Notice to Gas Supply Hub Exchange Members of amendments to the Gas Supply Hub Exchange Agreement for the Wallumbilla Compression Service product

This Notice advises all Gas Supply Hub Exchange members and other interested stakeholders that AEMO has completed its consultation for the Gas Supply Hub Proposed Exchange Agreement Amendment – Wallumbilla Compression Service Product (IIR 008). AEMO proposed changes to the Exchange Agreement to implement and support the trading of a Wallumbilla Compression Service on the Gas Supply Hub.

Taking into account the assessment provided in the Impact and Implementation Report (IIR), and comments received on the proposed Exchange Agreement amendments, AEMO has decided to implement the proposed amendments to the Exchange Agreement, effective from 26 October 2016.

The changes will be incorporated in version 7.0 of the Exchange Agreement by including:

- Changes throughout the Exchange Agreement to facilitate the inclusion of the Compression Service Location Swap product specifications
- Amendment to Section 12.5(b)(ii), which should have been amended when the Moomba hub was introduced, to reflect negatively priced offers.
- Correction of general drafting issues (as shown in Attachment D).

The GSH Settlement and Prudential Methodology has been updated to pick up location swap transactions in all settlement and prudential calculations, except for delivery variances.

The Gas Supply Hub Interface Protocol has been updated to reflect a new version of the Guide to Gas Supply Hub Reports. The new version of the Guide to Gas Supply Hub Reports includes a new component for Settlements Supporting Data to cater for Hub Services for the Wallumbilla compression product. In addition, the guide incorrectly listed primary keys in some reports, which have been corrected.

AEMO received one submission from stakeholders, after the consultation closing date, in response to the proposed amendments to the Exchange Agreement as outlined in the IIR. A summary of the comments is shown in Attachment A.

As required by the Gas Supply Hub Exchange Agreement clause 3.3(d) (iv), AEMO informs Participants that version 7.0 of the Gas Supply Exchange Agreement will be effective from 26 October 2016.

Participants should be aware there is a consultation ending on 4 October 2016 for Exchange Agreement amendments on market parameters that if implemented will create a subsequent version of the Exchange Agreement (version 8.0) that will supersede this version.

Notice Date: 15 September 2016

Attachment A: Summary of stakeholder comments on Gas Supply Hub Exchange Agreement Consultation IIR

Organisation	Summary of comment	AEMO's Response
Origin Energy	The Seller of a compression service will ultimately be unable to make the exact volume of gas receipted on the low pressure side of the hub available for delivery on the high pressure side of the hub, with fuel gas consumed in the process. Given the Location Swap definition as it is currently drafted requires the exact volume to be made available, Origin would like to clarify whether it is assumed the Seller has volume available on the high pressure side of the hub to make up the shortfall and that the Seller will factor in fuel gas when setting the price for compression. Further, will the compression service be deemed, given sellers will be allocating gas the Wallumbilla Notional Point (WNP)?	The compression service requires the seller to transfer gas from the Wallumbilla low pressure notional point to the Wallumbilla notional point. While pricing is ultimately up to trading participants, payment to the seller is limited to the transaction settlement amount (i.e. there are no variable payments) and as such the seller should ensure that its offer price covers the cost of providing the service to the buyer.
	A Force Majeure Affected Party should get relief from providing the relevant service, but not for the resulting imbalance. As such, Section 25.4 should also specify that the Force Majeure Affected Party is responsible for the Delivery Variance Quantity. Where the Seller is the Affected Party, this would require the Seller to re-deliver the relevant volume of gas back to the other party.	In this context "not responsible" means there is no fault for non-delivery and hence no additional delivery variance charge (25%) for being outside of tolerance. An Affected Party would still be required to settle (or physically make up gas) the resulting delivery variance.
	The Gas Compression Trading Location specification should be the same as that listed for the South West Queensland Pipeline (SWQP) Trading Location (i.e. subject to a maximum carbon dioxide (CO2) content of 3% by volume). The SWQP Trading Location and Gas Compression Trading Location (3.4) specifications	This section has been amended as suggested by Origin, as shown in Attachment D.

	should also include the provision that gas “not contain more than 65 mg/m3 of moisture and not have a temperature greater than 50 degrees Celsius”.	
	For the Wallumbilla Low Pressure Notional Point, it would seem appropriate to set a minimum pressure limit, ideally at 7,000 kPa. This would provide a pressure range of 7,000 kPa to 9,600 kPa.	This section has been amended as suggested by Origin,as shown in Attachment D.
	Origin would like to clarify whether this product specification has been appropriately defined. In particular, the Swap Receipt Point and Swap Delivery Point are listed as being on the RBP, which is inconsistent with the balance-of-day and day-ahead compression products as they are currently defined.	This drafting error has been corrected as shown in Attachment D.

Attachment B: Revision to Proposed Exchange Agreement Amendments

Documentation Changes

See draft Exchange Agreement v7.0 with amendments to:

- Inclusion of changes throughout the Exchange Agreement to facilitate the inclusion of the Compression Service Location Swap product specifications including, 'Section 14.3(ba) for delivery obligations for Location Swaps and Section 15.4 for delivery variance for Location Swaps'
- 'Schedule 17 Product Specification for Day-Ahead Gas Compression Location Swap (Wallumbilla)'
- 'Schedule 18 Product Specification for Balance-of-Day Gas Compression Location Swap (Wallumbilla)'
- 'Schedule 19: Product Specification for Daily Gas Compression Location Swap (Wallumbilla)'
- Amending Section 12.5(b)(ii), which should have been amended when the Moomba hub was introduced to reflect negatively priced offers.
- Correcting some general drafting issues.

Blue represents additions. Red and strikeout represents deletions – Marked up changes.

Attachment C: Amendment to the GSH Procedures

Blue represents additions. Red and strikeout represents deletions – Marked up changes.

1. GSH Settlement and Prudential Methodology

See draft Settlements and Prudential Methodology v3.1 with amendments as followed:

- Section 2.3.5 – New equation terms defined
- Section 3.1.2 – Net Swap Imbalances
- Section 3.1.3 – Location Swap Variance Quantity
- Section 3.1.4 – Additional formulae
- Section 3.1.8 – Location Swap Variation Amounts

2. Gas Supply Hub Interface Protocol

4. GSH Interface Protocol Artefacts

FORM OF DOCUMENTATION	DOCUMENT	VERSION
Reports	**Guide to Gas Supply Hub Reports** Purpose: specify all of the reports published by the Operator on its Gas Hub Direct System (to trading participants and the public).	~~1.5~~ 1.6

Attachment D: Amendments to the Exchange Agreement as set out in IIR 008

Documentation Changes

Blue represents additions. Red and strikeout represents deletions – Marked up changes.

Schedule 2: Trading Locations and Delivery Points (Wallumbilla)

3.4 Gas Compression Trading Location
For the Wallumbilla Notional Point: ~~In accordance with Australian Standard AS 4564-2005 – Specification for general purpose natural gas.~~ In accordance with Australian Standard AS 4564-2005 – Specification for general purpose natural gas, subject to a maximum carbon dioxide (CO2) content of 3% by volume.
For the Wallumbilla Low Pressure Notional Point: ~~In accordance with Australian Standard AS 4564-2005 – Specification for general purpose natural gas.~~ In accordance with Australian Standard AS 4564-2005 – Specification for general purpose natural gas, subject to a maximum carbon dioxide (CO2) content of 3% by volume.

4 Pressure range
For the Wallumbilla Low Pressure Notional Point: As notified by the Transporter to SWQP gas shippers from time to time, but no less than 7,000 kPa and no greater than 9,600 kPa.

Schedule 17: Product Specification for Day-Ahead Gas Compression Location Swap (Wallumbilla)

Product Specification for Day-Ahead Gas Compression Location Swap (Wallumbilla)	
Swap Receipt Point	~~Wallumbilla Notional Point~~ Wallumbilla Low Pressure Notional Point
Swap Delivery Point	~~Wallumbilla Low Pressure Notional Point~~ Wallumbilla Notional Point

Schedule 18: Product Specification for Balance-of-Day Gas Compression Location Swap (Wallumbilla)

Product Specification for Day-Ahead Gas Compression Location Swap (Wallumbilla)	
Swap Receipt Point	~~Wallumbilla Notional Point~~ Wallumbilla Low Pressure Notional Point
Swap Delivery Point	~~Wallumbilla Low Pressure Notional Point~~ Wallumbilla Notional Point

Schedule 19: Product Specification for Daily Gas Compression Location Swap (Wallumbilla)

Product Specification for Day-Ahead Gas Compression Location Swap (Wallumbilla)	
Swap Receipt Point	~~RBP Compression Service Receipt Point~~ Wallumbilla Low Pressure Notional Point
Swap Delivery Point	~~RBP Compression Service Delivery Point~~ Wallumbilla Notional Point