



DWGM Allocation and Sub-Allocation Establishment Guidelines

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Version Release

Version	Release date	Summary of changes
1.0	03 March 2011	Draft
2.0	13 April 2011	Final
2.1	06 May 2014	Update links to documents
3.0	09 February 2023	Update process and rebrand

Related Documents

Document	Type	Location
Wholesale Gas Market Accreditation Procedures (Victoria) v4.0	Procedure	https://aemo.com.au/energy-systems/gas/declared-wholesale-gas-market-dwgm/procedures-policies-and-guides
Guide to DWGM Allocation and Sub-Allocation Agents Process and Timing	Guide	https://aemo.com.au/energy-systems/gas/declared-wholesale-gas-market-dwgm/procedures-policies-and-guides
MIBB User Guide	Technical Document	https://aemo.com.au/energy-systems/gas/declared-wholesale-gas-market-dwgm/procedures-policies-and-guides
Application for accreditation of controllable quantities (injections/withdrawals)	Form	https://aemo.com.au/energy-systems/gas/declared-wholesale-gas-market-dwgm/market-operations
Template for allocation and sub-allocation contract (with AEMO)	Template	https://aemo.com.au/energy-systems/gas/declared-wholesale-gas-market-dwgm/market-operations
Template for the appointment of an allocation or sub-allocation agent	Template	https://aemo.com.au/energy-systems/gas/declared-wholesale-gas-market-dwgm/market-operations

This document is owned and updated by AEMO and will be reviewed regularly.

Any queries or suggestions for improvement should be addressed to gassettlement@aemo.com.au.

1 Purpose

The purpose of this document is to provide guidelines for market participants requesting for a new allocation or sub-allocation arrangement at a particular injection or withdrawal point in the Declared Gas Wholesale Market (DWGM). The document provides an overview of the setup process, requirements from market participants, costs involved, timeframes, and AEMO's allocation / sub-allocation methodology for a new allocation / sub-allocation.

2 Background

The DWGM is a wholesale gas market operated by AEMO for the supply and purchase of gas in the jurisdiction of Victoria and some parts of NSW across the Declared Transmission System (DTS).

Allocations refer to quantities of gas treated as having been injected or withdrawn by a Market Participant at a system point on a gas day. For example, you may have one physical meter and five market participants who inject gas through that meter. Allocation is the mechanism for allocating quantities to each of those market participants. A market participant who is a party to an allocation at a system point may enter commercial arrangements to sub-allocate their quantities from the initial allocation to other parties. For example, Market Participant A has a surplus of gas supply and enters a commercial agreement with market participant B to on-sell its surplus of gas to enable the latter to cover their supply shortfalls. Under the National Gas Rules (NGR) where more than one Market Participant inject or withdraw gas through a system injection / withdrawal point, an Allocation Agent (AA) and or Sub-Allocation Agent (Sub-AA) must be appointed.

3 Business Procedure for Allocation or Sub-Allocation Setup

Market participants have the option of appointing AEMO or a party other than AEMO as their AA or Sub-AA. Each option has a different fee structure and contractual requirements which will be highlighted in this document. Section 3.1 describes the procedure where AEMO is the AA or Sub-AA at an injection or withdrawal point. Section 3.2 describes the procedure where a party other than AEMO is the appointed AA or Sub-AA.

Please note the timing below assumes the contract (if AEMO is the AA or Sub-AA) is completed prior.

3.1 AEMO as the Allocation / Sub-Allocation Agent

3.1.1 Pre-requisites

- a. All market participants (i.e., all of the allocated or sub-allocated parties) entering into the allocation or sub-allocation agreement are already registered in DWGM (for details about the registration process, see [AEMO website](#)).
- b. Commercial agreement for a new allocation / sub-allocation has been signed by all parties involved.
- c. A market participant who is already part of an allocation or sub-allocation at a system injection / withdrawal point wishing to enter into a second allocation at that same system injection / withdrawal point is required to register a second entity in the market. They can use the same ABN (e.g., if ABC Energy is registered at an injection point and they plan to enter into a supply contract with another party for a second parcel of gas at the same system point, they would be required to register ABC Energy 2 in the market using the same ABN as ABC Energy).
- d. Accreditation form – AEMO requires market participants to complete the accreditation process prior to injecting or withdrawing gas at a system point. This form is available on AEMO website (see Related Documents) and needs to be completed and sent to AEMO in accordance with the Accreditation Procedures. AEMO will review and provide written confirmation of acceptance of accreditation.
- e. Contract signed by all parties involved – the contract details the injection / withdrawal point where the allocation / sub-allocation is to take place, the allocation / sub-allocation methodology, the start date and termination date of the allocation or sub-allocation, and fees and charges to be incurred.

3.1.2 Allocation and Sub-Allocation Setup Process

Once the above pre-requisites have been satisfied, AEMO and the participants have to perform a series of tasks to set up the allocation or sub-allocation arrangements. These are summarised below and can take up to 7 business days from the execution of the contract. The table also provides indicative timings for each activity.

Table 1 Allocation and Sub-Allocation Setup Process (AEMO as AA/Sub-AA)

Responsible Party	Task	No. of Business Days that task starts prior to the commencement of an allocation or sub-allocation
AEMO	Configures non-production environment and make proposed changes in that environment to confirm setup (configuration of AEMO meter registers, allocation agent software and MIBB Reports).	7

Responsible Party	Task	No. of Business Days that task starts prior to the commencement of an allocation or sub-allocation
AEMO	Configures Production Gas Market Systems (configuration of AEMO meter registers, allocation agent software and MIBB Reports) and send market participant their new billing logical MIRN.	4
AEMO	Provides Market Participant their Billing MIRN detail again and request market participant to test and confirm they can view their physical injection / withdrawal point.	2
Market Participant	Confirm they can view their physical injection / withdrawal point through the Web Exchanger, for bidding purposes. This allows for the Market Participant to submit the 2 days ahead bids required under NGR 211(1).	2
AEMO	Commences allocation / sub-allocation on the start date of the contract and publish allocated quantity in the Market Participant's MIBB reports.	0

3.1.3 AEMO Supported Allocation / Sub-Allocation Methodology

In accordance with NGR 229 AEMO determines the quantity of gas to be treated as having been injected / withdrawn by each market participant at the relevant system injection point in accordance with the following formula:

$$Q = MQ \times (SQ/\Sigma SQ)$$

Where:

Q is the quantity of gas that is to be treated as having been injected / withdrawn by that Market Participant at that system injection point in an hour;

MQ is the actual quantity of gas injected / withdrawn into the DTS at that system injection point in that hour;

SQ is the quantity of gas scheduled in the last published operating schedule for injection / withdrawal by that Market Participant at that system injection point in that hour; and

ΣSQ is the total quantity of gas scheduled in the last published operating schedule for injection / withdrawal by all Market Participants at that system injection point in that hour.

3.2 Parties other than AEMO as the Allocation / Sub-Allocation Agent

3.2.1 Pre-requisites

- a. All market participants engaging in the allocation or sub-allocation agreement are already registered in DWGM (for details about the registration process, see [AEMO website](#)).
- b. Commercial agreement for a new allocation / sub-allocation has been signed by all parties involved.
- c. A market participant who is part of an allocation or sub-allocation at a system injection / withdrawal point wishing to enter into a second allocation at that same system injection / withdrawal point is required to register a second entity in the market. They can use the same ABN (e.g., if ABC Energy, is registered at an injection point and plans to enter into a supply contract with another party for a second parcel of gas at the same system point, they would be required to register ABC Energy 2 in the market using the same ABN).
- d. The party receiving the allocation or sub-allocation must provide a formal letter appointing another party as their AA or Sub-AA. This letter must state that they permit the appointed AA or Sub-AA to view their schedules at the nominated injection / withdrawal point and the date of which the allocation / sub-allocation is to commence and terminate.
- e. A single letter co-signed by the party receiving the allocation or sub-allocation and the party performing the allocation or sub-allocation must be provided to AEMO.
- f. Accreditation form – The Party receiving the sub-allocation is required to complete, sign, and submit an accreditation form. This form is required to accredit a market participant to bid at the requested injection / withdrawal point. AEMO will review and provide written confirmation of acceptance of accreditation.
- g. Guide to DWGM Allocation and Sub-Allocation Agents Process and Timing outlines timing arrangements for AEMO to make data available to AA or Sub-AA and the requirements for AA or Sub-AA to provide allocations to AEMO.
- h. AA or Sub-AA has reviewed and understood MIBB Specifications for data input and output. MIBB Specification describes the format in which AEMO will make data available for use by AA or Sub-AA and describes AEMO requirements for allocations delivered to AEMO IT systems by AA or Sub-AA.

3.2.2 Allocation and Sub-Allocation Setup Process

Once the pre-requisites have been satisfied AEMO and the Participants have to perform a series of tasks to set up the allocation or sub-allocation arrangements. These are summarised below and can take up to 10 business days from AEMO being advised of the allocation or sub-allocation arrangement. The table also provides indicative timings for each activity.

Table 2 Allocation and Sub-Allocation Setup Process (Other Party as AA/Sub-AA)

Responsible Party	Task	No. of Business Days that task starts prior to the commencement of allocation or sub-allocation
AEMO	Configures Gas Systems and MIBB reports and send billing logical MIRN number to the Market Participant and Allocation Agent ID to Allocation Agent.	10
AA	Configures their allocation systems and interfaces with AEMO as per MIBB specification.	10
AEMO & AA	Perform end-to-end testing confirming AA can retrieve all required reports from AEMO Test and Production MIBB, perform allocation and provide allocation to AEMO systems in the required format.	6
AEMO	Provides Market Participant with their Billing MIRN details again and request Market Participant to test and confirm they can view their physical injection / withdrawal point.	2
Market Participant	Confirms they can view their Billing MIRN through the Web Exchanger, for bidding purposes.	2
AA and AEMO	Commences allocation / sub-allocation on the start date of the allocation or sub-allocation. AEMO is to publish allocated quantity in the Market Participant's MIBB reports.	0

3.3 Cost

The cost structure will vary depending on who the AA or Sub-AA is.

3.3.1 AEMO as Allocation / Sub-Allocation Agent

- Establishment Cost: to be split equally between all allocated or sub-allocated parties
- Ongoing Cost: to be split equally between all allocated or sub-allocated parties
- Termination Charge: any outstanding amount owing to AEMO
- Non-standard Allocation / Sub-allocation Methodology: this will vary depending on the proposed methodology

3.3.2 Market Participant as Allocation / Sub-Allocation Agent

- Establishment Cost: nil
- Ongoing Cost: nil
- Termination Charge: nil

If required, new MIBB report(s) can be configured for a fee based on the effort requirement.

4 Checklist

4.1 AEMO as Allocation / Sub-Allocation Agent

Table 3 Checklist (AEMO as AA / Sub-AA)

Item	Tick as Completed
Registration of Market Participant	<input type="checkbox"/>
Commencement date signed with an agreed start date	<input type="checkbox"/>
Accreditation form submitted and approved by AEMO	<input type="checkbox"/>
Billing MIRN details are available	<input type="checkbox"/>
Allocation or Sub-Allocation Contract signed and returned to AEMO	<input type="checkbox"/>
Market Participant confirm ability to view System Point through Web Exchanger	<input type="checkbox"/>

4.2 Other Party other than AEMO as the Allocation / Sub-Allocation Agent

Table 4 Checklist (Other Party as AA/Sub-AA)

Item	Tick as Completed
Registration of Market Participant	<input type="checkbox"/>
Commencement date signed with an agreed start date	<input type="checkbox"/>
Accreditation form submitted and approved by AEMO	<input type="checkbox"/>
Co-signed letter by all parties	<input type="checkbox"/>
Billing MIRN details are available	<input type="checkbox"/>
Allocation Agent ID available	<input type="checkbox"/>
MIBB specification given by AEMO	<input type="checkbox"/>
Market Participant confirm ability to view System Point through Web Exchanger	<input type="checkbox"/>
AA or Sub-AA confirm ability to view the schedules of the allocated or sub-allocated party at the required system point	<input type="checkbox"/>