

Attachment 1 Stakeholder feedback template

This template has been developed to enable stakeholders to provide their feedback on the proposed service points, zones and, where relevant, pipeline segments for the initial set of facilities that are expected to be subject to the reforms. The template also contains a number of specific questions that AEMO and the GMRG would like feedback on.

AEMO and the GMRG strongly encourage stakeholders to use this template, so they can have due regard to the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

AGL wishes to make the following general comments, in addition to the specific comments provided below:

Zones

AGL notes that by proposing a large number of zones, the pool of potential buyers in each zone will be reduced. A larger number of zones than was anticipated is observed throughout the pipeline consultation paper. While we appreciate that this may be an effort to maximise the capacity available for trading, AGL's view is that the platform/auction will be more successful if zones are set to create the widest pool of buyers and the maximum number of sellers so that they can facilitate an active trading market (even if this is to the detriment of some of the capacity made available).

Park

AGL suggests that the GMRG review the general approach being used as to whether park is offered on a pipeline. AGL believes that park is not a service that the pipeline chooses to offer, but a function they may already offer in their GTA. Park should not be an optional service that pipelines opt into it, as shippers will be the parties that decide (once the product specification is defined) whether they are happy to take on the risk of selling a park product.

Park, IPT & Trade Location based receipt/delivery points

AGL argues that IPT and notional points are not locational and that they should exist in every receipt/delivery zone on an individual pipeline. Whilst pipeliners have presented an argument that gas is physical and needs to move from one place to another – this argument doesn't account for the following:

- 1) Base/Operational linepack already supports an 'instantaneous' transfer (gas is already distributed across the pipeline)
- 2) Revenue from Firm GTA's underpin all and every trade that will take place on the CTP and DAA (the pipeliner is already receiving revenue for the service under the firm GTA and regardless of the clearing price in the DAA or trading price in the CTP haulage has been paid for in the GTA tariff)
- 3) MDQ's are still relevant at delivery points (you still can't exceed and MDQ at a delivery point)

MOS & Contingency Gas (CG)

AGL still remains concerned about the CG and MOS system with the existence of the DAA.

As has been discussed previously, CG is less of a concern as the quantities are still subject to confirmation. The bids and offers that are published may no longer reflect a realistic supply stack under the auction reform. AGL suggests that the CG process is reviewed.

However, MOS remains a quantity that flows under firm GTAs, but is not nominated. Hence the pipeliner will never have a nomination in order to notify an auction shipper that they are going to be curtailed. The auction winner will only find out that their gas didn't flow after the gas day (as the MOS flowed under a firm GTA displaced their nomination).

DWGM

AGL supports the suggestion to increase accreditation for auction winners (on DWGM facilities), and not to reduce the rights of the original firm holder. However, AGL still remains concerned that schedules and allocations may be complicated by this situation on days where the market is stressed.

	Questions	Feedback
Pipelines		
1.	South West Queensland Pipeline: 1. Do you agree with the proposed service points, zones and pipeline segments?	AGL agrees with the services that will be offered (park and forward haul).
2.	Roma to Brisbane Pipeline: 2. Do you agree with the proposed service points, zones and pipeline segments? 3. Do you agree with the proposed specification of delivery zones incorporating STTM custody transfer points? If not, please explain why not. 4. Do you consider that there is likely to be a reasonable level of demand for a backhaul product from the Brisbane STTM given there is no additional supply source at Brisbane? <ul style="list-style-type: none"> o If not, please explain why not. o If so, do you consider the specification of a backhaul service between the Brisbane STTM nomination point (backhaul receipt point) and RBP Trade Point (backhaul delivery point) is appropriate? If not, please explain why not and set out what service points you think backhaul services should be available between and why. 	AGL notes that as proposed, RZ-01 and RZ-02 can only be 'delivered' into another Receipt Zone (RZ-03). This seems unnecessary - AGL suggests that RZ-01, 02, and 03 be amalgamated into one zone. The same logic applies for DZ-4, DZ-05, DZ-06. AGL notes that RBP-RZ-04 is listed as a 10" receipt zone. AGL requests that clarification is sought that the points in this zone are in fact only able to deliver into the 10" pipeline. With regard to the day-ahead auction providing a backhaul service on the RBP, AGL notes that this would involve a trade that occurs after the publishing of the Brisbane ex-ante schedule, and therefore would require a market schedule variation. This introduces significant complexity to a trade and could deter shippers from participating.
3.	Berwyndale to Wallumbilla Pipeline: 5. Do you agree with the proposed service points, zones and pipeline segments?	AGL considers that RZ-01 should be able to deliver to DZ-01. Our reading of the proposal is that a participant could only combine RZ-01 and DZ-02, or RZ-02 and DZ-01.
4.	Wallumbilla to Gladstone Pipeline:	

	Questions	Feedback
	6. Do you agree with the proposed service points, zones and pipeline segments?	
5.	<p>Carpentaria Gas Pipeline:</p> <p>7. Do you agree with the proposed service points, zones and pipeline segments?</p>	<p>AGL considers one zone would be sufficient for DZ-02, DZ-03 and DZ-04. It is unclear why so many delivery zones are required as there are no significant laterals.</p> <p>AGL is concerned about the how a zone for delivery from the Northern Gas Pipeline into the CGP will operate. The inclusion of a zone for delivery from the Northern Gas Pipeline into the CGP may impede delivery of northern gas into the Eastern market by requiring separate and additional transportation arrangements for holders of transport on both pipelines and a further section for users for the day-ahead auction.</p> <p>In addition, whilst the responsibility for gas transport will transfer from one company to another at this point, physically it is a short connection pipe sized for the full capacity of the Northern Gas Pipeline. Inclusion of separate zone purely for ownership transfer introduces unnecessary complication from a capacity trading perspective and may only serve to justify interconnection fees at the point - contrary to the COAG Energy Council's goal for the auction to reduce short-term capacity prices.</p> <p>AGL would suggest to the GMRG that the pipeline operators should agree a revenue sharing arrangement for auction revenue that sits outside of the market and between themselves. AGL does not consider that receipt and delivery zones need to exist on a single contiguous pipeline just because the ownership changes (and there is no physical delivery and receipt point).</p>
6.	<p>Darling Downs Pipeline:</p> <p>8. Do you agree with the proposed service points, zones and pipeline segments?</p>	AGL agrees
7.	Spring Gully Pipeline:	AGL agrees

	Questions	Feedback
	9. Do you agree with the proposed service points, zones and pipeline segments?	
8.	<p>Queensland Gas Pipeline:</p> <p>10. Do you agree with the proposed service points, zones and pipeline segments?</p> <p>11. Do you consider that the receipt points between Wallumbilla and Rolleston should be allocated to a single receipt zone?</p> <ul style="list-style-type: none"> ○ If so, please explain what benefits you think would be associated with doing so. ○ If not, please explain why not. <p>12. Do you agree with the grouping of all delivery points at Gladstone into a single zone? If not, please explain why not.</p> <p>13. Do you agree with the proposed specification of backhaul receipt and delivery points on the QGP?</p> <ul style="list-style-type: none"> ○ If not, please explain why not and set out what service points you think backhaul services should be available between and why. 	<p>As discussed above, AGL supports aggregation of receipt and delivery zones where ever possible, as this will: widen the pool of interested parties; and simplify capacity trading and the day-ahead auction.</p> <p>AGL considers the backhaul service should exist for the full length of the QGP. It is unclear why the backhaul is only offered up to Moura. The backhaul service would still be subject to AEMO determination on a day hence AGL don't see additional risk in extending the backhaul auction to Wallumbilla.</p>
9.	<p>North Queensland Gas Pipeline:</p> <p>14. Do you agree with the proposed service points, zones and pipeline segments?</p>	Please see our general comments regarding park.
10.	<p>Amadeus Gas Pipeline:</p> <p>15. Do you agree with the proposed service points, zones and pipeline segments?</p>	
11.	<p>Northern Gas Pipeline:</p> <p>16. Do you agree with the proposed service points, zones and pipeline segments?</p>	Please see the comments regarding the CGP – AGL does not believe that an ownership change necessarily warrants a delivery/receipt zone when there is no other physical reason (i.e. there is only one contiguous pipeline, or the pipeline could be considered a lateral if it only adds a single delivery zone).

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2.	<p>Moomba to Adelaide Pipeline System:</p> <p>17. Do you agree with the proposed service points, zones and pipeline segments?</p> <p>18. Do you agree with the proposed specification of the delivery zone incorporating both STTM custom transfer points and non-STTM points? If not, please explain why not.</p> <p>19. Do you consider that the Adelaide Metro notional point should be specified as:</p> <ul style="list-style-type: none"> ○ A forward haul receipt point for northern haul services? or ○ A backhaul receipt point (i.e. gas supply at this service point is likely to be an offset to STTM deliveries)? <p>Please provide an explanation for your response.</p>	<p>As discussed throughout this submission, AGL considers the number of zones should be reduced. Specifically, DZ-06 and DZ-05 should be amalgamated – this also assists with the aggregation of gas powered generation quantities, which is unable to be disclosed under the electricity rules.</p> <p>AGL is concerned that a notional delivery point is being included in the service points (MAPS-DZ-01, QSN), given that it may need to be treated as a 'firm service' based on the pipeline service priorities.</p>
3.	<p>Port Campbell to Adelaide Pipeline:</p> <p>20. Do you agree with the proposed service points, zones and pipeline segments?</p> <p>21. Do you agree with the proposed specification of the delivery zone incorporating both STTM custody transfer points and non-STTM points? If not, please explain why not.</p> <p>22. Do you agree with the proposed specification of the backhaul receipt and backhaul delivery points on the PCA? If not, please explain why not and set out what service points you think backhaul services should be available between and why.</p>	<p>Under the proposed service points, UGS is listed as a receipt point with a note that it is a backhaul delivery point, as well as a backhaul delivery point with no zone. AGL suggests UGS should be listed twice, once as a Receipt point, and again as a Delivery point. AGL also understands that both are physically supported directions, so neither should be considered as 'backhaul' services.</p> <p>AGL would be comfortable trading a park service on this pipeline given its existing GTA and would suggest that the GMRG include this service on the PCA.</p>

	Questions	Feedback
4.	<p>Port Campbell to Iona Pipeline:</p> <p>23. Do you agree with the proposed service points, zones and pipeline segments?</p> <p>24. Do you agree with the proposed specification of the delivery zone incorporating DWGM interface points? If not, please explain why not.</p> <p>25. Do you agree with the proposed specification of the backhaul receipt and backhaul delivery points on the PCI? If not, please explain why not and set out what service points you think backhaul services should be available between and why.</p>	<p>AGL notes that M-UGS is documented as a Receipt point twice and suggests that it should be one receipt point and one delivery point.</p> <p>AGL notes there is a mention of MHQ accreditation for the PCI. If there is further discussion, AGL's view on the transfer of MHQ is that it should transfer on a 1/24 MHQ basis, based on the amount purchased/traded.</p>
5.	<p>SESA Pipeline:</p> <p>26. Do you agree with the proposed service points, zones and pipeline segments?</p>	<p>There only appears to be a single receipt and delivery zone, AGL is unclear why this has been treated as a unique pipeline and not just a delivery zone on the PCA – the only delineation appears to be an ownership change.</p>
6.	<p>Eastern Gas Pipeline:</p> <p>27. Do you agree with the proposed service points, zones and pipeline segments?</p> <p>28. Do you agree with the proposed specification of delivery zones incorporating both STTM custody transfer points and non-STTM points? If not, please explain why not.</p> <p>29. Do you agree with the proposed specification of the backhaul receipt and backhaul delivery points on the EGP? If not, please explain why not and set out what service points you think backhaul services should be available between.</p> <p>30. Do you agree that the Wilton EGP service point should be specified as a backhaul receipt point (i.e. to enable gas to be backhauled from Wilton EGP to Longford or other backhaul delivery points)?</p>	<p>Please review AGL's general comment on Park and IPT (non-locational) at the beginning of this submission.</p> <p>AGL notes that a backhaul service on VicHub to the EGP is likely to be an unreliable product on the day ahead auction, given the number of DWGM schedules it will be subjected to.</p> <p>AGL notes that some of the EGP service points also appear in the VicHub pipeline, and queries whether this duplication is necessary.</p>

	Questions	Feedback
	<ul style="list-style-type: none"> ○ If so, please explain what benefits you think there would be in specifying this as a backhaul receipt point. ○ If not, please explain why not. 	
17.	<p>Moomba to Sydney, Central West and Central Ranges pipelines:</p> <p>31. Do you agree with the proposed service points, zones and pipeline segments?</p> <p>32. Do you agree with the proposed specification of a delivery zone incorporating both STTM custody transfer points and non-STTM points? If not, please explain why not.</p> <p>33. Do you agree with the proposal to allocate Culcairn South and Uranquinty to the same delivery zone? If not, please explain why not.</p>	<p>AGL suggests that a Moomba trade point is included, as well as IPT.</p> <p>AGL would like the IPT and Park services to be removed from zones and made a common point accessible in all zones. This is in line with AGL's overall view that IPT and Park do not need to be location based. AGL's view is that haulage traded on the CTP or DAA is already underpinned with a firm transport tariff and therefore any claim that there are physical limitations does not consider that the transport of the gas to enable the locational swap has already been paid for by the firm haulage tariff.</p> <p>Given that MCF Moomba is listed as a delivery point in the Compression zone, but not as a service point in the MSP, it is unclear how gas would be moved out of the compression zone.</p> <p>AGL supports the aggregation of the Culcairn South and Uranquinty zone in line with the more general view to simplify the zones.</p>
18.	<p>Illabo to Tumut Pipeline:</p> <p>34. Do you agree with the proposed service points, zones and pipeline segments?</p>	<p>There only appears to be a single receipt and delivery zone, AGL queries why this has been treated as a unique pipeline and suggests that it becomes a delivery zone on the MSP. The only delineation appears to be an ownership change.</p>
19.	<p>VicHub Pipeline:</p> <p>35. Do you agree with the proposed service points, zones and pipeline segments?</p>	<p>AGL believes that this pipeline introduces unnecessary complexity and that the EGP delivery points are sufficient to manage this pipeline (EGP includes VicHub delivery into the DWGM, and VicHub receipt for backhaul from the DWGM).</p>
20.	<p>Tasmanian Gas Pipeline:</p> <p>36. Do you agree with the proposed service points, zones and pipeline segments?</p>	<p>As discussed elsewhere, AGL does not agree with the park point being locational.</p>

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	<p>37. Do you agree with the proposal to include the TGP notional park delivery point and the TasHub delivery point in two separate delivery zones?</p> <ul style="list-style-type: none"> ○ If so, please explain why. ○ If not, do you think that combining these points into a single zone where capacity available in the DAA for both points would be limited by the CBU capacity at TasHub is appropriate? <p>38. Do you agree with the proposal to allocate the Port Latta service point and Bridgewater service point to separate zones?</p>	
Compression facilities		
21.	<p>Wallumbilla Compression Facility 1:</p> <p>39. Do you agree with the proposed service points and zones?</p>	<p>AGL notes that the CBU capacity is proposed to be based on contracted compressor capacity less the physical forecast flows through compression at the listed high-pressure delivery points. This may not allow maximum release of contracted compression capacity, as some of the delivery points the flows may be notional between the LP receipt and HP delivery points.</p> <p>AGL is also unclear how a participant would move gas out of the compression zone as the WNP and the WNP-LP are not included.</p>
22.	<p>Wallumbilla Compression Facility 2:</p> <p>40. Do you agree with the proposed service points and zones?</p>	<p>AGL opposes the division of the Wallumbilla compression facility into two zones.</p> <p>AGL understands its current contracting arrangements require APA to utilise any compression facilities at Wallumbilla to support its MDQ under its GTA, and the gas being compressed need not comply with a 'lean gas' spec. Therefore, the proposed split of compression facilities where the gas specification through some compressor banks needs to comply with a more stringent quality, could limit AGL (and other participants) from participating in the trading platform.</p> <p>AGL believes that WCS3 represents some of largest compressors at Wallumbilla - more than 50% of Wallumbilla's nameplate. Hence this split represents a significant capacity reservation to the detriment of other participants. Based on the proposed zones it</p>

	Questions	Feedback
		<p>appears that this second facility is designed to enable an LNG participant who made an independent economic decision (pg 33, http://ncc.gov.au/images/uploads/NCCRWPLAp-002.pdf) to connect to a gas network that deals in AS4564, but not to install the plant that might be required so it could manage this specification.</p> <p>AGL therefore suggest that the delivery points proposed in ‘Facility 2 and Facility 1’ be amalgamated into the one facility so that all compression can be utilised by firm shippers, and that all references to gas that is required to be more stringent than AS4564 be removed.</p> <p>AGL also notes that Wallumbilla is proving to be a highly complex network point. AGL would encourage the GMRG to consider an independent engineering study of the technical drawings to determine the capability of the site and how it can be optimised to meet the needs of the east coast gas market.</p>
23.	<p>Moomba Compression Facility:</p> <p>41. Do you agree with the proposed service points and zones?</p>	AGL suggests that the facility should include the MAP as a receipt point.
24.	<p>Ballera Compression Facility:</p> <p>42. Do you agree with the proposed service points and zones?</p>	AGL agrees
25.	<p>Iona Compression Facility:</p> <p>43. Do you agree with the proposed service points and zones?</p>	AGL considers there needs to be further explanation on how the Iona compression facility integrates with the changing DWGM schedules.