MINUTES – PIPELINE CAPACITY TRADING MEETING

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| MEETING: | REFERENCE GROUP PART 1  |
| DATE: | Wednesday, 28 March 2018 |
| TIME: | 2:00 pm – 5:00 pm (AEDT) |
| LOCATION: | AEMO Melbourne, Brisbane, Sydney and Adelaide. Dial in facilities available |

# Attendees

Meeting attendees were welcomed.

The purpose of the Reference Group session was to recap on the first briefing held in February and to present further detail on the capacity trading platform and day ahead auction arrangements that will go into the Procedures and market systems.

# Confirm Agenda

 The agenda was confirmed with no amendments.

# Industry Reference Group

* 1. **Capacity Trading Platform – N. Dodd**
1. Recap (Slide 4 - 7)

Trading on the GSH will close at 7pm regardless of whether delays have been initiated in the transfer processes.

Closing time is proposed to also apply to commodity trading, the proposal will go to the GSH Reference Group for consultation later this year.

1. Order Submission (Slides 8 – 14)

In the case of multiple contracts, the selected ID(s) will be applied to the transfer information, however IDs for all contracts will be listed on AEMOs system.

A new module will be added to the Markets Portal (a web-based application, previously known as EMMS) for participants to pre-select the contract reference that will be applied to trades. No further confirmations from Service Providers or Shippers will be required for associated STTM transfers given this information has already been provided. (Slide 11)

When orders are submitted, receipt and delivery point information associated with the product will be required, and once these are transacted the transfer will occur on this basis. (Slide 13)

1. Delivery Process & Capacity Interface (Slide 15-22)

AMDQ procedures are to be considered, however this process has no effect on the process of transferring capacity, and updating DWGM Accreditation Rights.

1. Contingency Arrangements (Slides 23 – 27)

The result of the GMRG recommendations is that if seller is at fault for inability to deliver, their capacity transfer is reduced and any buyers for that date are also reduced, on a prorated basis.

Feedback requested on the appropriate contingency arrangements and consequences in the event a buyer fault causes the transfer to fail.

**3.2 Day Ahead Auction (DAA) – N. Pope**

a) Recap (Slides 29 - 30)

The DAA will facilitate forward haul, compression and backhaul products. Each auction product is on a single facility; between a receipt point and a delivery point. The proposal from the GMRG is a hybrid point-to-point-zonal model for forward haul and compression products on the DAA.

b) Auction Product Components (Slides 31 – 39)

Bids will be made on a point to point basis. The zones and pipeline segments associated with the point-to-point bid will be applied through the market systems. Once the delivery point and zone register is developed, participants will have visibility of exactly what is in a point-to-point bid.

(Slide 32)

Where a participant would like to bid for capacity across multiple facilities, a participant will have to specify an auction product on each of the facilities. If a participant has capacity for one (or more) of the facilities then it can choose to not include that facility in their bid.

 c) Bidding (Slides 41 – 42)

Q&A

* Compression is included and can also be included as another product in the bid as well, or combined.
* There will be very small minimum quantity for bids.
* Zone and pipeline segments association may not be required. The solver will have the ability to map different components to different products. The point of segments is to provide pipeline operators and shippers feasible outputs.
* Specifications for the pipeline register will be published.
* Linked bids across multiple pipelines – compression is not automatically included. Each bid listed is to a single facility. Going from the RBP to Moomba will require Wallumbilla compression and if the participant does not already have compression capacity then it would include compression in their linked bid.
* It is proposed that there will not be validations on the facilities included in a linked bid, this will provide participants with the flexibility to specify the facilities they require capacity on. AEMO will consider further the guidance material required by participants to assist their bidding process.

**3.3 Feedback**

Feedback on for draft procedure and systems requirements to be supplied to AEMO 18 April 2018 to pct@aemo.com.au.

**Action:** AEMO to supply updated version of slide pack.

# Next meeting

The next Reference Group meeting is scheduled for 4 May to discuss draft procedure.