



2 June 2014

Australian Energy Market Operator  
GPO Box 2008  
Melbourne VIC 3000

Sent electronically: [gwcf\\_correspondence@aemo.com.au](mailto:gwcf_correspondence@aemo.com.au)

Dear Sir/Madam,

**Re: Impact & Implementation Report (IIR) - AMDQ Procedure change**

Lumo Energy welcomes the opportunity to comment on the Australian Energy Market Operator's (AEMO) proposed Impact & Implementation Report in response to proposed change to the Wholesale Market Authorized Maximum Daily Quantity (AMDQ) Procedures.

Lumo Energy is 100% owned by Infratil Limited, a company listed on the New Zealand and Australian Stock exchanges. We sell gas and electricity in Victoria and New South Wales, and electricity in South Australia and Queensland. We are currently one of the largest second tier retailers.

Lumo Energy supports the proposed amendments to the Wholesale Market AMDQ Procedures. The amendments add a new validation to the current procedure where AEMO would be required to confirm that a market participant held firm contract capacity on an interconnected facility before processing the transfer of authorized MDQ or nomination AMDQ credit certificates to a system withdrawal point.

In accordance with clauses 330 (6) and 331(1) of the National Gas Rules, AEMO is required to make procedures to set guidelines to assist the industry to manage AMDQ. AEMO has released an Impact & Implementation Report to assess the impact of the proposed changes to the Wholesale Market AMDQ Transfer Procedures.

The key changes to the procedures that validate the rule change are grouped under three categories in the Impact & Implementation Report. In this submission, we will limit our comments to the first of the three categories – the changes to the operation of the Wholesale Market AMDQ Procedures.

Lumo Energy supports the changes to the operation of the Wholesale Market AMDQ Procedures. The changes have been made in order to deliver a revised "Wholesale Market AMDQ Procedure." The new procedure incorporates both the AMDQ Transfer Procedures and the AMDQ Auction Procedures.



The specific changes to the operation of the Wholesale Market AMDQ Procedures that we support include:

1. The requirement for AEMO to validate firm capacity rights of a Market Participant wanting to transfer AMDQ to a System Withdrawal Point (SWP) at an Interconnected facility;
2. The introduction of a new section inserted to provide clarity when market participants lose firm capacity or when the letter of evidence has expired;
3. The new requirement for a market participant to have an application for, or accreditation in place at the time of submitting an application for transfer or nomination AMDQ.
4. A single priority queue for AMDQ transfer requests and nomination of AMDQ credit certificates.

Lumo Energy thanks AEMO for the consideration of our submission. Please do not hesitate to contact Con Noutso, Wholesale Regulatory Manager on 03 9976 5701 to discuss this submission further.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. Mulder", written over the "Yours sincerely" text.

**Justin Mulder**  
General Manager Wholesale  
Lumo Energy Australia Pty Ltd