Wholesale Market Distribution Operation Procedures (Victoria)

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Approved for distribution and use by:

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Current version release details

Version	Effective date	Summary of changes
1.0	1 May 2024	AEMO is making this Wholesale Market Procedure to account for the AEMC's "DWGM distribution connected facilities" and "Review into extending the regulatory frameworks to hydrogen and renewable gases" rule changes. AEMO is making this Procedure that will incorporate the new: (a) Wholesale Market Distribution Operational Coordination Procedures. (b) Wholesale Market Net Bidding Facility Procedures.

1. Introduction

1.1. Purpose

These are the Wholesale Market Distribution Procedures (Victoria) (**Procedures**) made in accordance with section 91BL of the National Gas Law (NGL) and the National Gas Rules (NGR). These Procedures include:

(a) Wholesale Market Distribution Operational Coordination Procedures required by rule 317A of the NGR.

  (i) provides for arrangements to be made between AEMO and Distributors to share data and information to manage distribution connected facilities operations and their integration into the market.

(b) Wholesale Market Net Bidding Facility Procedures required by rule 204B of the NGR.

  (i) provides a framework to allow facilities to request to be classified as a net bidding facility, and for AEMO to assess and approve these requests.

The NGL and the NGR prevail over these Procedures to the extent of any inconsistency.

These Procedures may only be amended in accordance with Part 15B of the NGR.

1.2. Application

These Procedures apply to AEMO and each person to whom they are expressed to apply.

1.3. Legal and regulatory framework

These Procedures have been made under clause 91BL of the National Gas Law.

AEMO is required by the Rules to have the following Procedures:

(a) Wholesale Market Distribution Operational Coordination Procedures required by rule 317A of the NGR.

(b) Wholesale Market Net Bidding Facility Procedures required by rule 204B of the NGR.

1.4. Definitions and interpretation

1.4.1. Glossary

Terms defined in the NGL and the NGR have the same meanings in these Procedures unless otherwise specified in this clause.

Terms defined in the NGL and NGR are intended to be identified in these Procedures by italicising them, but failure to italicise a defined term does not affect its meaning.

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

Table 1 Glossary of terms

Term	Definition
DDS	*declared distribution system* as defined in Part 19 of the Rules. [Note only declared distribution systems that are directly connected to the DTS are covered by Part 19]
DTS	*declared transmission system*
Schedule	An operating schedule.

1.4.2. 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 National Gas Law.

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

(c) *Market prices* are determined to four decimal places and *gas* is *scheduled* in integer gigajoule terms to the whole gigajoule.

1.5. Related documents

The following documents support these Procedures.

Table 2 Related Wholesale Market Procedures

Reference	Title	Location
Gas Quality Monitoring Procedures	Wholesale Market Gas Quality Monitoring Procedures (Victoria)	https://www.aemo.com.au/energy-systems/gas/declared-wholesale-gas-market-dwgm/procedures-policies-and-guides
Maintenance Planning Procedure	Wholesale Market Maintenance Planning Procedures (Victoria)	
Management Procedures	Wholesale Market Management Procedures (Victoria)	
Metering Procedures	Wholesale Market Metering Procedures (Victoria)	
Market Operations Procedures	Wholesale Market Operations Procedures (Victoria)	
Settlement Procedures	Wholesale Market Settlement Procedures (Victoria)	
System Security Procedures	Wholesale Market System Security Procedures (Victoria)	

2. Distribution Operational Coordination Procedures

2.1. Purpose

These are the Wholesale Market Distribution Operational Coordination Procedures (Victoria) (**Procedures**) made in accordance with section 91BL of the National Gas Law (NGL) and Rule 317A of the National Gas Rules (NGR).

2.2. Review of Distribution Constraint Methodology

AEMO is required, under rule 317A(1)(a), to have a Procedure that provides for the submission, assessment, acceptance and review of methodologies for determining distribution supply or demand point constraints applicable at *DDS injection points* and *market withdrawal points* on the *declared distribution system* in accordance with rule 317B.

2.2.1. Submission of DDS constraint methodology by the Distributor

A *Distributor* must submit a proposed *DDS constraint methodology* to AEMO by emailing AEMO's Support Hub:

(a) the proposed *DDS constraint methodology*;

(b) details of the distribution connected injection facility(s) to which the proposed *DDS constraint methodology* will be applied;

(c) contact details of the *Distributor* who will answer any queries on the submission;

(d) the proposed date from which the *Distributor* requests the proposed *DDS constraint methodology* will be effective, which must be a future date; and

(e) specify which parts of the proposed *DDS constraint methodology* are confidential.

2.2.2. AEMO's assessment of a proposed DDS constraint methodology

(a) AEMO will assess a proposed *DDS constraint methodology* following the process outlined in this section 2.2.2.

(b) AEMO's criteria for accepting a proposed *DDS constraint methodology* is to ensure the methodology:

(i) meets the requirements of the Rules;

(ii) meets the requirements of the *gas scheduling procedures*;

(iii) defines how constraints will be objectively set, using defined input parameters that result in a calculable and repeatable constraint outcome;

(iv) requires a minimum hourly quantity, for each hour of the gas day, for a *distribution connected facility* of 0 GJ/hr;

(v) includes a process for how two or more *distribution connected facilities* share the DDS injection capacity.

(vi) includes the following input factors, at a minimum, to calculate a maximum hourly quantity constraints:

(A) the nameplate rating of the *distribution connected facility* as agreed between the *Distributor* and the *distribution connected facility operator*;

(B) the methodology for determining the injection rate of the *distribution connected facility* for the current and future gas day as agreed between the *Distributor* and *distribution connected facility operator*;

(C) demand forecast for the CTM(s) supplying the *DDS* to which the *distribution connected facility* is connected;

(D) the *distribution connected facility operator's* facility constraint, related to their facility operation (e.g. maintenance), are incorporated into the *DTS constraint methodology* for submission to AEMO as a *distribution supply and demand point constraint*.

(vii) detail how the *flow rate* from a *transfer point* from the *DTS* to *DDS*, or other suitable *connection point,* will be used to control *distribution connected facility* flows; and

(viii) maintains the *gas quality specifications* required for gas injected at a *DDS injection point*.

(c) AEMO may request additional information from the *Distributor* to support its assessment of the *DDS constraint methodology*.

(d) AEMO may decline to accept a proposed *DDS constraint methodology* in accordance with rule 317B(4) of the NGR.

2.2.3. Publication of approved DDS constraint methodology

AEMO must notify the *Distributor* in writing as soon as reasonably practicable after receiving the proposed *DDS constraint methodology* being submitted or on receiving all additional information requested by AEMO, whichever is the later, that AEMO:

(a) declines to accept the proposed *DDS constraint methodology* and provide the reasons for AEMO's decision; or

(b) accepts the *DDS constraint methodology*.

If AEMO accepts a proposed *DDS constraint methodology*, the effective date of the *DDS constraint methodology*, which must be a future date, will be the date this is agreed between AEMO and the *Distributor*.

If AEMO does not accept a proposed *DDS constraint methodology*, AEMO will notify the Distributor in writing, and the Distributor must submit a new *DDS constraint methodology* to AEMO within 20 *business days* after AEMO's notice or by such other date as agreed with AEMO.

The *Distributor* must publish the accepted *DDS constraint methodology* including the effective date agreed in section 2.2.2(g) on its website within 5 business days after notice of AEMO's acceptance.

The *Distributor* must notify all connected (or intending to connect) *distribution injection facility operators* and AEMO of publication on its website as soon as practicable after the *Distributor* has published the accepted *DDS constraint methodology*.

2.2.4. AEMO's periodic review of DDS constraint methodology

The following are a list of triggers which will require a *DDS constraint methodology* to be reviewed.

(a) A *Distributor* must review its *DDS constraint methodology* and submit a revised *DDS constraint methodology* to AEMO if there is a material change in the NGR, these Procedures or the *gas scheduling procedures* that affects the operation of the *DDS constraint methodology*.

(b) A *Market Participant* accredited (or proposing to be accredited) at a *DDS injection point* may request AEMO to review the *DDS constraint methodology* for the distribution system applicable to that *DDS injection point*.

(c) A d*istribution connected facility operator* (or intending operator) connected to a DDS may request AEMO to review the *DDS constraint methodology* for that distribution system.

(d) If AEMO determines at any time that, including as a result of a request for review, the *DDS constraint methodology* does not satisfy the requirements of the NGR, Gas Scheduling Procedures and criteria outlined in section 2.2.2 2.2.2

  (i) AEMO may request the *Distributor* to review the *DDS constraint methodology* and submit a revised *DDS constraint methodology* to AEMO that satisfies the requirements of the NGR, Gas Scheduling Procedures and criteria in section 2.2.2 within the time specified by AEMO; and

  (ii) the *Distributor* must review its *DDS constraint methodology* and submit a revised *DDS constraint methodology* to AEMO within the time specified by AEMO and AEMO will assess the revised *DDS constraint methodology* in accordance with these Procedures.

A request to AEMO to initiate a review of a *DDS constraint methodology* must be sent to AEMO by email to AEMO's Support Hub and specify:

(a) The proposed change to the *DDS constraint methodology* required to satisfy the requirements of the NGR, Gas Scheduling Procedures and criteria in section 2.2.2;

(b) How the proposed change to the *DDS constraint methodology* satisfies the requirements of the NGR, Gas Scheduling Procedures and criteria in section 2.2.2.

If in AEMO's reasonable opinion, a request to review a *DDS constraint methodology* is not appropriate or required then AEMO will notify the person requesting the review.

If in AEMO's reasonable opinion, a request to review a *DDS constraint methodology* is required then AEMO will notify the *Distributor* and the party that requested the review.

The *Distributor* must review and submit a new proposed *DDS constraint methodology* to AEMO within 20 business days of notice from AEMO or by such other date as agreed with the AEMO.

The new proposed *DDS constraint methodology* will be assessed by AEMO in accordance with section 2.2.2.

2.3. Provision of information

AEMO is required, under rule 317A(1)(b) and (c), to have a Procedure that provides for arrangements for *Distributors* to provide information to AEMO and AEMO to provide information to *Distributors*.

2.3.1. Provision of information from AEMO to *Distributors*

AEMO will provide information to *Distributors* under these Procedures in accordance with the *electronic communication procedures*.

AEMO will publish reports to the Market Information Bulletin Board (MIBB) which detail:

(a) AEMO's demand forecast at each CTM, or group of CTMs, supplying a DDS.

  (i) AEMO's demand forecast will exclude any controllable withdrawals or gas generators from its demand forecasts for a CTM supplying a DDS.

  (ii) The purpose of this information will be to inform *Distributors* of AEMO's forecast of gas demand at the DTS CTM supplying each distribution network.

  (iii) This information is *confidential information*.

(b) AEMO will provide gas quality information to each *Distributor* for each DTS CTM supplying the *Distributor*'s DDS for up to the last two hours.

  (i) The purpose of this information will be to inform *Distributors* operational decisions concerning gas composition from the DTS. This will inform *Distributors* gas quality monitoring downstream of the DTS connection point(s).

  (ii) This information is publicly available for each *market injection point* for up to the previous two hours of the day. AEMO also publicly publishes a daily average of the gas composition for each heating value zone each Sunday for the previous 60 days.

(c) AEMO may provide distribution connected injection facility scheduled quantities to *Distributors* and *distribution connected facility operators* at each scheduling interval.

  (i) The purpose of this information will be to inform *Distributors* operational decisions in terms of constraints that may need to be enacted.

  (ii) AEMO will publish to the MIBB injection and/or withdrawal quantities after the operating schedule to which the injection and/or withdrawal quantities relate is approved.

  (iii) This information is *confidential information* and must not be disclosed by *Distributors* until after the day to which the schedule applies. For the avoidance of

doubt, current day D, forecast D+1 and D+2 schedule outcomes for gas day D cannot be disclosed by *Distributors* until after the end of gas day D.

2.3.2. Provision of information from Distributors to AEMO

(a) The *distribution supply and demand point constraints* determined by the *distribution constraint methodology* are to be submitted by the Distributor to meet the following requirements:

(i) Submission requirements for *distribution supply and demand point constraints* are:

(A) A Distributor may submit a *distribution supply and demand point constraint* to AEMO up to the bid submission time leading into each *scheduling interval* which will be used by AEMO in the *scheduling interval*.

(B) A Distributor may request AEMO enter an updated *distribution supply and demand point constraint* into *market* systems that will cause a change of more than 5 TJ/d to the current gas day's schedule, after the bid submission time and before the schedule publish time, by contacting the AEMO Victorian Gas Control Room.

(C) AEMO will notify *Market Participants* of changes to *distribution supply and demand point constraints* applied by AEMO at request of the *Distributor*, via an SWN, if the constraint will cause a change of more than 5 TJ/d to the gas day's schedule.

(ii) *distribution supply and demand point constraints* for a *distribution connected facility* must be submitted for each gas day as an hourly value;

(iii) updated *distribution supply and demand point constraints* for a *distribution connected facility* for each future hour of a gas day; and

(iv) if no *distribution supply and demand point constraints* for a *distribution connected facility* is submitted for a gas day then *market injection point* and/or *market withdrawal point* will be scheduled as per the injection bids from *Market Participants* submitted to AEMO.

(b) *Distributors* must provide to AEMO all the data required by the:

(i) Wholesale Market Metering Procedure setting out the metering requirements for DTS connection points, *market injection points* and *market withdrawal points* in the DTS and DDS as *settlement metering points*, this includes:

(A) section 3.4.1(e)(i) requires the *Distributor* to provide any sampling data showing that the gas composition and heating value is different to the values published by AEMO.

(B) section 3.4.2(a)(ii) requires the *Distributor* to calculate, if requested by AEMO, the heating value and composition from a blend of gas supply sources (e.g. in a meshed DDS network with multiple supply points).

(C) section 3.4.2(b) requires the *Distributor* to provide data to support the operation of AEMO's heating value allocation model.

(ii) Wholesale Market Gas Quality Monitoring Procedure setting out the communication requirements for g*as quality monitoring systems* to provide data to AEMO for *DDS injection points* and *DDS transfer monitoring points*.

(iii) Wholesale Market Net Bidding Procedures setting out how *market injection points* and *market withdrawal points* will be used to meet AEMO's requirements for a *net bidding facility*.

3. Net Bidding Facility Procedures

3.1. Purpose

These are the Wholesale Market Net Bidding Facility Procedures (Victoria) (**Procedures**) made in accordance with section 91BL of the National Gas Law (NGL) and Rule 204B of the National Gas Rules (NGR).

If a facility is classified as a *net bidding facility* under these Procedures, this will result in a *metering* configuration change to allow for net injection. The facility's registration within the *Market* remains otherwise unchanged.

3.2. Scope

These *net bidding facility procedures* govern:

(a) the criteria for classification as a *net bidding facility*;

(b) the classification process, including the information to be provided and time frames;

(c) proposals for alternative *metering* configurations for a *net bidding facility* under rule 290A;

(d) cessation of classification as a net bidding facility; and

(e) any other matters contemplated for inclusion in the net bidding facility procedures by Part 19 of the Rules.

3.3. Criteria for classification as a net bidding facility

The criteria for AEMO to classify a *facility* as a *net bidding facility* are:

(a) a *DTS* connected *blend processing facility* or *distribution connected facility* (operating as a *blend processing facility*) are the only DWGM facility types that can be classified as a *net bidding facility*.

(b) a *blend processing facility* withdraws gas from the *Market*, blends it with a *primary gas* produced at the facility and then at the same time reinjects the *gas blend* into the *Market*.

(c) a *blend processing facility* may store a *primary gas* for the purpose of injection into the *Market* but may not store or consume gas withdrawn via the *market withdrawal point.*

(i) Appropriate engineering documentation must be provided as part of the *net bidding facility* application, that shows the facility operation meets this requirement.

(ii) If the physical operation of the facility is proposed to change, then the facility operator must provide AEMO with updated engineering documentation at least 20 business days before undertaking works to alter the *net bidding facility*.

(d) a *net bidding facility* must be scheduled to net inject (and be allocated) a value greater than or equal to 0 GJ/h for each hour of operation during a *gas day*.

(i) The facility will only ever be attributed a value of zero or more when the *market injection point* quantity minus the *market withdrawal point* quantity is used to determine the *settlement metering point* quantity.

3.4. Requesting classification as a net bidding facility

(a) An application under rule 204B for classification of a facility under Part 19 of the Rules as a *net bidding facility* (net bidding facility application) must be submitted in writing to AEMO's Support Hub from the facility operator, who must be a *Registered participant*, with the following:

(i) The name of the facility operator;

(ii) The maximum hourly quantity that can be injected by the facility;

(iii) The maximum hourly quantity that can be withdrawn by the facility;

(iv) The maximum hourly net injection quantity that can be injected by the facility;

(v) The name and address of the facility;

(A) Contact details of the facility operator's control room and support staff that can be contacted 24 hours a day, 7 days a week including telephone numbers and email addresses;

(vi) The meter(s) that are connected to the intending *net bidding facility* including the *market injection point*, *market withdrawal point* and any other *connection points*;

(vii) Details of the facility operation;

(viii) The proposed alternate *metering* configuration location that would meet the requirements of section 3.5(b);

(ix) Evidence that any issues identified in a previous *net bidding facility* application or that resulted in the cessation of a *net bidding facility* classification for the facility under section 3.9, having been resolved; and

(x) Appropriate engineering documentation that shows the facility operation meets the criteria in section 3.3(c).

(b) A net bidding facility application must be signed by an authorised representative of the *Registered participant* for the facility.

(c) AEMO may request further information from the applicant if reasonably required by AEMO to assess if the facility satisfies the criteria for classification as a *net bidding facility.*

(d) The applicant for classification of a facility as a *net bidding facility* must provide any further information reasonably requested by AEMO as soon as practicable after AEMO's request.

(e) AEMO will notify the application if the facility is classified as a *net bidding facility* as soon as practicable after receipt of the *net bidding facility* application and the further information requested, whichever is the later.

3.5. Metering configuration for a net bidding facility

(a) Unless AEMO approves an alternative *metering* configuration, a *net bidding facility* must have the following *metering* configuration registered with AEMO:

(i) a *market injection point* that must be registered with AEMO as a *metering installation*.

(ii) a *market withdrawal point* that must be registered with AEMO as a *metering installation*.

(iii) a *settlement metering point*, as a calculated *meter*, which represents the *market injection point* (in (a)(i)) minus the *market withdrawal point* (in (a)(ii)). This *meter* will be used to:

(A) calculate the *net injection quantity* for the *net bidding facility*;

(B) if a *net injected quantity* is negative this value will be treated as zero by AEMO as per rule 204C(4)(a) by assigning the negative value to the *settlement metering point* in (a)(iv).

(C) accredit *Market Participants* to inject gas as if the *meter* is a *market injection point* as required by the *accreditation procedures*;

(D) submit *injection bids* to the *Market* for this *meter*; and

(E) act as a *settlement metering point*.

(iv) a *settlement metering point*, as a calculated *metering point*, for the assignment of any negative *net injected quantity* assigned to a *Market Participant*.

Example 1: Positive net injection quantity

A net bidding facility's metering configuration for a positive net injection quantity may have:

1. A injection meter (meter A – set in section 3.5(a)(i)) injects 120 TJ.

2. A withdrawal meter (meter B – set in section 3.5(a)(ii)) 100 TJ.

3. A net injection calculated meter (meter C – set in section 3.5(a)(iii)) the 20 TJ (e.g. meter A – meter B = meter C) of positive net injection quantity.

4. A withdrawal calculated meter (meter D - set in section 3.5(a)(iv)) the 0 TJ of negative net injection quantity.

Quantities attributed to meter C must be allocated by the Allocation Agent via the allocation agreement to Market Participant(s). Meter D quantities will be allocated to the responsible Market Participant.

Example 2: Negative net injection quantity

A net bidding facility's metering configuration for a negative net injection quantity may have:

1. A injection meter installation (meter A – set in section 3.5(a)(i)) injects 90 TJ.

2. A withdrawal meter installation (meter B – set in section 3.5(a)(ii)) 100 TJ.

3. A net injection calculated meter (meter C – set in section 3.5(a)(iii)) the 0 TJ of positive net injection quantity.

4. A withdrawal calculated meter (meter D - set in section 3.5(a)(iv)) for the assignment of any negative net injected quantity of 10 TJ (e.g. meter A – meter B = meter D).

Quantities attributed to meter C must be allocated by the Allocation Agent via the allocation agreement to Market Participant(s). Meter D quantities will be allocated to the responsible Market Participant.

Note: This outcome would trigger the process outlined in section 3.9.

(b) A proposal for an alternative *metering* configuration location may be included in a *net bidding facility* application.

(i) For the purpose of rule 290A(1)(b), AEMO may approve the location of the deemed *market injection point* for the *net bidding facility* that is located at, or in AEMO's reasonable opinion, near the physical location of the facility's *DDS injection point*.

(ii) AEMO will approve or not approve the proposal as part of the *net bidding facility* application process.

(iii) If AEMO does not approve the proposed alternative *metering* configuration location, AEMO will provide its reasons.

3.6. Hourly data

The *responsible person* for a *metering installation* and the *allocation agent* for a *net bidding facility* must provide data to AEMO in compliance with the *metering communication procedures* for each hour of the *gas day*. This hourly data is used by *Market* systems to determine the *settlements* quantity for each *scheduling interval*.

AEMO's assessment, under these Procedures, of a negative *net injection quantity* will be performed on the basis of hourly data.

3.7. Market Participants to include negative net injected quantities in demand forecasts

Market Participants may update their *demand forecasts* for the future hours of the *gas day* in which a negative *net injected quantity* may occur, as allowed by rule 204C(4)(b). A *Market*

Participant may provide an updated *demand forecast* for future hours of the *gas day* by the bid submission time for use in the next *operating schedule*.

Any *net injected quantity* that has occurred for the current *scheduling interval* or past *scheduling interval* for the *gas day* will be a deviation that must be assigned to a *Market Participant* by the *Allocation Agent* for the *net bidding facility*.

If a *Market Participant's demand forecast* is updated for the future hours of the *gas day* then any negative *net injected quantity* from *net bidding facility* for those future hours can be incorporated in the next *operating schedule.* This will result in the negative *net injected quantity* becoming part of the *Market Participant's* imbalance.

If the *net bidding facility* ceases to have a negative *net injected quantity*, and the *Market Participant* has increased its *demand forecast*, this may result in the *Market Participant* incurring a deviation.

3.8. Ad hoc monitoring

AEMO may monitor, on an ad hoc basis, the injections and withdrawals of the *net bidding facility* to assess whether the *net bidding facility* operation continues to meet the criteria for classification as a net bidding facility in section 3.3.

To inform this assessment, AEMO may request at any time information from the *Registered participant* for the *net bidding facility*.

If requested by AEMO, the *Registered participant* for the net bidding facility must provide any requested information to AEMO within 20 business days after AEMO's request.

3.9. Reclassifying a net bidding facility

The *Registered participant* for a facility classified as a *net bidding facility* may apply to cease classification of the facility as a *net bidding facility* and be reclassified to a *distribution connected facility* or a *blend processing facility* by submitting a notice to AEMO.

AEMO may cease classification of a facility as a *net bidding facility* within 20 business days after receipt of the application from the *Registered participant,* or on such date AEMO agrees with the *Registered participant*.

If at any time, AEMO is reasonably satisfied that a *net bidding facility* does not meet the criteria for classification of a *net bidding facility*, then:

(a) AEMO will notify the *Registered participant* for the *net bidding facility* of AEMO's assessment that the facility no longer meets the criteria for classification as a *net bidding facility*;

(b) If AEMO is not reasonably satisfied that the *net bidding facility* no longer meets the criteria for classification as a *net bidding facility* as a result of negative net injected quantities occurring other than in exceptional circumstance, the *Registered participant* for the facility must notify AEMO of any exceptional circumstances (including metering faults) that may have caused the facility to submit negative net injection quantities; and

(c) If AEMO is not reasonably satisfied that there are exceptional circumstances for negative net injected quantities occurring, or AEMO is otherwise not reasonably satisfied that the facility meets the criteria for classification as a *net bidding facility*, then AEMO may notify the *Registered participant* that AEMO will cease to classify the facility as a *net bidding facility* at least 2 business days after AEMO's notice under (a) or receipt of the information provided in (b), whichever is applicable.