

PROPOSED PROCEDURE CHANGE (PPC)

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Affected Gas Market(s)	<ul style="list-style-type: none">Capacity Trading and Auction	Date proposal sent to AEMO	Tuesday, 1 June 2021
Short Issue Title	Changes to section 24.2(b) in the Capacity Trading and Auction Procedure		

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VERSION #	PRESENTED TO	DATE
1.0	GWCF	24 June 2021



1. DESCRIPTION OF ISSUE

The procedures governing the Capacity Trading and Auction market have been identified to require changes to allow more data to be published through public reports that currently have restrictions.

AEMO has therefore amended the Capacity Trading and Auction Procedures (CTAP) to improve transparency to Day Ahead Auction (DAA) participants when making decisions.

This consultation intends to consult of this change under section 24.2(b) and as well as some administrative and grammatical changes (that are within the changes however AEMO expects these are not contentious).

AEMO presented the changes to section 24.2(b) at the Gas Wholesale Consultative Forum (GWCF) at the 24 June 2021 meeting¹ where no participant raised any objections to the proposal. Additionally, AEMO is seeking to canvas these changes more broadly across the Capacity Trading and Day Ahead Auction participants to determine support for these changes.

2. REFERENCE DOCUMENTATION

- Capacity Transfer and Auction Procedures

3. OVERVIEW OF CHANGES

Section 24.2(b) of the CTAP outlines the information that AEMO has chosen to restrict, however on review of these restrictions, AEMO has decided that these restrictions should be relaxed to improve market information transparency. Currently the restrictions impact two published public reports, the Auction Quantity Limit (AQL) report and the Product Component Price and Volume Report as well as information that is displayed in the market portal bidding application.

The AQL for each product component is published each gas day. As per rule 657(3), AEMO may restrict information that is published and specify this in the CTAP. AEMO's view is that the CTAP is unnecessarily restricting information that is resulting in reduced transparency for the DAA. To the extent that the auction results show aggregated information to a restricted product component it does not reflect a nomination by a Gas-fired Power Generating (GPG) unit.

NEM participants are informing their decisions based on factors, such as pre-dispatch price signals. In the unlikely case that a GPG nomination could be determined, AEMO considers that this information would not be an input into the decision-making of a NEM participant.

The other minor changes in this consultation for the CTAP are clarification of the requirements for consulting on the transportation facility register, removal of the Schedule 1 Gas Day Harmonisation timetable (now obsolete), some grammatical edits and updating the document template.

3.1. Changes to Section 24.2(b) of the CTAP

3.1.1. Publication of AQL data

AEMO's view is that the AQL data is not benefitting NEM participants. However, by restricting this information it is reducing transparency in the DAA unnecessarily. AEMO is proposing that changes are made to the existing restriction to publish all AQL data, except for the GPG service points and zones with only one GPG service point. These changes will continue to uphold the intent of these original restrictions, which is that participants cannot identify a GPG nomination from the published data.

¹ See DRAFT minutes issued on 1 July 2021 via email



3.1.2. Publication of auction results

As above, AEMO upholds that there will not be any changes to the ability for participants to determine the GPG nomination data, nor will any data link to GPG units. It will still not be possible to identify who the winners of the capacity were or if any capacity was used. This is important as the published data is not an indicator of GPG nomination data.

4. LIKELY IMPLEMENTATION REQUIREMENTS AND EFFECTS

AEMO will need to make some minor changes to reporting to implement these changes. AEMO does not believe there are any system or testing impacts for participants.

5. IMPACT OF ISSUE NOT PROCEEDING

AEMO’s reporting will not be as transparent than it could otherwise be, should the above initiatives not proceed.

6. OVERALL COST, BENEFITS AND MAGNITUDE OF THE CHANGES

The proposed changes will lead to enhanced efficiency for the Capacity Trading and Auction markets by ensuring that:

- More data is published daily.
- Reports that had restrictions on them are limited to only data that is linked to nomination data and identifying GPG units.
- The intent of data restrictions is upheld as limitation remain in place.
- These markets are more transparent and therefore encourage more participation.

AEMO does not believe there will be any costs due to this proposal. As such, AEMO believes that magnitude of these changes are non-material.

7. CONSISTENCY WITH NATION GAS RULES (NGR) AND NATIONAL GAS OBJECTIVE (NGO)

AEMO’s preliminary assessment of the proposal’s consistency with the NGR and NGO is:

Consistency with National Gas Law (NGL) and NGR	AEMO’s view is that the proposed change is consistent with the NGL and NGR. No participant raised any objections to the proposal in feedback to the 24 June 2021 GWCF. Participants will be given an additional opportunity to inform AEMO if they believe there is any such inconsistency as part of this PPC consultation.
National Gas Objective	As outlined in Section 6, it is AEMO's view that this change would improve efficiency in reporting and therefore facilitate efficient operation of the Capacity Trading and Auction markets.

8. SUPPORTING DOCUMENTATION

Please see Attachment A for these change-marked Capacity Trading and Auction Procedures.



9. PROPOSED TIMELINES

Subject to all necessary approvals, AEMO proposes the following timeframe:

- PPC issued 16 August 2021
- Responses to PPC due 10 September 2021
- IIR issued 6 October 2021
- Responses to IIR due 3 November 2021
- AEMO Decision on changes 26 November 2021

If changes approved, effective date of 6 December 2021



ATTACHMENT A – MARKED UP DOCUMENTATION CHANGES (SEE SECTION 3)

See proposed marked up changes to CTAP published separately on the AEMO consultation webpage.