

WHOLESALE MARKET ADMINISTERED PRICING PROCEDURES (VICTORIA)

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VERSION RELEASE HISTORY

Version	Effective Date	Summary of Changes
1.0	1 July 2010	Rebranded and updated for NGR.
2.0	1 April 2014	Section 6.1 amended for reduction of cumulative price threshold (CPT) from \$3,700 to \$1,800. Changed to new procedure template.
2.1	4 May 2015	Updated to remove System Force Majeure.
3.0	28 July 2017	Addition of material curtailment trigger for an administered pricing period. Modification of RoLR trigger to include Major and Minor RoLR events. Changed to current procedure template. Duplication of sub-paragraph numbering in 6.3 corrected.
<u>4.0</u>	<u>17 February 2019</u>	<u>Updated Cumulative Price Threshold to \$1,400/GJ in line with 2018 Gas Market Parameter Review</u> and adjusted Strategy 2 in Clause 5(d)

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1. INTRODUCTION

1.1. Purpose and scope

These are the *administered pricing procedures* (**Procedures**) made under rule 224(1) of the National Gas Rules (NGR).

These Procedures have effect only for the purposes set out in the NGR. The NGR and the National Gas Law (NGL) prevail over these Procedures to the extent of any inconsistency.

These Procedures specify the *administered price cap* for the declared wholesale gas market and describe AEMO's processes for declaring and ending *administered price periods* in the Market in accordance with the Rules.

1.2. Definitions and interpretation

1.2.1. Glossary

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

Terms defined in the NGL or the NGR have the same meanings in these Procedures unless otherwise specified in this clause. Those terms are intended to be identified in these Procedures by italicising them, but failure to italicise a defined term does not affect its meaning.

Term	Definition
APC or Administered Price Cap	Administered Price Cap means the cap applicable to the <i>market price</i> for any <i>scheduling horizon</i> when an <i>administered price period</i> applies
BPI _(x,point,step,s,d)	<i>Bid price for price step (step) of Market Participant x's injection bid at pipeline point (point) for schedule s on gas day d.</i>
BQi _(x,point,step,s,d)	<i>Bid quantity for price step (step) of Market Participant x's injection bid at pipeline point (point) for schedule s on gas day d.</i>
CP _(s,d)	The cumulative price applicable to <i>scheduling interval s</i> on <i>gas day d</i> .
CPP or cumulative price period	A rolling number of consecutive <i>scheduling intervals</i> over which to assess the cumulative price for comparison to the <i>cumulative price threshold</i> . The last <i>scheduling interval</i> in this rolling horizon is schedule <i>s</i> of <i>gas day d</i> .
CPT or cumulative price threshold	A threshold against which the cumulative price is measured for the purpose of commencement and conclusion of an <i>administered price period</i> , in accordance with these procedures, as defined in the schedule.
Curtailment Direction	Any direction to interrupt or reduce, or that has the effect of interrupting or reducing, the consumption of natural gas by <i>Customers</i> from the declared transmission system or a declared distribution system, given by: <ul style="list-style-type: none"> • AEMO under section 91BC of the National Gas Law; • Energy Safe Victoria under sections 106 and 107 of the <i>Gas Safety Act 1998</i> (Victoria); • the responsible Minister under section 207 of the <i>Gas Industry Act 2001</i> (Victoria).
d	<i>gas day</i>
Exiting Retailer	A <i>Retailer</i> whose <i>Customers</i> have been assigned to a <i>RoLR</i> .

Term	Definition
FAOS or First Approved Operating Schedule	The first <i>operating schedule</i> published by AEMO for any <i>scheduling horizon</i> .
FRO	As defined in the Retail Market Procedures (Victoria)
LAOS or Last Approved Operating Schedule	The last <i>operating schedule</i> published by AEMO in a <i>scheduling interval</i> .
LAOS'	The "last approved" <i>operating schedule</i> with a start time equal to the start of the <i>scheduling interval</i> . For example, if an <i>operating schedule</i> for schedule start time of 10:00am is approved at 9:40am, and a revision is approved at 9:50am, then the re-schedule at 9:50am is the LAOS for the 10:00am schedule start time.
LAOS'(s,d)	The "last approved" <i>operating schedule</i> applicable to <i>scheduling interval "s"</i> in <i>gas day "d"</i> with a start time equal to the start of that <i>scheduling interval</i> . This means the last approved <i>operating schedule</i> for the <i>scheduling horizon</i> commencing at the start time of the next <i>scheduling interval</i> prior to the commencement of that <i>scheduling interval</i> , the latest version of the very first schedule for a <i>scheduling interval</i> . Example: if an <i>operating schedule</i> with schedule start time of 10:00am is approved at 9:40am, and a revision is approved at 9:50am, then the re-schedule at 9:50am is the LAOS' for the 10:00am <i>operating schedule</i> start time.
LAOS(s,d)	The "last approved" <i>operating schedule</i> applicable to <i>scheduling interval "s"</i> in <i>gas day "d"</i> . This means the last approved <i>operating schedule</i> in any <i>scheduling interval</i> with a start time prior to the start of the next <i>scheduling interval</i> . Example: if an ad hoc re-schedule is approved at 11:45am, and a further ad hoc re-schedule is approved at 12:30pm, then the re-schedule at 12:30pm is the LAOS for this <i>scheduling interval</i> 10:00am-2:00pm.
Major RoLR Event	A <i>RoLR</i> becomes the FRO for <i>Customers</i> of an Exiting Retailer, where AEMO calculates that the Market Share of the Exiting Retailer (or the aggregate Market Share of all Exiting Retailers if more than one) is greater than or equal to 6%.
Market Clearing Engine	Optimisation software that determines operating and <i>pricing schedules</i> .
Market Share	The percentage determined using data for the most recent month for which final settlement data is available, as: <ul style="list-style-type: none"> the total quantity of <i>adjusted withdrawals</i> allocated to all Exiting Retailers for <i>Distribution Customers</i>, divided by the total quantity of <i>adjusted withdrawals</i> allocated to all <i>Retailers</i> for <i>Distribution Customers</i>, <u>and</u> multiplied by 100.
MCP or marginal clearing price	The <i>bid</i> step price of the highest priced <i>bid</i> step that is scheduled in the relevant <i>operating schedule</i> determined in accordance with these procedures.
MCP _(s,d)	Marginal clearing price for <i>scheduling interval s</i> on <i>gas day d</i> .
MCP _(s,d,LAOS')	Marginal clearing price for LAOS' for <i>scheduling interval s</i> on <i>gas day d</i> .
MCP _(s,d,LAOS)	Marginal clearing price for LAOS for <i>scheduling interval s</i> on <i>gas day d</i> .

Term	Definition												
Minor RoLR Event	A <i>RoLR</i> becomes the FRO for <i>Customers</i> of an Exiting Retailer, where AEMO calculates that the Market Share of the Exiting Retailer (or the aggregate Market Share of all Exiting Retailers if more than one) is greater than or equal to 3% but less than 6%.												
$MP_{(d,s)}$	The last <i>published market price</i> value associated with the LAOS(s,d) or LAOS'(s,d) (as applicable) for <i>scheduling interval s</i> on <i>gas day d</i> .												
$Qi^{OS}_{(x,point,s,d)}$	<i>Operating schedule</i> controllable injections (cumulative) for Market Participant <i>x</i> at pipeline point (<i>point</i>), in <i>operating schedule s</i> on <i>gas day d</i> .												
RoLR or Retailer of Last Resort	In relation to a supply point, the <i>Retailer</i> assigned as the FRO for that point in accordance with procedures described in Chapter 6 of the <i>Retail Market Procedures</i> (Victoria).												
<i>s</i>	number of the <i>scheduling interval</i> and/or schedule of the <i>gas day</i> : <table border="0" style="margin-left: 20px;"> <tr> <td><i>s</i></td> <td>Commencement of <i>scheduling interval</i></td> </tr> <tr> <td>1</td> <td>6:00am</td> </tr> <tr> <td>2</td> <td>10:00am</td> </tr> <tr> <td>3</td> <td>2:00pm</td> </tr> <tr> <td>4</td> <td>6:00pm</td> </tr> <tr> <td>5</td> <td>10:00pm</td> </tr> </table>	<i>s</i>	Commencement of <i>scheduling interval</i>	1	6:00am	2	10:00am	3	2:00pm	4	6:00pm	5	10:00pm
<i>s</i>	Commencement of <i>scheduling interval</i>												
1	6:00am												
2	10:00am												
3	2:00pm												
4	6:00pm												
5	10:00pm												

1.2.2. 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 NGL.
- (b) References to time are references to Australian Eastern Standard Time.

1.3. Related documents

Title	Location
Wholesale Market Gas Scheduling Procedures (Victoria)	http://www.aemo.com.au/Gas/Declared-Wholesale-Gas-Market-DWGM/Policies-and-procedures
Wholesale Market System Security Procedures (Victoria)	http://www.aemo.com.au/Gas/Declared-Wholesale-Gas-Market-DWGM/Policies-and-procedures
Gas Emergency Protocol	http://www.aemo.com.au/Gas/Emergency-management/Victorian-role

2. ADMINISTERED PRICE CAP SETTINGS

2.1. Administered price cap

The administered price cap is \$40/GJ.

2.2. Cumulative price threshold

The cumulative price threshold is \$~~1,800~~1,400/GJ.

2.3. Cumulative price period

The cumulative price period is 35 consecutive *scheduling intervals*.

3A. CONSULTATION ON SETTINGS

- (a) NGR rule 224(1)(b) requires these Procedures to specify the process by which AEMO will consult with *Market Participants* on the approach to determining the *administered price cap* and the *cumulative price threshold*.
- (b) AEMO will only amend these Procedures in accordance with Part 15B of the NGR, and will follow the consultation process in that Part in respect of any proposed changes to the *administered price cap* and the *cumulative price threshold*.

3. DECLARATION OF COMMENCEMENT AND ENDING OF ADMINISTERED PERIODS

AEMO will declare an *administered price period* to commence and end for the causes and in accordance with the conditions set out in the following table:

Administered Pricing Cause	Declaration of commencement of <i>administered price period</i>	Declaration of ending of <i>administered price period</i>
Market suspension under Rule 347	AEMO will declare an <i>administered price period</i> upon declaring that the <i>Market</i> is suspended under Rule 348.	AEMO will declare the <i>Market</i> suspension and <i>administered price period</i> to be at an end if AEMO, in its reasonable opinion, considers that: <ul style="list-style-type: none"> • the <i>Market</i> is capable of returning to normal operating conditions; • any after effects as a result of the <i>Market</i> suspension or its underlying causes are unlikely to distort <i>market prices</i>; and • no other condition for an <i>administered price period</i> is applicable.

Administered Pricing Cause	Declaration of commencement of <i>administered price period</i>	Declaration of ending of <i>administered price period</i>
Major RoLR event	AEMO will declare an <i>administered price period</i> from the effective <i>gas day</i> of a <i>suspension notice</i> issued to a <i>Retailer</i> that results in a Major RoLR event.	AEMO will declare the <i>administered price period</i> to be at an end from the start of the next <i>gas day</i> if: E either: <ul style="list-style-type: none"> • 20 <i>business days</i> have elapsed from the effective <i>gas day</i> of a relevant <i>suspension notice</i> issued to a <i>Retailer</i>; or • all <i>RoLRs</i> in relation to the <i>Customers</i> of all <i>Exiting Retailers</i> agree an earlier <i>gas day</i> and advise AEMO in writing. and i f: <ul style="list-style-type: none"> • no other condition for an <i>administered price period</i> is applicable.
Minor RoLR event	AEMO will declare an <i>administered price period</i> from the effective <i>gas day</i> of a <i>suspension notice</i> issued to a <i>Retailer</i> that results in a Minor RoLR event.	AEMO will declare the <i>administered price period</i> to be at an end from the start of the next <i>gas day</i> if: e ither: <ul style="list-style-type: none"> • 15 <i>business days</i> have elapsed from the effective <i>gas day</i> of a relevant <i>suspension notice</i> issued to a <i>Retailer</i>; or • all <i>RoLRs</i> in relation to the <i>Customers</i> of all <i>Exiting Retailers</i> agree an earlier <i>gas day</i> and advise AEMO in writing; and if <ul style="list-style-type: none"> • and no other condition for an <i>administered price period</i> is applicable.

Administered Pricing Cause	Declaration of commencement of <i>administered price period</i>	Declaration of ending of <i>administered price period</i>
Material curtailment	<p>AEMO will declare an <i>administered price period</i> from the effective time of a Curtailment Direction that AEMO determines will affect a material part of the <i>declared transmission system</i>, not being a direction that affects:</p> <ul style="list-style-type: none"> only a localised area; or only <i>Customers</i> in tables 0, 1A and 1B in the Gas Load Curtailment and Recovery Guidelines under the <i>gas emergency protocol</i> (section 56 of the <i>National Gas (Victoria) Act 2008</i>). 	<p>AEMO will declare the <i>administered price period</i> to be at an end when:</p> <ul style="list-style-type: none"> the relevant Curtailment Direction is revoked, or ceases to affect a material part of the <i>declared transmission system</i>; and no other condition for an <i>administered price period</i> is applicable
Inability to <i>publish market price</i> or a <i>pricing schedule</i> by the required time under Rule 222	<p>AEMO will declare an <i>administered price period</i> when it is not able to <i>publish</i> the <i>market price</i> or the <i>pricing schedule</i> as a result of failure of software or systems</p>	<p>AEMO will declare the <i>administered price period</i> to be at an end when AEMO, in its reasonable opinion, considers that:</p> <ul style="list-style-type: none"> it is able to once again determine <i>market price</i> and <i>pricing schedules</i> in accordance with the normal processes; and no other condition for an <i>administered price period</i> is applicable.
Exceeding cumulative price threshold	<p>The <i>administered price period</i> commences from the start of the <i>scheduling interval</i> in which a cumulative price is greater than or equal to the <i>cumulative price threshold</i> in accordance with these procedures.</p>	<p>AEMO will declare the <i>administered price period</i> to be at an end:</p> <ul style="list-style-type: none"> at the end of the <i>gas day</i> following the <i>gas day</i> on which the cumulative price falls below and remains below the <i>cumulative price threshold</i>; and provided no other condition for an <i>administered price period</i> is applicable.

With respect to an inability to *publish market price* or a *pricing schedule* by the required time under rule 222 of the NGR, AEMO will not declare an *administered price period* where the delay in publication is due to a very short temporary delay in publication by the *Market information bulletin board* as envisaged in Condition 5 of section 5.4 ‘Scheduling in abnormal conditions’ of the Wholesale Market Gas Scheduling Procedures; ~~or other communication systems that is restored in timely manner (for example, where the automatic process of transferring data to Market~~

~~information bulletin board for publication extends to the point that publication occurs shortly after the required time. In this case, the operator is unable to interrupt the automatic publication of the feasible pricing schedule).~~

4. NOTIFICATIONS RELATING TO ADMINISTERED PRICE PERIODS

4.1. Notification of commencement of an administered price period

AEMO will, without delay, notify all *Market Participants* of the occurrence of any of the events in clause 3 and of the commencement of an *administered price period*, specifying the events or causes that have triggered the *administered price period*.

4.2. Notification of conclusion of an administered price period

AEMO will, as soon as practicable, notify all *Market Participants* when the *administered price period* will conclude or has concluded, as relevant.

4.3. Additional reporting requirements during administered price periods

AEMO will *publish* on the *Market information bulletin board* a report providing the cumulative price which flags, by *scheduling interval* by *gas day*, when cumulative price is greater than or equal to the *cumulative price threshold*. The report for each *scheduling interval* will be triggered on approval of a current *gas day operating schedule* with a start time equal to the commencement of that *scheduling interval*. The report will be made available to the public by publication of the report on AEMO's website.

5. MARKET PRICE DURING AN ADMINISTERED PRICE PERIOD

- (a) AEMO will not retrospectively amend a *market price* by application of an *administered price cap* or declaration of commencement of an *administered price period* after ~~that the~~ publication times set out in NGR 215(3)(c) market price has been published.
- (b) Subject to paragraph (a), during an *administered price period*, the *market price* will be capped at the *administered price cap*.
- (c) Subject to paragraphs (a) and (b), following declaration of an *administered price period*, the actions that AEMO will take to determine the *market price* for the *scheduling horizon* during an *administered price period* are defined in the *gas scheduling procedures*.
- (d) Subject to paragraphs (a) and (b), where AEMO is unable to determine the *market price* on gas day D for schedule S by the use of *pricing schedules* produced by the Market Clearing Engine, then AEMO will apply a hierarchy of strategies to determine *market prices* subsequent to that declaration as follows:
 - (i) Strategy 1 - Through manual calculation based on *bids*, *scheduled injections* and *scheduled withdrawals* (including *demand forecasts*) for the applicable *gas day*.
 - (ii) Strategy 2 - The average of the market prices for the preceding 30 gas days at scheduling interval S as of the most recently published schedule.~~The average of the market~~As an average of the published market price for the preceding six months, taking into account the effect of:
 - ~~the seasons~~
 - ~~holidays~~

- ~~weekends~~
- ~~week days~~
- ~~historical pricing.~~

- (iii) Strategy 3 - As determined from:
- an estimate of the cost of gas
 - an estimate of the highest price gas in the *Market* (e.g. cost of LNG).
- (e) AEMO will notify Participants by an SWN using SMS in accordance with the *gas scheduling procedures* of the particular approach taken to determine *market prices* during the *administered price period*.

5.1. Pricing schedules during an administered price period

- (a) *Pricing schedules* provide information that is essential for determination of *ancillary payments* and uplift payments.
- (b) Subject to paragraph (a), following declaration of an *administered price period*, the actions that AEMO will take to determine the *pricing schedule* for the scheduling horizon during an *administered price period* are defined in the *gas scheduling procedures*.
- (c) Subject to paragraph (a), where AEMO is unable to determine the *pricing schedule* by the use of the Market Clearing Engine, then AEMO will apply the *scheduling instructions* issued to *Market Participants* as the *pricing schedule* quantities and the *bids* applied are to be those applied in the *operating schedule*.
- (d) AEMO must notify Participants by an SWN using SMS in accordance with the *gas scheduling procedures* of the particular approach applied to determine *pricing schedules* during the *administered price period*.

5.2. Determination of ancillary payments during an administered price period

- (a) During an *administered price period*, AEMO will determine the *market price* and *pricing schedule* in accordance with the *gas scheduling procedures*.
- (b) During an *administered price period*, *bid* step prices applied in determination of *ancillary payments* will be capped at the *administered price cap* in accordance with rule 224 of the NGR.

6. SCHEDULE

6.1. Deleted

6.2. Deleted

6.3. Marginal clearing prices

- (a) AEMO will determine the marginal clearing price for each *scheduling interval*.
- (b) Marginal clearing prices are determined for the *operating schedules* for the current *gas day* and prior *gas days* only. Marginal clearing prices are not determined for other *operating schedules*.

- (c) In the determination of a marginal clearing price:
- (i) The marginal clearing price is determined from the *bid* prices of *injection bid* steps scheduled in *operating schedules* and is not capped by application of the *administered price period*;
 - (ii) The marginal clearing price for the next *scheduling interval* is calculated prior to commencement of that *scheduling interval* and is determined from the LAOS’;
 - (iii) The marginal clearing price for the current and historical *scheduling intervals* is determined from the LAOS of those *scheduling intervals*; and
 - (iv) For the avoidance of doubt, AEMO may make changes to the *operating schedule* for the issue of a scheduling instruction in accordance with Rule 215(12) and the *gas scheduling procedures*, and where it does so, it will ensure that *operating schedules* are updated accordingly and that the resultant LAOS identifies the highest price *bid* steps scheduled such that these are taken into account in the determination of marginal clearing prices.
- (d) The marginal clearing price is the greater of the (current) *market price* value and the maximum *bid* step price of all controllable *injection bid* steps scheduled by the *operating schedule* amongst the set of *bids* which first equals or exceeds the total daily quantity scheduled by the *operating schedule* for that controllable injection. This is calculated as follows:
- (i) For *injection bids* only, determine the price of the *bid* step scheduled by the *operating schedule* for each *Market Participant’s* controllable injections at each *system injection point* where the sum of the quantity offered in that and all lower priced *bid* steps first equals or exceeds the cumulative daily *operating schedule* quantity for that controllable injection.
 - (ii) For each *Market Participant x* and pipeline point *p* and starting from $m(x, \text{point})=1$ (the lowest priced *bid* step) and increasing *m*, find the lowest value of $m(x, \text{point})$ for which:

$$\sum_{\text{step}=1, m(x, \text{point})} \text{BQi}_{(x, \text{point}, \text{step}, s, d)} \geq \text{Qi}^{\text{OS}}_{(x, \text{point}, s, d)}$$
 - (iii) For the avoidance of doubt, all steps in respect of the *operating schedule* must be included when determining *m*.
 - (iv) $\text{MCP}_{(d, s)} = \text{Max}_{(\text{over all } x, \text{point})} (\text{BPi}_{(x, \text{point}, m(x, \text{point}), s, d)}, \text{MP}_{(d, s)})$
 - (v) $\text{MCP}_{(d, s, \text{FAOS})} = \text{MCP}_{(s, d)}$ for LAOS’_(s, d)
 - (vi) $\text{MCP}_{(d, s, \text{LAOS})} = \text{MCP}_{(s, d)}$ for LAOS_(s, d)
 - (vii) The approach employed will use LAOS for all schedules prior to the next *scheduling interval*, and LAOS’ for the schedule with a start time equal to the commencement of the next *scheduling interval*.

6.4. Cumulative prices

The cumulative price for *scheduling intervals* up to and including schedule “s” on *gas day* “d” is the summation of the LAOS marginal clearing prices ($\text{MCP}_{(s, d, \text{LAOS})}$) over the previous (CPP-1) *scheduling intervals* plus the LAOS’ marginal clearing price ($\text{MCP}_{(s, d, \text{LAOS}')}$) for the next *scheduling interval* with a start time equal to the commencement time of the next *scheduling interval*:

$$\begin{aligned}
 CP_{(d,s)} = & \sum_{n'=5-S \text{ to } 5} MCP_{(n',d-N-1,LAOS)} && \text{Cumulative marginal clearing prices from the LAOS of each } \textit{scheduling interval} \text{ in the partial } \textit{gas day} \text{ commencing at the } \textit{scheduling interval} \text{ that is CPP-1 } \textit{scheduling intervals} \text{ from the next } \textit{scheduling interval}. \\
 & + \sum_{d'=d-N \text{ to } d-1} \sum_{n'=1 \text{ to } 5} MCP_{(n',d',LAOS)} && \text{Cumulative marginal clearing prices from the LAOS of all whole } \textit{gas days} \text{ between any partial } \textit{gas day} \text{ commencing at the } \textit{scheduling interval} \text{ that is CPP-1 } \textit{scheduling intervals} \text{ from the next } \textit{scheduling interval} \text{ and the current } \textit{gas day}. \\
 & + (\sum_{n=1 \text{ to } s-1} MCP_{(n,d,LAOS)}) && \text{Cumulative marginal clearing price from LAOS of previous } \textit{scheduling intervals} \text{ of current } \textit{gas day}, d = \text{current } \textit{gas day} \\
 & + MCP_{(s,d,LAOS)} && \text{Marginal clearing price from LAOS' with a schedule start time equal to the start of the next } \textit{scheduling interval}
 \end{aligned}$$

Where:

$$\begin{aligned}
 N = & \text{int}[(CPP-s)/5] && \text{Represents the number of whole } \textit{gas days} \text{ prior to the current } \textit{gas day} \text{ to be included in the cumulative price.} \\
 S = & CPP-s-5N && \text{Represents the number of } \textit{scheduling intervals} \text{ on the } \textit{gas day} \text{ prior to the first whole } \textit{gas day} \text{ to be included in the cumulative price.}
 \end{aligned}$$

For the avoidance of doubt, cumulative prices are determined from *operating schedules* without allowance for post event reduction of *ancillary payments*.

For the avoidance of doubt, whilst cumulative prices are not determined for day ahead or 2 day ahead *operating schedules*, the forecast *market price* for a day ahead or 2 day ahead *pricing schedule* may be capped by the *administered price cap* if the schedule is within an *administered price period*.

6.5. Commencement of an administered price period triggered by reaching or exceeding the cumulative price threshold

- (a) On solution of current *gas day operating schedules*, AEMO will determine marginal clearing prices and the resultant cumulative prices in accordance with these procedures.
- (b) AEMO will determine whether a cumulative price is greater than or equal to the *cumulative price threshold* prior to approval of any current *gas day operating schedule*, as follows:
 - (i) Where a cumulative price is first equal to or greater than the *cumulative price threshold*, AEMO will set an administered price flag with a start time equal to the schedule start time of that *operating schedule*, and end date-time equal to the end of the *gas day* following the current *gas day*, prior to approval of that *operating schedule*, and declare an *administered price period* commencing at the start time of that *operating schedule*.

- (ii) The *administered price period* will remain in force for as long as the cumulative price is greater than or equals the *cumulative price threshold*, and AEMO will continue to set the administered price flag before approving *operating schedules* covering an *administered price period*. AEMO will declare the end of the *administered price period* in accordance with these procedures.
- (c) For the avoidance of doubt, AEMO may approve multiple *operating schedules* in the lead up to the start time of an operating *scheduling interval* to optimise the outcomes (e.g. amending compressor commitments, amongst other things). The outcome of the latest approved *operating schedule* completed prior to the start of the *scheduling interval* is the schedule that is applicable in determination of cumulative prices, and on which a decision on triggering an *administered price period* is made. This may result in the expectation of triggering of an *administered price period* to commence at the start of the next *scheduling interval* which is subsequently revised prior to that start time.

Example: A schedule at 9:30am with start time 10:00am indicates that an *administered price period* should apply from 10:00am (e.g. cumulative price will exceed the *cumulative price threshold*). AEMO will set the administered price flag for that *scheduling horizon* prior to approval of the schedule. Then a further re-schedule at 9:40am with start time 10:00am indicates that an *administered price period* should not apply from 10:00am (e.g. cumulative price now will not, as a result of the re-schedule outcomes, exceed the *cumulative price threshold*). In this circumstance, AEMO will rescind the administered price flag prior to approval of the re-schedule with start time 10:00am and the *market price* will accordingly remain uncapped during that period.

- (d) The triggering of an *administered price period* by a cumulative price greater than or equal to the *cumulative price threshold* is initiated on approval of *operating schedules*. Therefore, if AEMO decides to apply an earlier *operating schedule* for a particular *scheduling interval* as the approved schedule for that period, AEMO will, where practicable, re-approve the earlier schedule rather than dis-approving later schedules.

Example: A schedule for start time of 10:00am is approved at 9:30am which does not trigger an *administered price period* starting at 10:00am, a re-schedule is approved at 9:40am for start time 10:00am which triggers an *administered price period* from 10:00am onwards, and then it is determined that the 09:40am schedule is sub-optimal to the 9:30am schedule. The 9:30am schedule should be re-approved for the 10:00am *scheduling horizon* (and the *administered price period* not initiated from 10:00am, in this example), rather than dis-approving the 9:40am schedule.

- (e) For the avoidance of doubt, a cumulative price that is greater than or equal to the *cumulative price threshold* creates a requirement for commencement of an *administered price period* in addition to other requirements for initiating an *administered price period* in accordance with the Rules and these procedures, including inability to *publish market price* or a *pricing schedule* by the required time or *Market* suspension, and a *RoLR* event.
- (f) Marginal clearing prices from day ahead and 2 day ahead schedules are not included in the determination of any cumulative price. However, if the start and end time of the day ahead or 2 day ahead schedule lies within the start and end time specified by the AEMO for an *administered price period*, then the resultant day ahead or 2 day ahead forecast *market prices* must be capped by the *administered price cap* where the start time falls within a period already flagged as an *administered price period*.

6.6. Conclusion of an administered price period initiated or continued by reaching or exceeding the cumulative price threshold

- (a) AEMO will declare an *administered price period* that was initiated or continued by a cumulative price greater than or equal to the *cumulative price threshold* to conclude in accordance with these procedures.

- (b) Where an *administered price period* has been initiated or continued by a cumulative price that is greater than or equal to the *cumulative price threshold*, the conditions which must all be satisfied for conclusion of the *administered price period* are as follows:
- (i) No other cause for an *administered price period* is current (e.g. inability to *publish* the *market price* or *pricing schedule* by the required time, *Market suspension*, or *RoLR event*).
 - (ii) AEMO has declared the administered pricing period to be concluded.
 - (iii) The cumulative price is expected to be less than the *cumulative price threshold* in the next *scheduling interval* of that *gas day*.
 - (iv) The cumulative price remains less than the *cumulative price threshold* for an entire *gas day* following the *gas day* on which the cumulative price falls below and remains below the *cumulative price threshold*. For the avoidance of doubt, where cumulative price is below the *cumulative price threshold* for the first *scheduling interval* on a *gas day*, for conclusion of the *administered price period*, the cumulative price must remain below the *cumulative price threshold* for all subsequent *scheduling intervals* on that *gas day* and the entire *gas day* following.

Examples:

If the cumulative price in the LAOS for *scheduling interval 3* of *gas day 1* fell below the *cumulative price threshold*, and remains below it in the LAOS for *scheduling intervals 4* and *5* on *gas day 1* and all five *scheduling intervals* on *gas day 2*, then the *administered price period* can end at the end of *gas day 2*.

If the cumulative price in the LAOS for *scheduling interval 1* of *gas day 1* fell below *cumulative price threshold*, and remains below it in the LAOS for *scheduling intervals 2* to *5* on *gas day 1* and all five *scheduling intervals* on *gas day 2*, then the *administered price period* can end at the end of *gas day 2*.

If the cumulative price fell below *cumulative price threshold* in the LAOS schedule *5* of *gas day 1*, and remains below *cumulative price threshold* in the LAOS for all *5 scheduling intervals* on *gas day 2*, then the *administered price period* can end at the end of *gas day 2*.

If the cumulative price in the LAOS for *scheduling interval 3* of *gas day 1* fell below the *cumulative price threshold*, and remains below it in the LAOS for *scheduling intervals 4* and *5* on *gas day 1* but exceeds the *cumulative price threshold* on any current *gas day scheduling interval* during *gas day 2*, then the *administered price period* is continued to at least the end of *gas day 3*.