



## **National Gas Amendment (DWGM Improvement to AMDQ regime) Rule 2020 No. 1**

under the National Gas Law to the extent applied by:

- (a) the National Gas (South Australia) Act 2008 of South Australia;
- (b) the National Gas (ACT) Act 2008 of the Australian Capital Territory;
- (c) the National Gas (New South Wales) Act 2000 of New South Wales;
- (d) the National Gas (Queensland) Act 2008 of Queensland;
- (e) the National Gas (Tasmania) Act 2008 of Tasmania;
- (f) the National Gas (Victoria) Act 2008 of Victoria;
- (g) the National Gas (Northern Territory) Act 2008 of Northern Territory;
- (h) the National Gas Access (WA) Act 2009 of Western Australia; and
- (i) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Gas Law.

John Pierce  
Chairman  
Australian Energy Market Commission

## **National Gas Amendment (DWGM Improvement to AMDQ regime) Rule 2020 No. 1**

### **1 Title of Rule**

This Rule is the *National Gas Amendment (DWGM Improvement to AMDQ regime) Rule 2020 No. 1*.

### **2 Commencement**

Schedule 1 of this rule commences operation on 1 January 2023.

Schedule 2 of this rule commences operation on 19 March 2020.

### **3 Amendment to the National Gas Rules**

The National Gas Rules are amended as set out in Schedule 1.

### **4 Savings and Transitional Amendment to the National Gas Rules**

The National Gas Rules are amended as set out in Schedule 2.

## Schedule 1      Amendment to the National Gas Rules

(Clause 3)

### [1] Rule 200              Definitions

In rule 200 of Part 19, omit the following definitions:

**AMDQ credit, AMDQ credit certificate, AMDQ credit certificates auction procedures, AMDQ transfer procedures, authorised MDQ, Authorised MDQ auction procedures.**

### [2] Rule 200              Definitions

In rule 200 of Part 19, substitute the following definition:

**AMIQ or Authorised Maximum Interval Quantity** means the quantity of capacity certificates used in the determination of ancillary payments and uplift payments for a Market Participant for each scheduling interval of the gas day, as determined in accordance with the Procedures under rules 239 and 240.

### [3] Rule 200              New definitions

In rule 200 of Part 19, insert the following new definitions in alphabetical order:

**auction fees** - See rule 328B(12).

**auction participant** means an eligible person participating in a capacity certificates auction.

**auction product** means a capacity certificate type offered for allocation as a month-long product commencing at the start of the first gas day of the month and expiring at the end of the last gas day of the month.

**auction quantity** – See rule 328B(4).

**capacity certificate** means an exit capacity certificate or an entry capacity certificate.

**capacity certificate type** means each combination of exit capacity certificate or entry capacity certificate and capacity certificates zone.

**capacity certificates auction** means the auction conducted by AEMO under rule 328B(1) for the allocation of capacity certificates.

**capacity certificates auction procedures** means the Procedures made under rule 328D.

**capacity certificates transfer procedures** means the Procedures made under rule 331(2).

**capacity certificates zone** means a group of one or more system injection points or system withdrawal points (as the case may be) in the declared transmission system which comprise a capacity certificates zone, as determined by AEMO under rule 327B, and specified as such in the capacity certificates zone register.

**capacity certificates zone register** means the register of capacity certificate zones established by AEMO in accordance with rule 327B(2).

**eligible person** means a person who is eligible to participate in capacity certificates auctions under rule 328B(5).

**entry capacity certificate** means a certificated right, measured in GJ per gas day, in respect of a specified capacity certificates zone that is allocated under Division 4 Subdivision 3 for the purposes of tie-breaking in accordance with rule 214(1)(d).

**exit capacity certificate** means a certificated right, measured in GJ per gas day, in respect of a specified capacity certificates zone that is allocated under Division 4 Subdivision 3 for the purposes of tie-breaking in accordance with rule 214(1)(e).

**system capability modelling** means modelling carried out by AEMO in accordance with rule 328.

**tie-breaking event** – See rule 214(1).

**[4] Rule 211                      Timing of submissions by Market Participants**

Omit paragraph (b) of subrule 211(2A) and substitute:

(b) [deleted]; or

**[5] Rule 211                      Timing of submissions by Market Participants**

In the note in subrule 211(2A), omit "nomination of authorised MDQ or AMDQ credit".

**[6] Rule 211                      Timing of submissions by Market Participants**

In subrule 211(4), omit "authorised MDQ or AMDQ credit".

**[7] Rule 211                      Timing of submissions by Market Participants**

Omit subrule 211(5A) and substitute:

(5A) [deleted];

**[8] Rule 211                      Timing of submissions by Market Participants**

In subrule 211(7), omit "nomination of authorised MDQ or AMDQ credit".

## **[9] Rule 214 Priority of bids in the scheduling process**

In rule 214(1), omit the opening paragraph, and substitute:

- (1) For the purpose of scheduling under rule 215, if two or more bids are equally beneficial for scheduling, a **tie-breaking event** occurs and AEMO must as far as practicable apply the following principles:

## **[10] Rule 214 Priority of bids in the scheduling process**

In rule 214, omit paragraphs (d) and (e) and substitute:

- (d) where two or more injection bids are equally beneficial, then those injection bids that are associated with entry capacity certificates should be scheduled before other injection bids that are equally beneficial and that are not associated with entry capacity certificates; and
- (e) where two or more withdrawal bids are equally beneficial, then those withdrawal bids that are associated with exit capacity certificates should be scheduled before other withdrawal bids that are equally beneficial and that are not associated with exit capacity certificates.

## **[11] New Rule 214A Reporting on tie-breaking events**

After rule 214, insert:

### **214A Reporting on tie-breaking events**

- (1) AEMO must publish the information in subrule (2) about tie-breaking events that occurred on each gas day D on the following gas day D+1.
- (2) The following information must be published under subrule (1) for each schedule in gas day D:
  - (a) the total number of tie-breaking events at each system injection point or system withdrawal point; and
  - (b) for the total number of tie-breaking events at each system injection point or system withdrawal point:
    - (i) the number for which all of the equally beneficial bids were associated with capacity certificates;
    - (ii) the number for which some of the equally beneficial bids were associated with capacity certificates; and
    - (iii) the number for which none of the equally beneficial bids were associated with capacity certificates,

and in each case, the corresponding quantity of gas bid but not scheduled.

**[12] Rule 217                      Unintended scheduling results**

In paragraph (a)(viii) of subrule 217(2), omit "authorised MDQ or AMDQ credit certificates" and substitute "capacity certificates".

**[13] Rule 239                      Ancillary payments**

Omit subrule 239(2), and substitute:

- (2) If exit capacity certificates have been nominated as a hedge against uplift payments, scheduled injections supporting capacity certificates do not qualify for ancillary payments.

**[14] Rule 240                      Uplift payments**

Omit paragraph (c) of subrule 240(3) and substitute:

- (c) "[deleted]";

**[15] Rule 240                      Uplift payments**

Omit paragraph (d) of subrule 240(3) and substitute:

- (d) entry capacity certificates of that Market Participant;

**[16] Rule 240                      Uplift payments**

In paragraph (e) of subrule 240(3), omit "authorised MDQ or AMDQ credit certificates" and substitute "entry capacity certificates".

**[17] Rule 240                      Uplift payments**

Omit paragraph (b) of subrule 240(9) and substitute:

- (b) [deleted];

**[18] Rule 240                      Uplift payments**

Omit paragraph (c) of subrule 240(9) and substitute:

- (c) [deleted];

**[19] Rule 272                      AEMO to approve application**

In subrule 272(1), omit "and for allocation of any available authorised MDQ to the Connection Applicant in accordance with Division 4, Subdivision 3".

**[20] Subdivision 3                MDQ Authorisation**

In Part 19, omit the heading of Subdivision 3 of Division 4 and substitute:

**Subdivision 3 Capacity certificates**

### **[21] Subdivision 3 Capacity certificates**

In Subdivision 3 of Division 4 in Part 19, omit rules 327A and 328 and substitute:

#### **327A Register of capacity certificates**

- (1) AEMO must prepare, maintain and publish a register of the capacity certificates allocated under this Subdivision.
- (2) The register referred to in subrule (1) must contain the information specified in the electronic communication procedures.

#### **327B AEMO to determine capacity certificates zones**

- (1) AEMO must determine and may amend the allocation of system injection points or system withdrawal points (as the case may be) in the declared transmission system to capacity certificates zones.
- (2) AEMO must publish its determination in a capacity certificates zone register setting out:
  - (a) the location of the capacity certificates zones in the declared transmission system; and
  - (b) the system injection points or system withdrawal points associated with each capacity certificates zone.
- (3) In determining the allocation of system injection points or system withdrawal points to capacity certificate zones, AEMO may have regard to any matter that AEMO reasonably considers relevant to that determination including:
  - (a) the impact of the proposed allocation on capacity certificates auctions including the impact on the demand for auction products or liquidity;
  - (b) the impact on the use of capacity certificates for tie-breaking events, whether over time or at particular times or in particular conditions; and
  - (c) the technical or operational characteristics of the declared transmission system.
- (4) The allocation of system injection points or system withdrawal points to capacity certificates zones must also comply with the following principles:
  - (a) system injection points must be allocated to entry capacity certificates zones;
  - (b) system withdrawal points must be allocated to exit capacity certificates zones; and
  - (c) a system point cannot be in more than one capacity certificates zone.

- (5) Before making or amending a determination under subrule (1), AEMO must consult in accordance with the capacity certificates auction procedures.
- (6) When making or amending a determination under subrule (1), AEMO must take into account the information provided by Registered participants under rules 324(1), (2), (3) and (4).
- (7) AEMO must review its determination under subrule (1) if:
  - (a) there is a change that could reasonably be expected to affect the allocation of system points to capacity certificate zones, which may include:
    - (i) an extension or expansion of the declared transmission system that AEMO reasonably considers could affect the allocation of system points to capacity certificate zones; or
    - (ii) any other change in the technical or operational characteristics of the declared transmission system that could affect the allocation of system points to capacity certificate zones; or
  - (b) a proposal for a review is made in accordance with the capacity certificates auction procedures, subject to those procedures.
- (8) If AEMO amends a determination under subrule (1), it may defer the effective date of the amendment or take other measures under the determination to mitigate or avoid adverse impacts on capacity certificates allocated before the amendment is made.

### **328 AEMO to conduct system capability modelling**

- (1) By 31 March each year, AEMO must conduct system capability modelling of the declared transmission system for the purpose of informing AEMO's determination of the amount of capacity certificates available for allocation under this Subdivision.
- (2) AEMO must update the system capability modelling during the course of a year if there is a material change in the matters taken into account under subrule (4) or in the technical or operational characteristics of the declared transmission system or if required for the purposes of rule 329A(3).
- (3) The system capability modelling must measure the capacity of the declared transmission system that is available for allocation of capacity certificates in forthcoming capacity certificate auctions by testing for the maximum capacity that is:
  - (a) deliverable across all system injection points and system withdrawal points; and
  - (b) feasible when tested against the planning criteria used by AEMO for the purpose of rule 323(3)(b).



- (4) When performing the system capability modelling, AEMO must:
  - (a) assume all declared transmission system assets are available in accordance with the availability specified in the service envelope agreement;
  - (b) take into account:
    - (i) anticipated future growth in the demand for gas in the adoptive jurisdiction;
    - (ii) committed projects for new or additional gas production facilities or extensions or expansions of a declared transmission system or a distribution pipeline;
    - (iii) the capacity required to serve uncontrollable demand in respect of tariff D withdrawal points or tariff V withdrawal points; and
    - (iv) transmission constraints.
- (5) When performing the system capability modelling, AEMO must take into account the information provided by Registered Participants under rules 324(1), (2), (3) and (4).
- (6) As soon as reasonably practicable after completion of system capability modelling, AEMO must publish the assumptions upon which the system capability modelling is based.

### **328A General requirements for allocation of capacity certificates**

- (1) AEMO is responsible for allocating capacity certificates under this Subdivision in accordance with the requirements of this Subdivision and:
  - (a) on the basis of a capacity certificates auction carried out in accordance with rule 328B(1); or
  - (b) as directed by the declared transmission system service provider in accordance with rule 329D.
- (2) The total allocation of capacity certificates for any month and capacity certificate type must be consistent with the outcomes of the system capability modelling and the determination of capacity certificates zones.
- (3) As soon as reasonably practicable after completion of system capability modelling, AEMO must determine and publish the quantity (in GJ/day) of each auction product available for allocation on the basis of capacity certificates auctions, taking into account:
  - (a) AEMO's determination of the capacity of the declared transmission system that is available for allocation of capacity certificates based on the system capability modelling; and

- (b) the quantity of capacity certificates allocated (or required to be allocated) at the direction of the declared transmission system service provider in accordance with rule 329D.
- (4) The gas scheduling procedures must provide information about the process for a Market Participant to use a capacity certificate at an individual system point in those cases where there is more than one system point in a capacity certificates zone. The process must not result in equally beneficial bids associated with capacity certificates being given different priorities at the same system point in the capacity certificates zone.

### **328B Auctions of capacity certificates**

- (1) AEMO must conduct each capacity certificates auction in accordance with this Subdivision and the capacity certificates auction procedures.

#### **Auction frequency and auction quantities**

- (2) A capacity certificates auction must be conducted:
  - (a) at 6-month intervals or, if specified in the capacity certificates auction procedures, at shorter intervals specified in those procedures;
  - (b) in respect of a rolling forward period of at least 36 consecutive months; and
  - (c) where provided for in the capacity certificates auction procedures, in respect of a rolling forward period longer than 36 consecutive months.
- (3) AEMO must determine and specify in the capacity certificates auction procedures a capacity release schedule that specifies the percentages and timing for the release over the rolling forward period of the quantity of each auction product available to auction as determined under rule 328A(3). In determining the capacity release schedule, AEMO must:
  - (a) have regard to the need for the auction product for any particular month to be made available for allocation by auction at regular intervals;
  - (b) for each auction product, determine a schedule under which no more than 50% of the quantity available to auction is released for months 25 or later of the rolling forward period; and
  - (c) for each auction product, determine a schedule under which at least 10% of the quantity available to auction is not released until the last capacity certificates auction in which the auction product is included.
- (4) Before each capacity certificates auction, AEMO must determine the quantity of each auction product to be offered for allocation in the auction (the **auction quantity**), having regard to:

- (a) the capacity release schedule in the capacity certificates auction procedures;
- (b) its most recent determination under rule 328A(3) of the quantity of the auction product available to auction;
- (c) the quantity of auction product already allocated in previous capacity certificates auctions; and
- (d) any quantity of capacity certificates relinquished in accordance with rule 332 and to be allocated by AEMO through capacity certificates auctions.

#### **Auction participants**

- (5) Only a person (an **eligible person**) who satisfies, and continues to satisfy, the following criteria is eligible to participate in a capacity certificates auction:
  - (a) the person is a Market Participant; and
  - (b) if required under the capacity certificates auction procedures, the person is a party to a capacity certificates auction participation agreement with AEMO.
- (6) AEMO must, in accordance with the capacity certificates auction procedures, suspend the access of a person to a capacity certificates auction if the person ceases to be an eligible person.
- (7) An auction participant must pay AEMO all amounts payable by the auction participant in respect of the auction at the time and in the manner specified under, and otherwise in accordance with, the capacity certificates auction procedures.

#### **Publication of auction notices and results**

- (8) No later than 20 business days' prior to any capacity certificates auction, AEMO must publish a notice which sets out:
  - (a) the date and time of the auction;
  - (b) the auction quantity for each capacity certificate type and each month covered by the auction; and
  - (c) any other information AEMO considers relevant or convenient to include in the notice.
- (9) AEMO may delay or suspend a capacity certificates auction for a period of time specified by AEMO in the circumstances provided for in the capacity certificates auction procedures.
- (10) If AEMO takes any action under subrule (9), it must publish a notice specifying the action taken as soon as practicable after taking it, and provide

at least 5 business days' notice of when the replacement capacity certificates auction will be held.

- (11) Following each capacity certificates auction, AEMO must publish the auction results as soon as reasonably practicable after the information becomes available to AEMO, including:
  - (a) the clearing price of each auction product;
  - (b) the quantities of each auction product successfully allocated to auction participants; and
  - (c) any unallocated quantities of each auction product.

#### **Auction costs and proceeds**

- (12) Subject to Division 3 of Part 15A, AEMO may charge fees (**auction fees**) relating to the establishment, operation and administration of the capacity certificates auctions, which are payable by auction participants in accordance with the requirements of the capacity certificates auction procedures.
- (13) AEMO must use the proceeds of capacity certificates allocated at capacity certificates auctions to offset its costs to establish, operate and administer capacity certificates auctions and its costs of operating the declared wholesale gas market.

### **328C Auction format**

- (1) Each capacity certificates auction must take place in one round with a reserve price of zero.
- (2) Each capacity certificates auction must be conducted on a sealed bid basis (that is, bids submitted by an auction participant must not be visible to other auction participants while the auction is being conducted).
- (3) In relation to the determination of clearing prices:
  - (a) each capacity certificates auction must operate on a pay as cleared basis with all winners of a particular auction product to pay the same clearing price per GJ for that auction product;
  - (b) any auction product that remains partially unsold in the capacity certificates auction for a gas day must have a clearing price of \$0/GJ;
  - (c) the clearing price for all other auction products for a gas day must be determined jointly such that the lowest accepted bid sets the clearing price; and
  - (d) the clearing price determined for each auction product must satisfy the following conditions:

- (i) for any winning bid that is allocated a quantity of capacity certificates equal to its bid quantity, the sum of clearing prices of all auction products included in that bid must not exceed the bid price in that bid;
  - (ii) for any winning bid that is allocated a quantity of capacity certificates greater than zero but less than the quantity in its bid, the sum of clearing prices of all auction products included in that bid must be equal to the bid price in that bid; and
  - (iii) for any bid that is not allocated any capacity certificates, the sum of the clearing prices of all auction products included in that bid must be no lower than the bid price in that bid.
- (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.
- (5) In relation to the allocation of capacity certificates in the capacity certificates auction, the capacity certificates auction procedures must provide for:
  - (a) all winning bids to be determined simultaneously and for an auction participant to win none, one or more of its bids;
  - (b) the winning bids to be the combination of one or more bids that:
    - (i) maximise the total capacity certificates auction revenues at bid prices; and
    - (ii) allocates to each winning auction participant the same quantity of capacity certificates for all auction products in the combination of auction products specified in its winning bid;
  - (c) the quantity of capacity certificates allocated to a particular winning bid to be any quantity between the bid quantity of the bid and zero;
  - (d) if there is more than one combination of winning bids, AEMO to employ a method of random selection to determine the winning allocation; and
  - (e) the lowest accepted bid for any particular auction product to be partially filled if necessary.

- (6) The capacity certificates auction procedures may require capacity certificates auction results to be treated as final and not subject to review or the payment of compensation in the event of error in the determination of auction results.

### **328D Capacity certificates auction procedures**

- (1) Subject to the requirements of this Subdivision, AEMO must make Procedures (**capacity certificates auction procedures**) pursuant to which it will conduct capacity certificates auctions and which give effect to the principles, and contain the information, specified in this rule and rules 328B and 328C.
- (2) The capacity certificates auction procedures must set out:
  - (a) the process for conducting capacity certificates auctions;
  - (b) the approach AEMO uses for system capability modelling;
  - (c) information about the method AEMO uses to determine the quantity of each auction product available to auction under rule 328A(3) and the auction quantity under rule 328B(4);
  - (d) the frequency of capacity certificates auctions and how far in advance of the start of the rolling forward period they will be held;
  - (e) if required by AEMO, the form of the capacity certificates auction participation agreement and requirements for the provision of payment security;
  - (f) the arrangements for a person to participate in the auction as an agent for a Market Participant;
  - (g) the procedures and timing requirements for billing and settlement of amounts payable in respect of the auction, which must include a requirement that an auction participant cannot receive an allocation of capacity certificates unless and until that participant has paid all amounts owing by it in respect of the auction in full;
  - (h) a description of the information to be published by AEMO in relation to the capacity certificates auction before and after it is held on each occasion, including the auction results required under rule 328B(11);
  - (i) the matters which this Subdivision requires to be specified in the capacity certificates auction procedures; and
  - (j) any other matters necessary or convenient to deal with in the capacity certificates auction procedures.
- (3) The capacity certificates auction procedures must set out the arrangements for AEMO to consult in accordance with rule 327B(5) on the proposed allocation of system injection points or system withdrawal points to capacity

certificates zones. The arrangements must include provisions with respect to:

- (a) the time frame and process for AEMO to consult, which may allow for extensions of time in reasonable circumstances;
- (b) an expedited process for AEMO to consult in circumstances where the matter is of a minor or administrative nature;
- (c) the submission to AEMO of proposals for change to a current determination;
- (d) rejection of proposals for change without consultation, including where in the reasonable opinion of AEMO the proposal is for a change proposed, but rejected, in the previous 12 months or is misconceived or lacking in substance; and
- (e) the time at which a determination takes effect and the matters to be taken into account for that purpose, including the impact on capacity certificates already allocated.

### **328E Review of the capacity certificates auctions**

- (1) Within 5 years of the first capacity certificates auction and at least every 5 years after that, AEMO must review:
  - (a) the frequency of capacity certificates auctions and how far in advance of the start of the rolling forward period they are held;
  - (b) the capacity release schedule determined under rule 328B(3); and
  - (c) the determination of capacity certificate zones under rule 327B(1).
- (2) AEMO must consult with Market Participants as it considers appropriate in relation to a review under subrule (1) and must publish on its website a report of the outcomes of the review.

## **[22] Subdivision 3 Capacity certificates**

In Subdivision 3 of Division 4 of Part 19, omit rules 329A, 329B, 329C, 329D, 329E, 329F and 329G and substitute:

### **329A Capacity which is available for allocation as capacity certificates**

- (1) During the declared transmission system service provider's *access arrangement period*, the process for allocation of any increase in capacity of the declared transmission system as capacity certificates is to be determined in accordance with rule 329B.
- (2) During the declared transmission system service provider's *access arrangement period*, the process for allocation of any existing capacity that

becomes available for allocation as capacity certificates is to be determined in accordance with rule 329C.

- (3) In respect of additional capacity to which rule 329B or 329C applies, AEMO must undertake system capability modelling to determine the capacity certificate type and quantity of each capacity certificate type to be made available for allocation.

### **329B Responsibility for allocation of additional capacity certificates relating to new capacity**

- (1) If the declared transmission system service provider undertakes an extension or expansion of the declared transmission system during an *access arrangement period* that results in additional capacity available for the allocation of capacity certificates and less than 100% of the cost of the extension or expansion is approved capex, then the declared transmission system service provider may request the AER to determine the portion of the additional capacity associated with any part of the cost of an extension or expansion undertaken during the *access arrangement period* that is not approved capex (the **new non-regulated capacity**).
- (2) AEMO must allocate:
  - (a) the capacity certificates that relate to new non-regulated capacity at the direction of the declared transmission system service provider in accordance with rule 329D; and
  - (b) the capacity certificates that relate to the remaining portion of the additional capacity in capacity certificates auctions.
- (3) If additional capacity certificates are available as the result of an extension or expansion of the declared transmission system, AEMO and the declared transmission system service provider must amend the service envelope agreement as soon as practicable to reflect that additional capacity of the relevant pipeline which results from the extension or expansion.
- (4) AEMO must not allocate any additional capacity certificates that become available for allocation as the result of an extension or expansion of the declared transmission system unless and until the service envelope agreement has been amended to reflect the additional capacity of the relevant pipeline which results from the extension or expansion.

### **329C Responsibility for allocation of capacity certificates relating to existing capacity**

- (1) The AER may, following a request by the declared transmission system service provider, determine the amount of capacity associated with any part of the cost of an extension or expansion that is not included in the declared transmission system service provider's opening capital base for the relevant *access arrangement period* (the **existing non-regulated capacity**).



- (2) AEMO must allocate:
  - (a) the capacity certificates that relate to the existing non-regulated capacity at the direction of the declared transmission system service provider in accordance with rule 329D; and
  - (b) the capacity certificates that relate to the remaining portion of the capacity in capacity certificates auctions.

**329D Allocation of capacity certificates at direction of declared transmission system service provider**

- (1) If AEMO is required by rule 329B or 329C to allocate capacity certificates at the direction of the declared transmission system service provider under this rule, then, subject to subrules (2) and (3) and rule 329A(3), AEMO must allocate the capacity certificates:
  - (a) to the Market Participants;
  - (b) as exit capacity certificates or entry capacity certificates (as the case may be); and
  - (c) in respect of the capacity certificate zone, quantity of capacity (in GJ/day) and time period,  
directed by the declared transmission system service provider.
- (2) Subject to its access arrangement, the declared transmission system service provider may determine the method it will use to determine the direction it will give to AEMO to allocate capacity certificates under this rule.
- (3) AEMO must only allocate capacity certificates to a Market Participant under this rule:
  - (a) where the Market Participant requests the allocation;
  - (b) subject to any conditions that AEMO reasonably determines and agrees with the declared transmission system service provider; and
  - (c) where otherwise permitted to do so under this Subdivision.

**[23] Rule 330 Proceeds of AEMO auctions of Authorised MDQ or AMDQ credit**

Omit rule 330, including the heading, and substitute:

**330 Capacity certificates listing service**

- (1) At any time, a Market Participant may notify other Market Participants that it has spare capacity certificates for purchase by providing details of the spare capacity certificates to AEMO in the form required by the capacity certificates transfer procedures.

- (2) At any time, a Market Participant may notify other Market Participants that it wishes to purchase spare capacity certificates by providing details of the capacity certificates it wishes to purchase to AEMO in the form required by the capacity certificates transfer procedures.
- (3) AEMO must publish information provided to it under subrule (1) or (2).
- (4) For the avoidance of doubt, a notice given under subrule (1) or (2) and published by AEMO is an invitation to treat and not an offer capable of acceptance by another person.

**[24] Rule 331                      Transfer of authorised MDQ or AMDQ  
credit certificates**

Omit rule 331, including the heading, and substitute:

**331                      Bilateral transfer of capacity certificates**

- (1) Subject to the requirements of this rule, a Market Participant that is the current holder of a capacity certificate may transfer the whole or part of that capacity certificate to another Market Participant.
- (2) AEMO must make Procedures (**capacity certificates transfer procedures**) for the transfer of capacity certificates between parties in accordance with this rule.
- (3) The capacity certificates transfer procedures must set out:
  - (a) the requirements for an eligible transfer of capacity certificates between parties;
  - (b) a requirement that an application for transfer be submitted to AEMO in a form acceptable by AEMO and a list of the requirements for such an application; and
  - (c) the forms for the provision of information to AEMO by Market Participants under rule 330 about prospective secondary buyers or sellers of capacity certificates.
- (4) A Market Participant who wishes to transfer capacity certificates (transferor) to another Market Participant under this rule must apply to AEMO for a transfer in accordance with the requirements of this rule and the capacity certificates transfer procedures.
- (5) AEMO must not approve an application submitted under subrule (4) if the application does not comply with the requirements of this rule and the capacity certificates transfer procedures.
- (6) If AEMO approves a transfer of capacity certificates under this rule, AEMO must by the following gas day publish information about the transfer as specified in subrule (7).

- (7) The information to be published in accordance with subrule (6) is:
- (a) the type of capacity certificates transferred (including the relevant capacity certificate zone);
  - (b) the capacity transferred (in GJ/day); and
  - (c) the period of time to which the capacity certificates relate, and must not include the names of the parties to the transfers.

**[25] Rule 332                      Relinquishment of authorised MDQ or AMDQ credit certificate**

Omit rule 332, including the heading, and substitute:

**332                      Relinquishment of capacity certificates**

- (1) Subject to subrule (2), if a Market Participant is the holder of a capacity certificate in accordance with this Part and its registration as a Market Participant is revoked, then capacity certificates held by that person will revert to AEMO for reallocation to other persons on the basis of a capacity certificates auction.
- (2) Subrule (1) will not apply if the capacity certificate has been allocated pursuant to a direction by the declared transmission system service provider under rule 329D, in which case the capacity certificate will revert to the declared transmission system service provider for allocation in accordance with rule 329D.
- (3) A person who relinquishes a capacity certificate under subrule (1) is not entitled to the proceeds of a capacity certificates auction conducted in respect of that capacity certificate.

**[26] Rule 343                      Intervention due to system security threat**

Omit subrule 343(2) and substitute:

- (2) **[deleted]**;

## **Schedule 2 Savings and Transitional Amendment to the National Gas Rules**

(Clause 4)

### **[1] Part 13 Transitional provisions consequent on the National Gas Amendment (DWGM Improvement to AMDQ regime) Rule 2020 No. 1**

In Schedule 1, after Part 12, insert a new Part:

### **Part 13 Transitional provisions consequent on the National Gas Amendment (DWGM Improvement to AMDQ regime) Rule 2020 No. 1**

#### **66 Definitions**

- (1) Unless otherwise specified, terms defined in rule 200 have the same meaning when used in this Part.
- (2) Terms defined in the Amending Rule have the same meaning when used in this Part.
- (3) For the purposes of this Part 13:

**Amending Rule** means the National Gas Amendment (DWGM improvement to AMDQ regime) Rule 2020.

**commencement date** means 1 January 2023.

**Culcairn AMDQ cc** means the 30TJ of AMDQ cc allocated at the direction of the declared transmission system service provider at the Culcairn system injection point and which expires on 30 June 2023.

**effective date** means 19 March 2020.

**new DWGM rules** means Part 19 as in force immediately after the commencement date.

**old DWGM rules** means Part 19 as in force immediately prior to the commencement date.

#### **67 Current procedures**

- (1) By 1 January 2022, AEMO must review, and where necessary, update the following Procedures (to apply from the commencement date) to take into account the Amending Rule:
  - (a) the gas scheduling procedures referred to in rule 206;

- (b) the electronic communication procedures referred to in rule 319; and
- (c) the uplift payment procedures referred to in rule 240.

## **68 First system capability modelling**

- (1) By 31 March 2022, AEMO:
  - (a) must carry out system capability modelling in accordance with the requirements of rule 328 of the new DWGM rules; and
  - (b) may carry out system capability modelling as necessary or convenient to determine capacity certificates zones under the new DWGM rules.

## **69 New procedures**

- (1) By 31 March 2022, AEMO must make the following Procedures (to apply from the commencement date) to take into account the Amending Rule:
  - (a) capacity certificates auction procedures under rule 328D(2) of the new DWGM rules; and
  - (b) capacity certificates transfer procedures under rule 331(2) of the new DWGM rules.
- (2) AEMO must make the Procedures referred to in subrule (1) in accordance with Part 15B of these rules.
- (3) For the purposes of subrule (2), information and notices published by AEMO and consultation undertaken by AEMO in relation to the proposed procedures before 31 March 2022 is taken to satisfy the requirements for publication and consultation under rules 135EE and 135EF if, and to the extent that, publication and consultation would have satisfied those requirements if it had been conducted after that date.
- (4) AEMO may publish the Procedures listed in subrule (1) as one document.

## **70 First determination of capacity certificates zones**

- (1) By 31 March 2022, AEMO must:
  - (a) determine the allocation of system injection points or system withdrawal points (as the case may be) in the declared transmission system to capacity certificates zones for the purposes of rule 327B of the new DWGM rules; and
  - (b) publish the initial capacity certificates zone register under rule 327B(2) of the new DWGM rules.
- (2) Information and notices published by AEMO and consultation undertaken by AEMO in relation to the proposed determination before 31 March 2022 is taken to satisfy the requirements for consultation under rule 327B(5) of the new DWGM rules, if, and to the extent that, publication and consultation

would have satisfied those requirements if it had been conducted after that date.

## **71 First auction**

- (1) By no later than 1 October 2022, AEMO must publish the notice required by rule 328B(8) of the new DWGM rules.
- (2) AEMO must conduct a capacity certificates auction to allocate capacity certificates prior to the expiration of AMDQ credit certificates on 31 December 2022 in accordance with the requirements of rule 328B(1) of the new DWGM rules.
- (3) Any capacity certificates allocated pursuant to subrule (2) must be for a period that commences no earlier than the start of the gas day on the commencement date.

## **72 Allocations of authorised MDQ and AMDQ credit certificates**

- (1) Any AMDQ credit certificates allocated or auctioned between the effective date and the commencement date must expire no later than the end of the gas day on 31 December 2022.
- (2) At the start of the gas day on the commencement date, the Culcairn AMDQ cc is taken to be converted into entry capacity certificates:
  - (a) allocated to the Market Participant that is the holder of the Culcairn AMDQ cc immediately before the start of the gas day on the commencement date; and
  - (b) in respect of 30TJ/gas day of capacity in the relevant capacity certificates zone (as determined by AEMO for the purposes of this subrule) and for the period expiring at the end of the gas day commencing on 30 June 2023.
- (3) Each of the following expire at the end of the gas day on 31 December 2022:
  - (a) all authorised MDQ allocated to tariff V withdrawal points;
  - (b) all authorised MDQ allocated to tariff D withdrawal points; and
  - (c) any authorised MDQ allocated to the declared transmission system service provider or a Retailer in accordance with rule 328(1)(d) of the old DWGM rules.

[END OF RULE AS MADE]

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