

**PROPOSED PROCEDURE CHANGE (PPC) – SUMMARY SECTION**  
*(For Proponent or AEMO to complete. Template focuses on solution identification)*

<b>Issue Number</b>			
Impacted Jurisdiction(s)	Victoria		
Proponent	Sara Atukorala Ivan Byak (APA)	Company	AEMO
Proponent e-mail	<a href="mailto:GWCF_Correspondence@aemo.com.au">GWCF_Correspondence@aemo.com.au</a>	Proponent phone	(03) 9609 8472
Affected Gas Market(s) <ul style="list-style-type: none"> <li>▪ Retail</li> <li>▪ Wholesale</li> <li>▪ Bulletin Board</li> <li>▪ STTM</li> </ul>	Declared Wholesale Gas Market	Date proposal sent to AEMO	
Short Title	Wholesale Market AMDQ Procedures (Victoria)		
Other key contact information	David Tagg – <a href="mailto:david.tagg@aemo.com.au">david.tagg@aemo.com.au</a> Sarah McKelvie – <a href="mailto:sarah.mckelvie@aemo.com.au">sarah.mckelvie@aemo.com.au</a>		

**PROPOSED PROCEDURE CHANGE (PPC) – DETAILED REPORT SECTION**

<p><b>1. Description of change(s) and reasons for change(s)</b></p>	<p>This PPC proposes changes to the Wholesale Market AMDQ Transfer Procedure.</p> <p>APA Group proposed a change to the Wholesale Market AMDQ Transfer Procedures. The proposal was to add a new validation to the current Procedure where AEMO would confirm that a market participant held firm contract capacity on an interconnected facility before processing the transfer of Authorised MDQ or nomination of AMDQ Credit Certificates to a System Withdrawal Point (SWP).</p> <p>AEMO has taken this opportunity to review the Wholesale Market AMDQ Transfer Procedures and has identified that the Wholesale Market AMDQ Transfer Procedures, published in 2012, require further information and has decided to address this at the same time. During this review, synergies in related documents were identified and it was decided to incorporate the existing Wholesale Market AMDQ Auction Procedures and AMDQ Credit Nomination Process into the proposed Wholesale Market AMDQ Procedures.</p> <p>AEMO have proposed changes to the procedure that ensures the requirements, as described in rule 331(1) and 330(6), are sufficiently covered.</p> <p>The proposed changes provide clarity and further information on:</p> <ul style="list-style-type: none"> <li>• Validation of firm capacity holdings</li> <li>• Relinquishment of firm capacity</li> <li>• Requirement of a single priority queue for AMDQ transfers and AMDQ CC nominations</li> <li>• Requirement for accreditation</li> <li>• AMDQ Credit Certificate nominations</li> <li>• AMDQ Auction</li> </ul>
<p><b>2. Reference documentation</b></p> <ul style="list-style-type: none"> <li>▪ Procedure Reference</li> <li>▪ GIP/Specification Pack Reference</li> <li>▪ Other Reference</li> </ul>	<ol style="list-style-type: none"> <li>1. <a href="#">Wholesale Market AMDQ Transfer Procedures</a></li> <li>2. <a href="#">Wholesale Market AMDQ Auction Procedures</a></li> <li>3. <a href="#">AMDQ Credit Nomination Process</a></li> <li>4. National Gas Rules Part 19: Declared Wholesale Gas Market Rules Section 327 – 332.</li> <li>5. GWCF papers</li> </ol> <p>The proposal, including the proposed changes to the Procedure has been discussed at previous GWCF meetings. The relevant papers presented at those meetings are listed below in chronological order.</p> <ul style="list-style-type: none"> <li>• GWCF 13-066-01 ,Culcairn AMDQ allocation, 13 August</li> </ul>

	<p>2013</p> <ul style="list-style-type: none"> <li>• GWCF 13-066-03, Changes to wholesale AMDQ Transfer Procedure, 8 October 2013</li> <li>• GWCF 14-066-01, Proposed Wholesale Market AMDQ Procedure, 11 February 2014</li> </ul> <p>These papers the corresponding meeting minutes of those forum discussions are available through the following link:</p> <p><a href="http://www.aemo.com.au/About-the-Industry/Working-Groups/Gas-Wholesale-Consultative-Forum">http://www.aemo.com.au/About-the-Industry/Working-Groups/Gas-Wholesale-Consultative-Forum</a></p>
<p><b>3. The high level details of the change to the existing Procedures</b></p> <p>This includes:</p> <ul style="list-style-type: none"> <li>▪ A comparison of the existing operation of the Procedures to the proposed change to the operation of the Procedures.</li> <li>▪ A marked up version of the Procedure change (see Attachment A).</li> </ul>	<p>Changes to the Procedures are grouped under the following 3 categories.</p> <p>1. Changes to the operation of the Procedures</p> <p>Changes have been made to:</p> <ul style="list-style-type: none"> <li>• Produce a new proposed procedure “Wholesale Market AMDQ Procedure” which incorporates the current, <ul style="list-style-type: none"> <li>○ Wholesale Market AMDQ Transfer Procedures</li> <li>○ Wholesale Market AMDQ Auction Procedures</li> <li>○ AMDQ Credit nomination process</li> </ul> </li> </ul> <p>Key changes include the following clauses:</p> <p><b>5.5 (Evidence of firm capacity)</b></p> <p>New requirement for AEMO to validate firm capacity rights of a Market Participant wanting to transfer AMDQ to a System Withdrawal Point at an interconnected facility.</p> <p><b>5.6 (Expiry or Relinquishment of firm capacity rights)</b></p> <p>New section inserted to provide clarity when Market Participants lose firm capacity or when the letter of evidence has expired.</p> <p><b>5.1(c) (General Requirements)</b></p> <p>New requirement for a market participant to have an application for, or accreditation in place at the time of submitting an application for a transfer or nomination AMDQ.</p> <p><b>6.3 (Priority &amp; Delays)</b></p> <p>Provide a single priority queue for AMDQ transfer requests and nomination of AMDQ credit certificates.</p> <p>2. Editorial changes</p> <p>Editorial changes were made to some sections to provide more clarity, please refer for the mapping documents accompanying this consultation (“Current AMDQ Procedures mapping to New AMDQ Procedure” and “New AMDQ Procedure mapping to Current AMDQ Procedures”) for the details of changes.</p> <p>3. Changes to conform with the requirements of AEMO external</p>

	<p>Procedure template</p> <p>(a) Definitions sections of the existing procedures are inserted into the Glossary.</p> <p>(b) Effective from 29 July 2011, all AEMO external Procedures need to conform with the requirements set out in AEMO external procedure template which includes:</p> <ul style="list-style-type: none"> <li>• A cover page showing AEMO COO sign-off;</li> <li>• A version release history;</li> <li>• A Disclaimer;</li> <li>• Glossary of terms;</li> <li>• A Preamble with 5 mandatory sections including: <ul style="list-style-type: none"> <li>○ an introduction covering references to the NGR regarding AEMO power to develop the procedures;</li> <li>○ the purpose of the procedures;</li> <li>○ who the procedures apply to;</li> <li>○ legal and regulatory framework; and</li> <li>○ related policies and procedures.</li> </ul> </li> </ul>
<p><b>4. Consequences for making or not making the change(s)</b></p>	<p>Not making the change will also result in the failure to realise the benefits as outlined in section 6.</p> <p>Please refer to attached discussion paper “AMDQ Procedure Proposal”</p>
<p><b>5. Explanation regarding the order of magnitude of the change(s)</b> (eg: material, non-material or non-substantial)</p>	<p>The proposed changes are material as there will be some changes to the manual process although there will be no changes to the computer systems of AEMO or Market Participants.</p> <p>Please refer to attached discussion paper “AMDQ Procedure Proposal”</p>
<p><b>6. Likely benefits for industry as a whole</b></p>	<p>The expected benefits of this change are:</p> <p><i>Firm capacity requirements</i></p> <p>APA proposed this change on the basis that it will deliver the following benefits:</p> <ul style="list-style-type: none"> <li>• Increase the alignment of shipper rights across the connection points between the DTS and other pipeline systems operating under contract carriage.</li> <li>• Enhance interoperability between the DTS market carriage system and adjacent contract carriage markets.</li> <li>• Assist in securing greater trade of gas across the Eastern Australian market.</li> </ul> <p><i>Additional benefits:</i></p>

	<ul style="list-style-type: none"> <li>• Clearer requirements for submission of AMDQ transfer requests and AMDQ CC nomination requests (Including requirements for accreditation).</li> <li>• Single priority queue for AMDQ transfers and AMDQ CC nominations improving the management of requests.</li> <li>• Single procedure covering AMDQ processes.</li> </ul> <p>AEMO is seeking participant's views on the benefits of the proposed Procedures. Please refer to attached discussion paper "AMDQ Procedure Proposal" for specific questions for consultation.</p>
<p><b>7. The likely implementation effect of the proposal on Industry in general and/or any identified parties</b> (e.g. end-users)</p>	<p>Implementation effect on Market Participants is minimal with no system changes required. There is a need to understand the new requirements of the transfer and nomination processes.</p>
<p><b>8. Testing requirements</b></p>	<p>There are no testing requirements.</p>
<p><b>9. Supporting Documentation</b>  (attach if necessary)</p>	<p>GWCF paper and minutes available on AEMO website under GWCF Proceedings.  <a href="http://www.aemo.com.au/About-the-Industry/Working-Groups/Gas-Wholesale-Consultative-Forum">http://www.aemo.com.au/About-the-Industry/Working-Groups/Gas-Wholesale-Consultative-Forum</a></p>
<p><b>10. If applicable, a proposed effective date for the proposed changed Procedures to take effect and justification for that timeline.</b></p>	<p>The proposed effective date for the proposed Procedures is 1 June 2014.</p>

**ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)**

The following documents relating to this consultation can be found on the AEMO website:

- Proposed Wholesale Market AMDQ Procedures
- Discussion paper “AMDQ Procedure Proposal”
- Current AMDQ Procedures mapping to New AMDQ Procedure
- New AMDQ Procedure mapping to Current AMDQ Procedures
- Authorised MDQ Transfer Request Form
- AMDQ Credit Certificate Transfer/Registration Form
- AMDQ Credit Certificate Nomination/Renomination Form

<http://www.aemo.com.au/Consultations>