

**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	AEMO Settlements	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	Roger Shaw – <a href="mailto:Roger.Shaw@aemo.com.au">Roger.Shaw@aemo.com.au</a> Sara Atukorala – <a href="mailto:Sara.Atukorala@aemo.com.au">Sara.Atukorala@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 Procedure and Wholesale Market Uplift Payment Procedures.</p> <p>Due to the AMDQ rule changes made on the 24 March 2016, AEMO is required to incorporate new rule requirements into the current Wholesale Market AMDQ Procedures and Wholesale Market Uplift Payment Procedures.</p> <p>Under the new rules;</p> <ul style="list-style-type: none"> <li>• Authorised MDQ will relate only to historic capacity on the Longford to Melbourne pipeline.</li> <li>• All extensions and expansions to the Victorian Declared Transmission System (Victorian DTS) would result in the creation of AMDQ Credit Certificates (AMDQ CC).</li> <li>• In some circumstances AEMO must allocate AMDQ Credit Certificates following an auction.</li> <li>• As per the new rule 329G, AEMO must make AMDQ Credit Certificate Auction Procedures to allocate the AMDQ Credit Certificates.</li> <li>• Proceeds received from this auction will be offset against the operating costs of the DWGM.</li> <li>• AEMO will provide a minimum of twenty business days' notice prior to undertaking the allocation process of either Authorised MDQ or AMDQ Credit Certificates.</li> </ul>
<p><b>2. Reference documentation</b></p>	<ol style="list-style-type: none"> <li>1. <a href="#">Wholesale Market AMDQ Procedures</a></li> <li>2. <a href="#">Wholesale Market Uplift Procedures</a></li> <li>3. National Gas Rules Part 19: Declared Wholesale Gas Market Rules Section 327A – 332.</li> <li>4. GWCF paper             <ul style="list-style-type: none"> <li>• Changes to Authorised Maximum Daily Quantity (AMDQ) Rules and Uplift Payment Procedures - 14 June 2016</li> </ul> </li> </ol> <p>The paper and the corresponding meeting minutes of the forum is available through the following link:</p> <p><a href="http://aemo.com.au/About-the-Industry/Working-Groups/Wholesale-Meetings/Gas-Wholesale-Consultative-Forum">http://aemo.com.au/About-the-Industry/Working-Groups/Wholesale-Meetings/Gas-Wholesale-Consultative-Forum</a></p>

<p><b>3. The high level details of the change to the existing Procedures</b></p>	<p>1. Wholesale Market AMDQ Procedures</p> <ul style="list-style-type: none"> <li>• Creating and incorporating new clauses for AMDQ CC Auction Procedures</li> <li>• The PPC is seeking specific feedback on the following topics during this consultation process. <ul style="list-style-type: none"> <li>(a) Timing of Auction <p>In the draft Procedure, AEMO has proposed auctions to be held 12 months ahead of commencement date of the AMDQ CC being auctioned.</p> </li> <li>(b) Auction Approach <p>In the draft Procedure, AEMO has proposed 2 options as below;</p> <p>Option 1 – Pay as bid</p> <p>Option 2 – Clearing Price</p> <p>Responses should indicate an order of preference for these options.</p> </li> <li>(c) Re-Auction Requirements <p>AEMO is proposing that further auctions may be held should market participants indicate there is demand.</p> </li> </ul> </li> </ul> <p>The advantages and disadvantages of the above have been discussed at the June GWCF.</p> <p>2. The following changes were made to the Uplift Procedures ;</p> <p>According to the new rules, AMDQ Credit Certificates may be issued to cover expansions of the Longford Melbourne pipeline. These must be taken into account for the determination of Uplift hedge for the Longford CPP. New clause has been included into the section 3.6 to allow for AMDQ CC at the Longford CPP .</p> <p>3. Editorial changes to existing AMDQ Procedures;</p> <p>Editorial changes were made to some sections to provide more clarity and include the new rule references.</p>
<p><b>4. Consequences for making or not making the change(s)</b></p>	<p>Not making the above proposed changes to the Wholesale Market AMDQ Procedures and the Wholesale Market Uplift Procedures means they will not be aligned with the new rules.</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 AMDQ Credit Certificate auction will be a manual process. No changes are required to the computer systems of AEMO or Market Participants.</p>
<p><b>6. Likely benefits for industry as a whole</b></p>	<p>Comply with new rules.</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.</p> <p>There is a need to understand the new requirements of the AMDQ Credit Certificate Auction process.</p>
<p><b>8. Testing requirements</b></p>	<p>There are no testing requirements.</p>
<p><b>9. Supporting Documentation</b></p> <p>(attach if necessary)</p>	<p>GWCF paper and minutes available on AEMO website under GWCF Proceedings.</p> <p><a href="http://aemo.com.au/About-the-Industry/Working-Groups/Wholesale-Meetings/Gas-Wholesale-Consultative-Forum">http://aemo.com.au/About-the-Industry/Working-Groups/Wholesale-Meetings/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 effective date for the proposed Procedures is 25 October 2016.</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
- Proposed Wholesale Market Uplift Payment Procedures

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