



13 June 2023

Australian Energy Regulator
By online submission

Day Ahead Auction Record Keeping Guideline Consultation

Alinta Energy welcomes the opportunity to provide feedback to the AER on the proposed changes to the DAA Auction Record Keeping Guideline and is pleased with the AER's focus on amendments to the guideline that ensure that reporting obligations are sensible, clear, and not unnecessarily onerous for participants.

Alinta Energy is generally supportive of the proposed changes and notes the following specific issues:

1. In relation to the requirement to record the delivery and receipt point of the transportation service in the transportation service field, this may be problematic because renominations do not always include both a receipt and delivery for each service. Receipt and delivery points should be recorded under separate fields and with either field potentially being a null.
2. In relation to the requirement to include detailed information in the description reporting field, we suggest that the renomination reason should be split into separate fields – two mandatory fields, one for the background/context of the event, one for the reason behind the renomination, with a third, optional, free text field.

A general comment around renomination process:

It is common practice to delay making a renomination until there is reasonable certainty that there will be no further changes as events unfold. Often renominations are made as a set combining multiple events, with a small number of the renominations being directly related to market events and the remainder being consequential changes required to balance a participant's position in other facilities. These renomination sets can involve many different facilities, with some renominations caused by a single event, and others being the combined impact of multiple events. Determining causation can be a complex process and is difficult to do in the operational timeframe.

To support contemporaneous record keeping, Alinta proposes that the AER consider supporting a reporting practice whereby, within a set of contemporaneous renominations, only renominations that are the most proximate to events ('primary renominations') are provided a detailed description of that event and all consequential renominations are provided a reason that follows a generic template that states that the renomination is required to balance a participant's position in response to other renominations.

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This would be subject to the following conditions to ensure a sufficient audit trail:

1. To be considered part of a 'set', renominations must be contemporaneous.
2. A set of renominations must have at least one primary renomination with a fully described event.
3. Each event that has contributed to the set of renominations is fully described and attributed to at least one primary renomination in the set.
4. A participant can demonstrate that each consequential renomination is caused by at least one of the primary renominations in the set.

An example of this proposal is shown in the attachment.

Finally, Alinta Energy notes that the implementation of the new guidelines will require system changes. Given this, and the fact that gas market participants are currently implementing a significant amount of reform, including the East Coast Gas System Reforms and the Gas Pipeline reforms, Alinta Energy recommends a six-month implementation period.

Thank you for your consideration of Alinta Energy's submission. If you would like to discuss this further, please contact me at hugh.ridgway@alintaenergy.com.au.

Yours sincerely,

Hugh Ridgway

Wholesale Regulation Manager

Attachment: Renomination example

Renomination Examples

Scenario 1:

Two events leading to a set of renominations made at 10:15. Event one is the DWGM 10am schedule, causing an increase of withdrawals at Culcairn. Event two is a pipeline imbalance on the RBP that is independent of the Culcairn renomination.

Facility	Transportation service	Time of renomination	Delivery or Receipt point	Detailed description
SWQP	Firm	10:15	SWQP Rec from RBP	Manage pipeline imbalance: Change 5TJ at RBP and SWQP to correct pipeline imbalance and avoid imbalance charges
RBP	Firm	10:15	Wallumbilla Run 3 Exit	Rebalancing due to other renominations
MSP	Firm	10:15	Culcairn North	DWGM Market Schedule Change: DWGM 10am change: 10 TJ Culcairn withdrawal
RBP	Firm	10:15	Condamine	Rebalancing due to other renominations

It is not immediately clear to the traders in real time whether the renominations at RBP are caused by one event or both, however an analysis of the chain of causation could be provided on request to the AER, demonstrating that the RBP renominations are related to at least one of the other contemporaneous renominations.

Scenario 2:

A single event leading to a set of renominations made at 14.15. The event is a DWGM Market Schedule Change at the 2pm schedule, leading to Culcairn withdrawals being reduced from 4,000 GJ to 3,000 GJ.

Facility	Transportation service	Time of renomination	Delivery or Receipt point	Detailed description
RBP	Firm	14:15	Condamine	Rebalancing due to other renominations
MSP	DAA	14:15	Culcairn North	DWGM Market Schedule Change: DWGM 2pm change: Culcairn withdrawal reduced from 4,000 GJ to 3,000 GJ
SWQP	Firm	14:15	SWQP Rec from RBP	Rebalancing due to other renominations
RBP	Firm	14:15	Wallumbilla Run 3 Exit	Rebalancing due to other renominations

A single event causes a series of renominations across related pipelines. In this case, it would be clear that the renominations were all caused by the one event and a trader could elect to either use the same detailed description for all four events or use it for the most proximate renomination (at Culcairn) and use the generic rebalancing reason for the others.