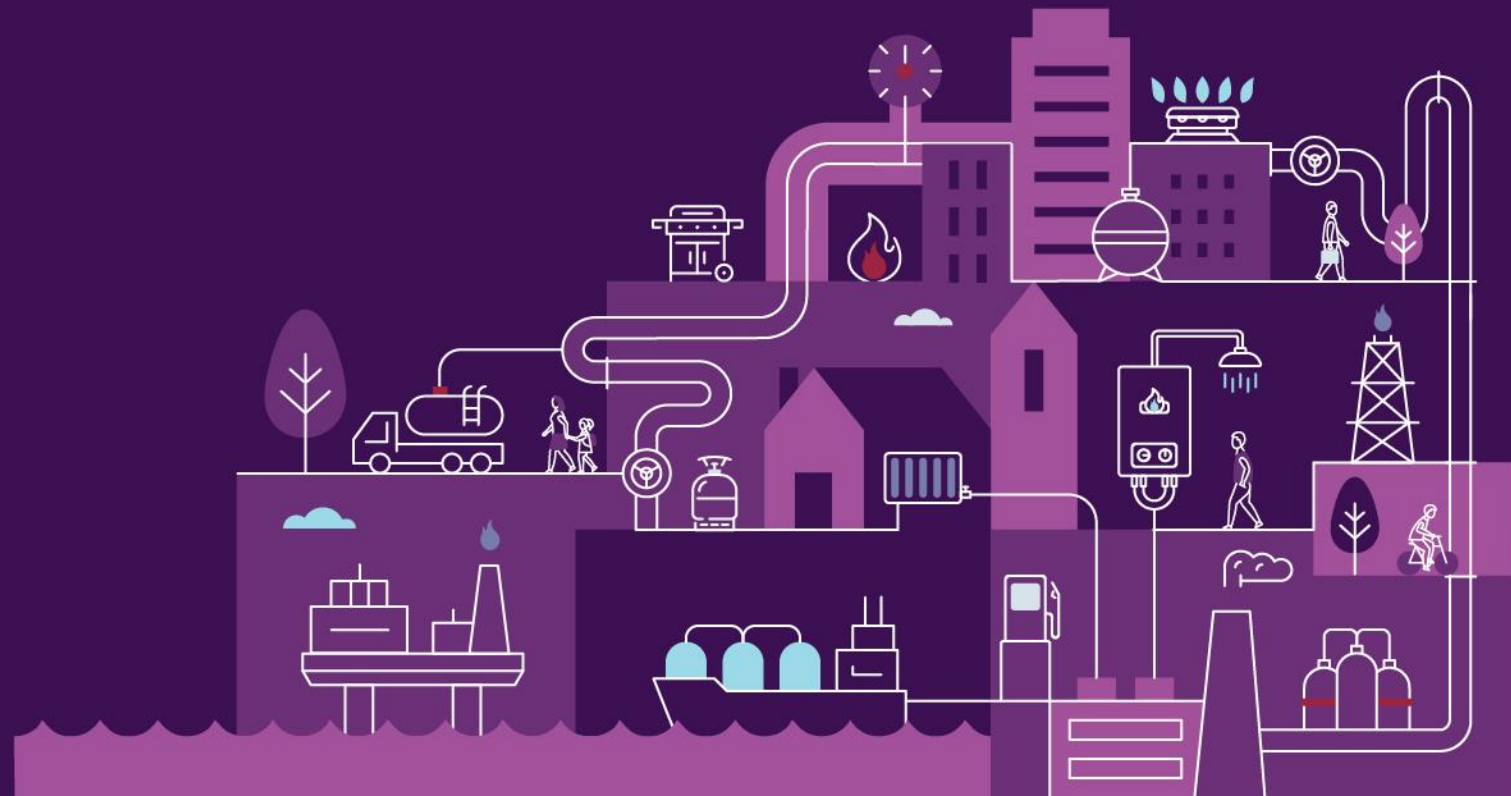
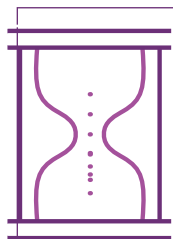


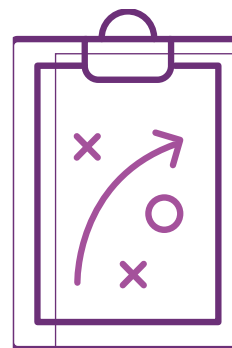
DWGM Rule Changes



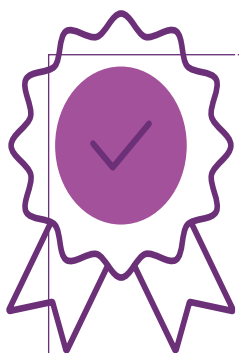
AMDQ replaced by Credit Certificates



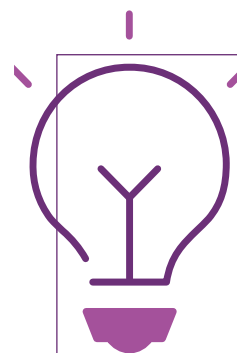
AMDQ replaced with
CCs



Entry and Exit CCs
provide tie-breaking
rights



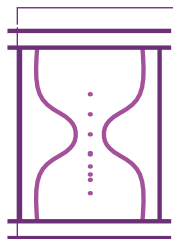
Congestion uplift no
longer applies



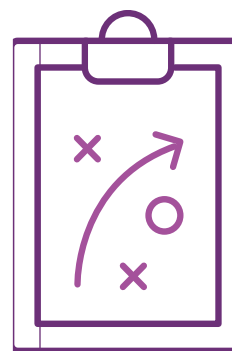
Curtailment protection
from AMDQ removed

See <https://www.aemo.com.au/energy-systems/gas/emergency-management/victorian-role>

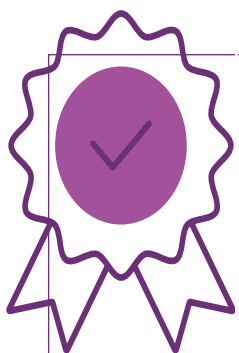
Capacity Certificates



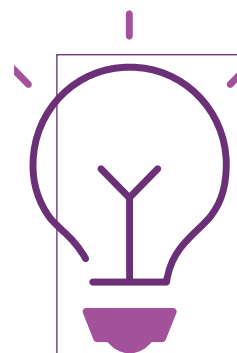
Based on system capability or system point capacity



Issued for a calendar month

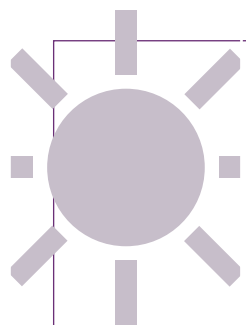


Auctioned in multiple tranches

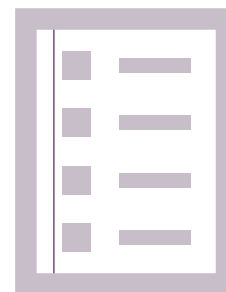


Ability to transfer CCs from one MP to another MP

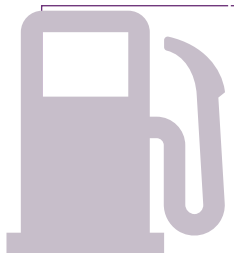
System capability modelling



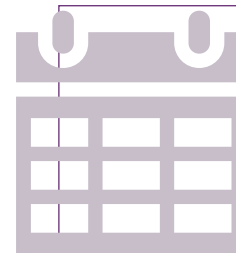
1-in-20 monthly peak day
forecast basis as VGPR



Takes into account
committed projects



Excludes maintenance



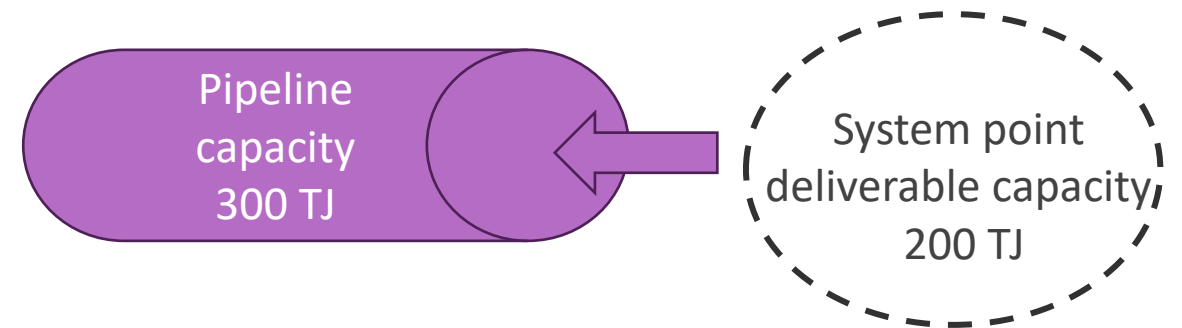
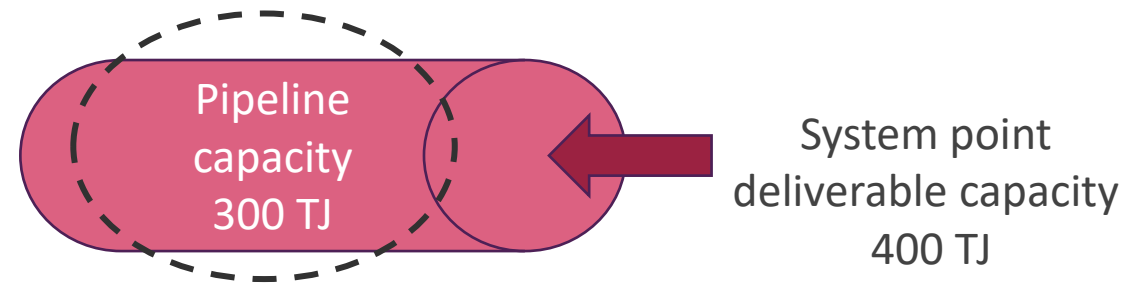
Basis for determination
of the quantity of
monthly auction products

Entry or Exit CC

Determined from:

- System capability modelling (pipeline capacity)
- Information provided by connected facilities (system point capacity)

Entry/Exit CC = $\text{Min} (\{\text{Total pipeline capacity in zone}\}, \{\text{Total system point capacity in zone}\})$



Entry or Exit CC

- Entry and Exit CC are a zone-based certificate
 - A CC Zone is a group of System Injection Points (SIP) or Withdrawal Points (SWP)
- AEMO sets the CC Zones, and consults with stakeholders

Entry Zone

CC Entry Zone	System points
Northern Entry Zone	Culcairn injection point
South West Entry Zone	Iona injection point SEA Gas injection point Otway injection point Mortlake injection point
Gippsland Entry Zone	Longford injection point VicHub injection point TasHub injection point BassGas injection point
Melbourne Entry Zone	Dandenong LNG injection point

Exit Zone

CC Exit Zone	System points
Northern Exit Zone	Culcairn withdrawal point
South West Exit Zone	Iona withdrawal point SEA Gas withdrawal point Otway withdrawal point
Gippsland Exit Zone	VicHub withdrawal point TasHub withdrawal point

Importance of Entry/Exit CC

- Tie breaking may be needed where two or more bids are of equal bid price and cannot be completely scheduled because any or all the following conditions apply:
 - They are marginally priced bids and demand has been fully met
 - A transmission constraint would be exceeded for a group of SIP/SWP
 - An individual SIP/SWP constraint would be exceeded
- In these situations, those bids associated with Entry or Exit CC will be scheduled before those bids that are not

Example

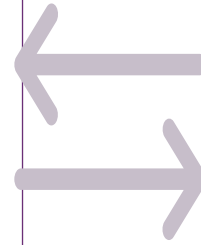
- Longford injection is supply constrained due to a plant issue.
- Constraint of 700 TJ at the request of facility operator

Participant	Bid qty (TJ)	Bid price (\$/GJ)	Entry CC
A	300	0.00	No
B	200	1.00	Yes
C	200	2.00	Yes
D	100	2.00	No
E	50	3.00	Yes
Total	850	-	-

Obtaining Entry / Exit CC



Participating in an auction



Transfer from another MP holding Entry or Exit CC



From the DTS SP (APA)



Must be a DWGM Market Participant to hold Entry / Exit CC

CC From auction

- Auction products are one calendar month of Entry or Exit CC
- Scheduled auctions will be held twice a year for 3 years ahead
 - Each auction product will be split into 6 tranches
 - One tranche will be allocated per auction
 - Quantity per auction is the set cumulative percentage of current system capability
 - Less currently allocated
 - Less quantity to be allocated by DTS SP
- Auction bids placed through AEMO Markets Portal system

Capacity release schedule

Tranche #	Product month of the auction forward period	Tranche allocation	Cumulative release amount
1	31-36	15%	15%
2	25-30	15%	30%
3	19-24	15%	45%
4	13-18	15%	60%
5	7-12	20%	80%
6	1-6	20%	100%

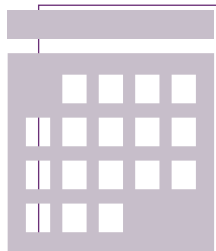
Transition auctions



Two transition auctions prior to first scheduled auction



Transition auction will cover 50% of CC that will not be sold in scheduled auctions



Covers product window for an auction forward period of January 2023 – December 2025



Payment via Austraclear before CC are issued to successful bidders

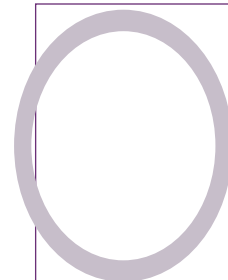
Transitional tranche sizes

Products	Capacity released at first transitional auction (transitional tranche 1 of 2)	Capacity released at second transitional auction (transitional tranche 2 of 2)	Capacity released at first standard auction	Capacity released at future auctions	Total auctions per product
January 2023 – June 2023	40%	40%	20%	N/A	3
July 2023 – December 2023	30%	30%	20%	20%	4
January 2024 – June 2024	22.5%	22.5%	15%	40%	5
July 2024 – December 2024	15%	15%	15%	55%	6
January 2025 – June 2025	7.5%	7.5%	15%	70%	7
July 2025 – December 2025	0% (no transitional quantities for these products)	0% (no transitional quantities for these products)	15%	85%	6

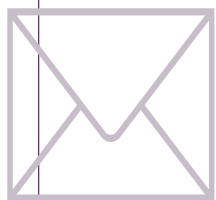
Auction format



Must take place in one round



Reserve price of zero



Conducted on a sealed bid, pay as cleared basis



Winners of an auction product to pay the same clearing price per GJ

Auction bidding

Bidding

- To acquire capacity certificates, participants need to submit bids for auction products
- An Auction Product is a month's worth of capacity certificates for a capacity certificate type (CC entry or exit zone)
- The Rules for bidding have been modelled on the Day Ahead Capacity Auction and state:

(4) In relation to bidding in the capacity certificates auction, the capacity certificates auction procedures must provide for:

- (a) a minimum bid quantity;
- (b) each auction participant to specify in its bid the combination of auction products that its bid relates to;
- (c) the submission of separate bids for different combinations of auction products; and
- (d) each bid to comprise a single bid quantity (in GJ/day) and a single bid price (in \$/GJ and expressed to the number of decimal places provided for in the capacity certificates auction procedures) for the combination of auction products specified in the bid.



Auction Parameter



Linked bidding permitted

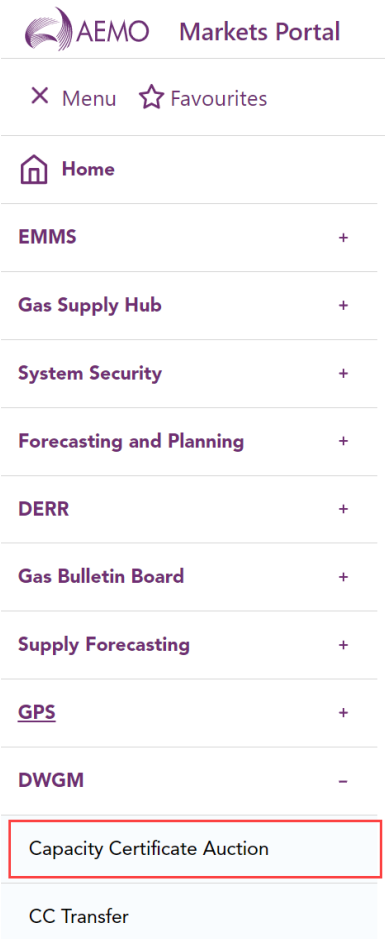


Separate bids for different product combinations



Linked bids and standard bids have a single price that must 'win' for all products included in a bid.

Bidding system



- CC auction and transfer is conducted through AEMO's Markets Portal
- Accessed under DWGM menu heading
- Similar screen set up to Day Ahead Auction
- Web Exchanger is not used

Bidding system



Auction ID: 3 Bids open until 29 Jan 2022 17:00:00 AEST

[Download CSV](#) [Upload CSV](#)

1

▼ A

Select zone:

Select item

- The Zone field is required

Link zone to this bid

From month

To month

Select item

Select item

Linked months:

NO

- The From month field is required
 - The To month field is required
- Cumulative quantity (GJ) Price in \$ per GJ
- Add a bid step
- The Quantity field is required
 - The Quantity field must be an integer
 - The Quantity field must be 1 or more
 - The Quantity field must be 1000000 or less
 - The Price field is required
 - The Price field must be numeric and may contain 4 decimal points
 - The Price field must be 0.0001 or more
 - The Price field must be 100 or less

Your bid summary

Please confirm your bids,

1 U A

0 GJ @ \$0 \$0

Bid value: \$0

Total value: \$0

Submit bids

Add new bid

Bidding system

Auction ID: 4 Bids open until 27 Apr 2022 17:00:00 AEST

Cancel bids

Edit bids

Submitted bids

The bids were submitted on 09 Oct 2021 12:01:02 AEST

Product	Zone	From month	To month	Cumulative quantity	Price	Step value
1 A		May-2023	Aug-2023	567 GJ	\$3	\$1,701
					Total value	\$1,701
Product	Zone	From month	To month	Cumulative quantity	Price	Step value
2 A		Nov-2021	Nov-2021	234 GJ	\$2	\$468
					Total value	\$468
Product	Zone	From month	To month	Cumulative quantity	Price	Step value
3 A		Feb-2022	Mar-2023	763 GJ	\$7	\$5,341
				987 GJ	\$8,3169	\$1,862,986
					Total value	\$7,203,986

- Submitted bids are summarised on the screen

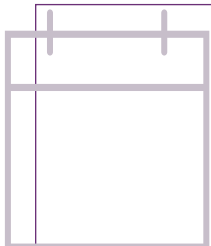
CC From transfer



Bi-lateral and not settled
on market



For the full period of the
auction product (one
calendar month)



Completed by no later than
3 business days before
start of each month



Used for 2 day ahead
provisional schedules

CC transfers in Markets Portal

New transfer

Transfer

Cancel

Recipient market participant:

Acquired:

Global Search :

Zone id	Zone name	Start period	End period	Quantity (GJs) as per CC holding	Quantity (GJs) pending transfer acceptance	Quantity (GJs) to be transferred
	<input type="text" value="Search by zone name"/>	<input type="text" value="Search by start period"/>	<input type="text" value="Search by end period"/>			
1	South West Entry	07 May 2022	31 Mar 2023	5	0	<input type="text" value="0"/>
2	South West Exit	07 May 2022	31 Mar 2023	9	0	<input type="text" value="0"/>

- CC transfer web interface can used for a new transfer, view transfer history and any pending received transfers
- Can also accept or reject the received transfer

CC from DTS Service Provider

- AEMO undertakes system capability modelling to determine the CC type and quantity to be made available for allocation
- DTS SP can request the AER to determine the non-regulated capacity
 - Where the DTS SP has augmented the DTS; and
 - Not added the costs to its capital base
- Where the AER has made a determination
 - DTS SP can decide the allocation of CC to MP and advise AEMO
 - The relevant MP must also request AEMO to make the allocation
 - AEMO is likely to allocate CC to the DTS SP
 - MP & DTS SP will both use the CC transfer system to request AEMO to make the allocation

Timeline

Activity	Expected date
Industry training	16,17, 18 May
Access to pre-prod environment	23 May
Access to production environment	August – date TBC
Market trial	Monday 30 May to Friday 24 June 2022
Transitional auction timeline published	Prior to 1 July 2022
First transition auction	September 2022
Second transition auction	October 2022
First auction date published	Prior to 1 October 2022
First scheduled auction	November/December 2022
Rules effective date	1 January 2023

Further information

- Rule change overview from AEMC - <https://www.aemc.gov.au/rule-changes/dwgm-improvement-amd-q-regime>
- New and updated procedures - <https://aemo.com.au/consultations/current-and-closed-consultations/implementation-of-2020-dwgm-enhancement-rule-changes>