



# NOTICE OF DETERMINATION

## **Notice to all Registered Participants (Participants) under the National Gas Rules (NGR)**

This notice advises all Participants and other interested stakeholders on AEMO's decision to amend the:

Gas Supply Hub Exchange Agreement

The changes to Gas Supply Hub Exchange Agreement seek to:

- Implement the ability for Trading Restrictions between related entities on the Gas Supply Hub as outlined in the Appendices

Consultation on changes to the Gas Supply Hub Exchange Agreement concluded on 26 April 2021. AEMO received no submissions in response to the IIR.

The changes will be incorporated in version 15 of the Gas Supply Hub Exchange Agreement. As required by the Gas Supply Hub Exchange Agreement clause 3.3(d) (iv), AEMO informs Participants that version 15 of the Gas Supply Hub Exchange Agreement will be effective from 27 May 2021.

The Gas Supply Hub End of Day Benchmark Price Methodology will also be updated to incorporate changes to allow Trading Restrictions between related entities.

The changes will be incorporated in version 4 of the Gas Supply Hub End of Day Benchmark Price Methodology which will be effective from 27 May 2021.

Notice Date: 29 April 2021



## APPENDIX A – GAS SUPPLY HUB EXCHANGE AGREEMENT CHANGE

Blue represents additions ~~Red~~ and ~~strikeout~~ represents deletions – Marked up changes.

### 6.6 Restricted Trading

- (a) Trading Participants may at any time apply to the Operator to restrict trading between themselves in the Trading System to ensure that Bids and Offers of the Trading Participants are not matched (**restricted trading**).
- (b) To be eligible for restricted trading between Trading Participants, all the Trading Participants must be **Related Trading Participants**.
- (c) If:
  - (i) a Trading Participant is a subsidiary of another Trading Participant; or
  - (ii) a Trading Participant is a subsidiary of a holding company of another Trading Participant, the Trading Participants are **Related Trading Participants**.
- (d) A **holding company**, in relation to a Trading Participant, means a body corporate of which the Trading Participant is a subsidiary.
- (e) A Trading Participant is a **subsidiary** of a holding company or another Trading Participant (the second Trading Participant) if:
  - (i) the holding company or second Trading Participant:
    - (A) is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the Trading Participant; or
    - (B) holds more than one-half of the issued share capital of the Trading Participant (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
  - (iii) the Trading Participant is a subsidiary of a subsidiary of the holding company or the second Trading Participant (subclause (e)(i) above applying *mutatis mutandis* in determining if the Trading Participant is a subsidiary of a subsidiary or if the subsidiary is a subsidiary of the holding company or the second Trading Participant)
- (f) Trading Participants that wish to apply for restricted trading between themselves in the Trading System must submit an application to the Operator in the form and contain the information specified by the Operator.
- (e) The Operator may, within 5 Business Days of receiving an application, ask the applicants 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 the Operator's satisfaction. If the applicants do not provide further information or clarification to the Operator's satisfaction within 15 Business Days of the request, then the application lapses.

- (f) The Operator must accept or refuse an application for restricted trading within 15 Business Days of receipt of the application or, if later, receipt of any additional information or clarification requested under paragraph (e).
- (g) If the Operator is satisfied that an application is complete and the Trading Participants are eligible for restricted trading, then the Operator must accept the application and notify the Trading Participant and the operator must engage the restricted trading functionality in the Trading System between the Trading Participants in the application from the date specified by the Operator in the notice to the Trading Participants.
- (h) If the Operator is not satisfied that Trading Participants are eligible for restricted trading, then the Operator must refuse the application.
- (i) If the Operator refuses an application for restricted trading, then it must give the applicants written reasons for the refusal.
- (j) Trading Participants that are subject to restricted trading between themselves in the Trading System must notify the Operator immediately if they are no longer Related Trading Participants.
- (k) The Operator will cease restricted trading in the Trading System between Trading Participants as soon as possible after being notified by Trading Participants under subclause 6.6(j) or if AEMO otherwise becomes aware that the Trading Participants are no longer Related Trading Participants.
- (l) Trading Participants that are subject to restricted trading between themselves in the Trading System represent and acknowledge that the Operator has not given to them any advice, representation, assurance or guarantee as to compliance with any laws including but not limited to the National Gas Rules and the Competition and Consumer Act 2010 (Cth) as a result of the Operator granting or facilitating restricted trading.

### 13.1.2 When Orders match

.....

- (h) both the Bid and Offer are submitted by Trading Participants that are not subject to restricted trading between themselves in accordance with clause 6.6 at the time of submitting the Bid and Offer.



## APPENDIX B - BENCHMARK PRICE METHODOLOGY CHANGE

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

### GAS SUPPLY HUB - END OF DAY BENCHMARK PRICE METHODOLOGY

...

#### Step 2

The EOD Benchmark Price for a day for a Location for the Applicable Product will be the EOD Benchmark

Price published for the previous day for that Location, unless:

(a) there is an open Bid price at the end of the trading day on the day for the Location for the Applicable Product that is higher than the EOD Benchmark Price published for the previous day for that Location, **in which case the highest priced bid will determined the Price**; or

(b) there is an open Offer price at the end of the trading day on the day for the Location for the Applicable Product that is lower than the EOD Benchmark Price published for the previous day for that Location, **in which case the lowest priced offer will determined the Price**.

...

#### Methodology Conditions

(a) Only Transactions, Bids and Offers on the Exchange Trayport trading screen will be included in the determination of an EOD Benchmark Price.

(b) Pre-matched Trades will not be included in the determination of an EOD Benchmark Price.

(c) Conditional Bids or Offers (i.e. All or None) will not be included in the determination of an EOD Benchmark Price under Step 2. **If a Bid and Offer are submitted by *Related Trading Participants*, and Step 2 (a) and (b) are satisfied, then AEMO may not include that Bid and Offer in the determination of an EOD Benchmark Price under Step 2.**

(d) Only Bids or Offers for at least 5TJ/day will be included in the determination of an EOD Benchmark Price under Step 2.

(e) Only Bids or Offers that are open and displayed on the Exchange Trayport trading screen for at least 5 continuous minutes will be included in the determination of an EOD Benchmark Price under Step 2.

(f) The volume weighted average price per Unit under Step 1 will be calculated to two decimal places.

(g) Where there has never been a Transaction, Bid or Offer for the Applicable Product for a Location, the initial default EOD Benchmark Price for the Applicable Product for that Location will be \$5/GJ.