparison, it is proposed that WCF2 will have a restricted gas specification that will be specified in the standard OTSA for that facility.

Wallumbilla Compression Facility 1

- APA Group has proposed the use of notional points for the WCF1 compression service points:
 - The Wallumbilla LP Trade Point, which will be the compression receipt point for compression services traded through the CTP and DAA.
 - The Wallumbilla HP Trade Point, which will be the compression delivery point for compression services traded through the CTP and DAA.
- The Wallumbilla LP Trade Point is to be used in place of physical receipt points
 - BWP, Darling Downs Pipeline, QGP, RBP, Spring Gully and RCWP.
- The Wallumbilla HP Trade Point is to be used in place of physical delivery points
 - BWP, QGP, RBP, RCWP and CRWP WCS2.
- For the purpose of determining the auction quantity limits, the Wallumbilla LP Trade Point and Wallumbilla HP Trade Point will reflect the CBU capacity for the physical points.

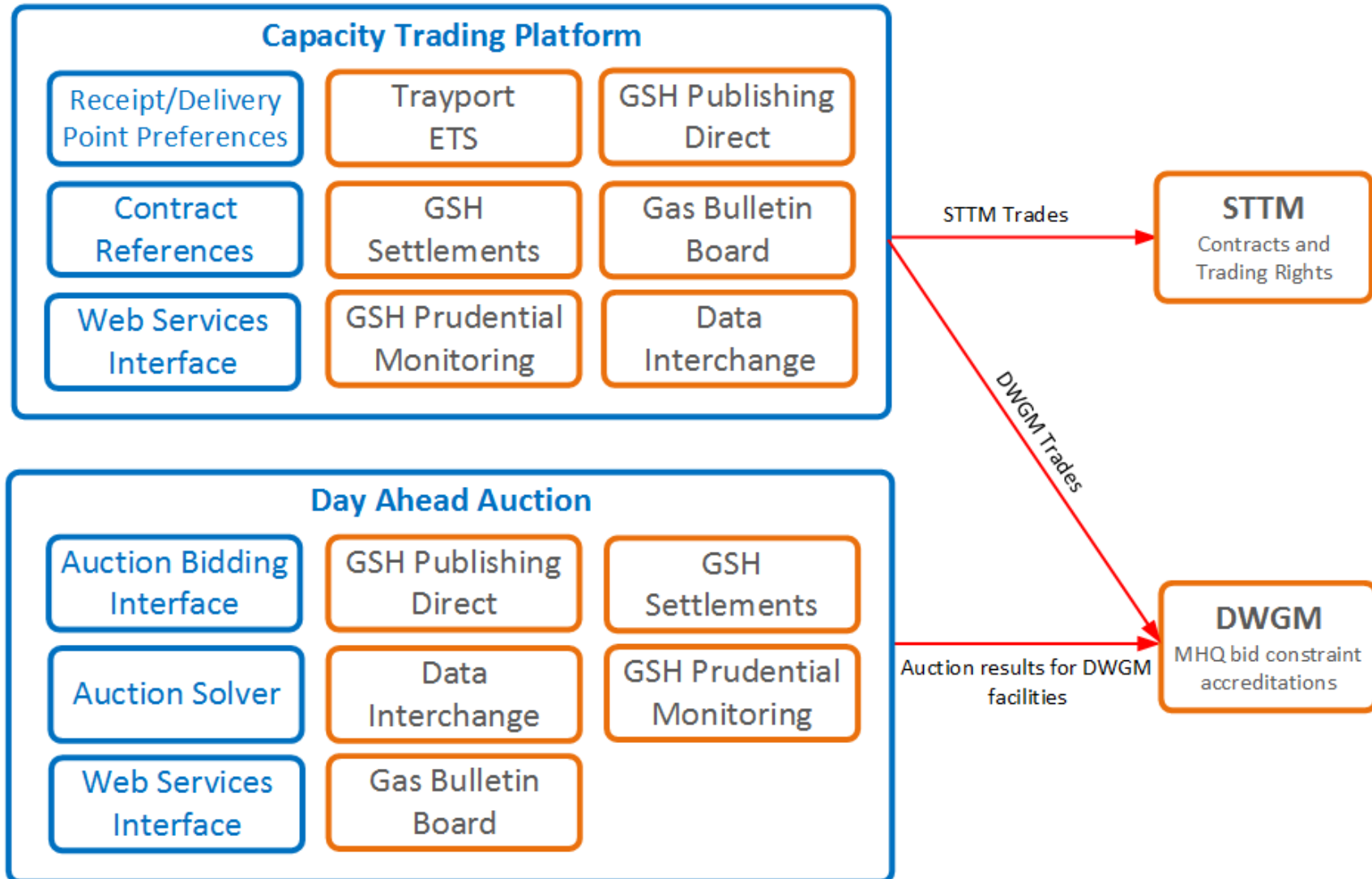
Market Systems

Guide to Capacity Trading and Auction Transactions

Summary of changes introduced in draft version 0.2 distributed on Thursday 5th July:

- **Contract Details** transaction has a new field - ServiceReferenceDescription
- **Auction Quantities** transaction has two new fields - GasDate and TransitionalRightsQuantity
- **Actual Auction Capacities** transaction renamed to **Auction Settlement Quantities**
- **Auction Results** transaction will be available to both Facility Operators and Trading Participants.
- **Shipper Notification Confirmation** transaction renamed to **Shipper Capacity Transfer Notification**. This will be available to both Facility Operators and Trading Participants. A number of new fields have been added to accommodate the needs of both recipient types.
- New data submission transactions added:
 - Auction Service Curtailment Notice
 - Rejected Nominations
- New report transactions added:
 - Registered Participants
 - Capacity Transfer and Auction Notice (as previously discussed, this will also be made available through Publishing Direct)
- Coming soon in the next version:
 - Transportation Facility Register report
 - Transportation Service Point Register report

CTP/DAA Market System Components



Reporting

CTP and DAA reports will be delivered via one or more of the following methods:

- Publishing Direct (CSV reports)
- Data Interchange (CVS reports)
- Web services (APIs)
- Gas Bulletin Board (web reports and CSV download)

Public Reports

Report Name	Description	PD	DI	GB B	AP I
Daily Transaction Summary	Existing GSH report will incorporate Capacity trade information. No change to report structure.	X	X		
Historical Gas Day Transactions	Existing GSH report will incorporate Capacity trade information. No change to report structure.	X	X		
Registered Participants	Existing GSH report will be modified to include additional fields to identify the market/s that the participants are registered in.	X	X		X
Capacity Transfer and Auction Notice	New report to notify participants of a market delay or cancellation.	X	X	X	X
Transportation Facility Register	New report containing a list of all the facilities registered in the capacity trading and day ahead auction markets.	X	X	X	X
Transportation Service Point Register	New report containing a list of all the service points (receipt and delivery points), zones and pipeline segments registered in the capacity trading and day ahead auction markets.	X	X	X	X
Auction Quantities	New report listing the auction quantities of each product component available for the day ahead auction.	X	X	X	
Auction Product Price and Volume	New report listing the cleared quantity, cleared price and price sensitivity for each auction product component following each auction run.	X	X	X	

Public Reports (continued)

Report Name	Description	PD	DI	GB B	AP I
Revised Auction Quantities	New ex-post report listing the aggregated initial cleared quantity, revised auction quantity and final scheduled nominations for each product component.	X	X	X	
Auction Service Curtailment Notice	New report to inform the industry whenever an auction service is impacted by a facility curtailment within the gas day.	X	X	X	
Secondary Capacity Trades	New report providing a consolidated list of all secondary capacity trades which includes GSH trades (screen traded and off-market trades) and bilateral trades submitted into the GBB.		X	X	
Allocation Agent Information	New report listing allocation agent arrangements and allocation methodology for all relevant points on the east coast. This will be a PDF report published on the GBB only.			X	
Rejected Nominations	New report containing details of rejection of nominations against secondary firm rights (CTP trades) for service points (receipt and delivery points).	X	X	X	

Private Reports

Report Name	Description	PD	DI	GB B	API
Trade Execution	Existing GSH report that will be modified to include new fields for capacity trade information.	X	X		
Order Confirmation	Existing GSH report that will be modified to include new fields for capacity order information.	X	X		
Settlement Supporting Data	Existing GSH report that will be modified to include a new table for auction results. Existing report tables will remain unchanged but may contain additional data related to capacity trades and auction results.	X	X		
Prudential Exposure	Existing GSH report that will be modified to include a new table and additional fields added to the AUCTION_FORWARD_EXPSOURE table for information relating to auction activity. Existing report tables will remain unchanged but may contain additional data related to capacity trades and auction results.	X	X		
Contract References	New report available to trading participants providing a list of their entries in the Contract References Markets portal application.	X	X		
CTP Receipt and Delivery Point Preferences	New report available to trading participants providing a list of their entries in the CTP Receipt and Delivery Point Preferences Markets portal application.	X	X		
Capacity Transfer Notice	New report listing the capacity quantities per shipper contract that facility operators use to update the capacity quantity on the relevant shipper contracts in their own systems.	X	X		X
Shipper Capacity Transfer Notification	New report providing the status of a trading participant's capacity transfer related to capacity trades. This notice is issued each time a capacity transfer record has a status change as a result of capacity transfer in the facility operator system or AEMO system. This is issued to trading participants and facility operators	X	X		X

Private Reports (continued)

Report Name	Description	PD	DI	GB B	AP I
Auction Bid Confirmation	New report providing a confirmation to trading participants that their auction bid has been successfully submitted.	X	X		X
Auction Results	New report specifying the details of the capacity won at auction. Facility operators use this information to identify the shippers that have won capacity and are eligible to use the capacity for day ahead nominations. Trading Participants use this information to determine their day ahead nominations.	X	X		X
Bilateral Trade Confirmation	New report providing a confirmation to participants that their bilateral trade has been successfully submitted into the GBB.		X		X
Contract Details	New report providing trading participants with a list of all the facility operator service references and STTM contract references that are available to them for capacity trading.	X	X		

Industry Readiness

Industry Readiness Program

The objectives of the industry readiness program include:

- Support the readiness of industry participants to commence operation of the capacity trading platform and day-ahead auction.
- Support a smooth transition to live operation.

Key components of program:

1. Industry Readiness Reporting and Coordination
2. Training and Market Guides
3. Facility Operator Testing
4. Market Trial
5. Communications

Industry Readiness Reporting & Coordination

- Objective of readiness reporting is to identify common or material readiness issues across industry – date of market start is set in legislation.
- Participants to report on readiness criteria:
 - metrics for systems, operational readiness (processes and training) and commercial
 - participants to self assess their progress
 - communicate readiness issues
 - survey to be submitted on a monthly basis.
- AEMO will assess progress of implementation project
 - metrics to include market systems, registration activities, operation of trial etc.

Industry Readiness Reporting & Coordination

- AEMO to prepare and publish an industry readiness report on a monthly basis.
- Readiness reporting to commence in August.
- Please nominate a Market Readiness Coordinator by email to the PCT inbox (pct@aemo.com.au).