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| Amendment of the Day Ahead Auction Record Keeping Guideline |
| Consultation Paper and Questionnaire |
| April 2023 |

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# Summary

This consultation paper invites stakeholders to make written submissions on proposed amendments to the Day Ahead Auction (DAA) Record Keeping Guideline.

The purpose of the changes is to improve the quality of information received in accordance with the Guideline, and to aid facility operator and transportation facility user compliance with the National Gas Rules (NGR) and the National Gas Law (NGL).

To facilitate the AER’s oversight of the DAA:

* *facility operators* are required to keep specified nomination, renomination and scheduling data and information for specified facilities,[[1]](#footnote-1) and
* transportation facility users (shippers) must make, maintain and keep a contemporaneous record of material renominations (renomination records) of firm and auction services for those specified facilities.

The proposed amendments to the Guideline consist of:

* amendments to how facility operators and shippers routinely report data and information to the AER,
* minor wording changes for clarity and consistency, and
* new explicit references to the AER's market conduct monitoring roles, self-reporting guidelines and enforcement options available to the AER.

Submissions must be lodged via email by **5 PM, 12 May 2023** to [AERGasMarketsPipelineCapacityTrading@aer.gov.au](mailto:AERGasMarketsPipelineCapacityTrading@aer.gov.au) with the following email subject: Day Ahead Auction Record Keeping Guideline Consultation. Submissions received will be made available on the AER website ([www.aer.gov.au](https://www.aer.gov.au/)), subject to a claim of confidentiality.

All enquiries should be addressed to Jeremy Graham at [jeremy.graham@aer.gov.au](mailto:jeremy.graham@aer.gov.au).

# Purpose

* 1. This consultation paper seeks submissions on proposed amendments to the DAA Record Keeping Guideline.
  2. The AER is empowered under clauses 665(3) and 666(5) of the NGR to develop and publish Nomination and Scheduling Guidelines and Renomination Records Guidelines (together, “Record Keeping Guideline” or “Guideline”).
  3. The purpose of the DAA Record Keeping Guideline is to create binding, enforceable obligations on auction facility operators (facility operators) and shippers to make and maintain nomination, scheduling and rescheduling records.
  4. On 29 November 2019, the AER published the initial DAA Record Keeping Guideline which came into effect on 1 March 2019.
  5. Clauses 665(3) and 666(5) of the NGR allow the AER to make amendments to the Guideline from time to time in accordance with the requirements of the NGR.
  6. This consultation paper provides a summary of proposed amendments to the initial DAA Record Keeping Guideline.
  7. The changes presented in this paper are a combination of ones that stakeholders have raised with us, or that we have identified.
  8. The purpose of our proposed amendments to the Guideline is to set out obligations on facility operators and shippers more clearly to improve the quality of information received in accordance with the Guideline, and to aid compliance with the NGR and the NGL.

# Background

* 1. The Day Ahead Auction plays an important role in sustaining an efficient gas market by giving market participants access to contracted but unused transport capacity. By counteracting contractual congestion the Auction makes it easier for gas suppliers to make gas available to users. The Day Ahead Auction Record Keeping Guideline is designed to make clear market participants obligations to keep records. Following the guideline gives market participants assurance that they are compliant with those obligations. Moreover, accurate, comprehensive and consistent record keeping allows the AER to monitor participant conduct and ensure the orderly functioning of the auction.
  2. The AER’s general functions and powers, in respect of monitoring and enforcement of compliance with the NGR and the NGL, are outlined in section 27 of the NGL.
  3. Our functions for the DAA include:
* monitoring that facility operators for an auction facility ensure that terms and conditions for use of an action service provided by means of an auction facility, and the scheduling process for the auction facility, give effect to the auction service priority principles in rule 651.[[2]](#footnote-2)
* Monitoring auction day-ahead nominations, renominations and activity in the capacity auction to ensure that transportation service providers, auction participants and shippers comply with the DAA market conduct and nomination rules;[[3]](#footnote-3)
* monitoring auction participant activities in connection with the capacity auction to ensure auction participants:

(a) comply with all applicable laws relevant to the performance of their obligations;

(b) do not act fraudulently, dishonestly or in bad faith; and

(c) do not engage in any conduct with the intent of distorting or manipulating prices (including reported prices) or the outcomes of the capacity auction or misleading any person.[[4]](#footnote-4)

* monitoring transportation service provider conduct to ensure compliance with the requirement to not engage in any conduct with the intent of distorting or manipulating prices in the capacity auction.[[5]](#footnote-5)
* monitoring shipper nominations and renominations to ensure that they are not false, misleading or likely to mislead.[[6]](#footnote-6)
* monitoring compliance with other parts of Part 25 of the NGR including submission of data and information in accordance with the Part 24 information standard and adherence to the auction service priority principles.[[7]](#footnote-7)
  1. To facilitate oversight of the DAA, facility operators and shippers are required to keep specified nomination, renomination and scheduling data and information. Shippers must make, maintain and keep a contemporaneous record of material renomination (renomination records) of firm and auction services.
  2. The AER was required to publish the initial DAA Record Keeping Guideline before commencement of the Day Ahead Auction in March 2019 and while the AER consulted on the requirements at the time, it was recognised that further changes might be required with practical experience.
  3. The AER has routinely engaged with facility operators on the records they submit monthly, in some cases leading to changes to how data has been presented to better comply with the Guideline. This ongoing engagement has assisted to reduce the burden on shippers whereby the AER has been able to better identify relevant shipper renominations.
  4. Since 2019, the AER has conducted four separate ad-hoc industry-wide shipper requests for renomination records. Matters raised through these processes form the basis for most of the proposed amendments to the Guideline noted below.

# Proposed amendments to the Guideline

* 1. The details, impact and rationale behind the amendments to the Guideline are shown below in Table A and Table B.
  2. In addition to the amendments outlined below, a number of minor changes have been made to the Guideline for clarity and consistency. These include further guidance and examples to clarify data and information that must be submitted.
  3. The AER must have specific regard to clauses 665(4)(b) and 666(6)(b) of the NGR which require the AER to balance the costs likely to be incurred by facility operators and shippers in complying with the proposed amendments to the Guideline. This is reflected by the level of discretion given to facility operators and shippers in how information and data can be recorded – provided that the mandatory information required is kept.
  4. Schedule 1 of this consultation paper provides an indication of how information can be captured in nomination and scheduling records and is unmodified from Schedule 1 in the current DAA Record Keeping Guideline. Schedule 2 provides examples for how contemporaneous records may be reported, and has additional renomination reason categories.

Table A: Amendments that will impact routine requirements

| Amendment | Impact | Rationale |
| --- | --- | --- |
| General Amendments | | |
| Clearer requirement for time to be expressed in 24-hour format | Facility operators and shippers must express time in 24-hour format when recording information and data. | The clearer requirement for the time to be expressed in a 24-hour format comes from instances of shippers forgetting this requirement and providing a 12-hour format time. |
| Shippers | | |
| Provision of contemporaneous records (pg. 13 of the Record Keeping Guideline) | | |
| Clarification of the time when the event(s) or other occurrence(s) took place that led to the renomination (HHMM1) and the time when the shipper became aware of the event(s) or other occurrence(s) (HHMM2) | The time must be expressed in 24-hour format.  The decision to renominate may be a decision which occurs over time in response to a number of changes and therefore the reporting of a time range may be common in this situation.  However, where there is a delay between the event which has led to a renomination being required (HHMM1) and the time the shipper became aware of that event (HHMM2), it is important that this information is accurately recorded. | Further clarification on what time should be recorded for HHMM1 and HHMM2. There have been instances of shippers recording the time that they first became aware (HHMM2) as being the same time as the time of the event which has led to a renomination being required (HHMM1) despite there being a delay between the two. |
| Addition of a record creator reporting field | Obligates shippers to record the name of the individual who made or who is responsible for the accuracy of the contemporaneous record. | This proposed obligation aims to strengthen record creator accountability to ensure that contemporaneous records are verifiable and accurate. |
| Addition of a record timestamp reporting field | Obligates shippers to record the time (in 24-hour format) and date for which the contemporaneous renomination record is created.  The time, in 24-hour format: HH:MM. The time should be in Australian Eastern Standard Time.  The date expressed as: day-month-year (DD/MM/YYYY)  This reporting field should be expressed as: HH:MM, DD/MM/YYYY. | There have been instances of shippers potentially creating contemporaneous records on request which is non-compliant with the NGR[[8]](#footnote-8) and the Guideline.  A record timestamp will allow the AER to ensure that the record was made at the same time or very shortly after, the material renomination. |
| Two additional category field options (MA and EO) for category reporting field | Shippers are able to identify the category field option that best describes the reason for renomination. The additional category fields are:   * MA: market change due to action taken by AEMO, including an AEMO direction, AEMO event or AEMO market notice. * EO: errors made by third parties that result in a renomination. For example, where a customer provides incorrect information to a shipper.   The reasons listed under these categories are not exhaustive. | Additional category fields will allow shippers to better match their reason for renomination with the available categories.  Shippers have provided feedback that there has been an increase in the number of material renominations due to AEMO action. Shippers have also noted multiple instances of third parties making a mistake, that resulted in a material renomination. |
| Requirement to record the delivery and receipt point of the transportation service in the transportation service field | Obligates shippers to record the delivery and receipt point of the transportation service that relates to the renomination. | This proposed requirement may assist shippers in locating records. This will also assist the AER in identifying whether the material renomination relates to either a receipt point quantity or delivery point quantity (or both). |
| Requirement to include detailed information in the description reporting field | Obligates shippers to provide a verifiable description of the events or occurrences that explain the renomination. This **must** include:   1. Background/context explaining the events that led to the *renomination*; 2. Reason for *renomination* and why the specific category field option was chosen; and 3. If applicable, any other further guidance on the reason for *renomination*. | Many participants have requested clarification on the amount of detail that is required in the description reporting field.  In the past, the AER has had to reach out to shippers for further information about the reasons for material renomination. The proposed mandatory parameters of the description reporting field will assist the AER in verifying the reason for material renomination and ensure that there is sufficient detail to explain the renomination.  The AER reserves the right to ask for further information on the reason for material renomination if we deem that the information provided is not adequate in addressing our needs. |

Table B: Other amendments

| Amendment | Impact | Rationale |
| --- | --- | --- |
| Clarification of the meaning of a contemporaneous renomination record | A contemporaneous renomination record is to be made at the same time or very shortly after, the material *renomination*. A contemporaneous renomination record must be made for each material renomination. | There have been instances of shippers potentially creating contemporaneous records on request which is non-compliant with the Guideline. |
| Reference to self-reporting of identified breaches | Where facility operators and shippers have identified potential breaches of the Guideline or potential breaches of the NGR, they should submit voluntary self-reports to the AER[[9]](#footnote-9). | The AER has published a [Compliance and Enforcement Policy](https://www.aer.gov.au/publications/corporate-documents/aer-compliance-enforcement-policy) explaining our approach to promoting compliance with obligations under the National Electricity Law, National Gas Law, National Energy Retail Law and the respective Rules and Regulations. It also provides guidance on how we respond to potential breaches and the factors we consider when deciding whether to take enforcement action. |
| Information about the AER data portal | The AER has published a user guide[[10]](#footnote-10) which outlines the steps that facility operators must take when submitting information via the AER data portal. Facility operators are encouraged to use the user guide when submitting information via the AER data portal. | The AER data portal has been developed to streamline monthly submission of pipeline nominations. |
| Additional detail when referencing AER functions in the DAA (pg. 5 of the Record Keeping Guideline) | No impact on provision of nomination and scheduling records and contemporaneous records to the AER. | Proposed addition to the Guideline for clarity and consistency. |
| Deletion of transitional obligations (pg. 8 of the Record Keeping Guideline) | There are no longer any transitional obligations on facility operators to provide for the separate identification of:   1. each *transitional firm quantity* and the market generating unit to which the *transitional firm quantity* was supplied; and 2. any *renomination* of the *transitional firm service* that occurred after the *nomination cut-off* that reduced the *transitional firm quantity*, or resulted in a part of the *transitional firm quantity* used in the calculation of an auction quantity limit. | Transitional obligations are no longer applicable because the transitional period has passed. |

# Consultation process

* 1. This consultation paper invites stakeholders to submit written submission on the proposed amendments to the DAA Record Keeping Guideline.
  2. These submissions must be lodged via email by **5 PM, 12 May 2023** to [AERGasMarketsPipelineCapacityTrading@aer.gov.au](mailto:AERGasMarketsPipelineCapacityTrading@aer.gov.au) with the following email subject: Day Ahead Auction Record Keeping Guideline Consultation.
  3. Submissions received will be made available on the AER website ([www.aer.gov.au](file:///C:\Users\lichen\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\LX7EP4VH\www.aer.gov.au)), subject to a claim of confidentiality. We prefer that all submissions be publicly available to facilitate an informed and transparent consultative process. Submissions will be treated as public documents unless otherwise requested. Parties wishing to submit confidential information should:
* Clearly identify the information that is the subject of the confidentiality claim; and
* Provide a non-confidential version of the submission in a form suitable for publication.

For further information regarding our use and disclosure of information provided to us, see the [ACCC/AER Information Policy](https://www.accc.gov.au/system/files/ACCC-AER%20Information%20Policy.pdf) (June 2014).

* 1. To assist stakeholders in providing feedback, a response template is provided at Attachment A. Stakeholders are strongly encouraged to use the response template however should not feel obliged to answer each question. Stakeholders can also choose to provide feedback outside of the template.
  2. This consultation will inform the AER draft decision and final decision on the amendments to the DAA Record Keeping Guideline. The consultation timeframes are outlined in Table C below.

Table C: Consultation process stages

|  |  |
| --- | --- |
| Process stage | Dates\* |
| Publication of Consultation Paper | 13 April 2023 |
| Closing date for submissions in response to the Consultation Paper | 12 May 2023 |
| Publication of Draft amendments to the DAA Record Keeping Guideline | Potentially in June 2023 |
| Closing date for submissions in response to the Draft amendments to the DAA Record Keeping Guideline | Potentially in July 2023 |
| Publication of Final amendments to the DAA Record Keeping Guideline | Potentially in August 2023 |

\*Please note that these times and dates are subject to change.

* 1. All enquiries should be addressed to Jeremy Graham at [Jeremy.graham@aer.gov.au](mailto:Jeremy.graham@aer.gov.au).

**Schedule 1: Form of nomination and scheduling records for facility operators**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Shipper  name** | **Auction  facility** | **Gas day** | **Nomination Time (AEST)** | **Transportation  service** | **Receipt Point location** | **Delivery point location** | **Nomination  (GJ)\*** | **Scheduled  Qty (GJ)** | **Renomination Count** |
|  | Shipper 1 | ABC Pipeline | DD/MM/YYYY | DD/MM/YYYY  HH:MM | Firm - FH | X Receipt Point | X Delivery Point | X | X | 0 |
|  | Shipper 1 | ABC Pipeline | DD/MM/YYYY | DD/MM/YYYY  HH:MM | Backhaul | X Receipt Point | X Delivery Point | X | X | 0 |
|  | Shipper 1 | ABC Compression | DD/MM/YYYY | DD/MM/YYYY  HH:MM | Compression | X Receipt Point | X Delivery Point | X | X | 0 |
|  | Shipper 1 | ABC Pipeline | DD/MM/YYYY | DD/MM/YYYY  HH:MM | TFSR | X Receipt Point | X Power Station | X | X | 0 |
|  | Shipper 1 | ABC Pipeline | DD/MM/YYYY | DD/MM/YYYY  HH:MM | As available | X Receipt Point | X Delivery Point | X | X | 0 |
|  | Shipper 1 | ABC Pipeline | DD/MM/YYYY | DD/MM/YYYY  HH:MM | Auction service | X Receipt Point | Y Power Station | X | X | 0 |
| Example | Shipper 2 | XYZ Pipeline | 31/03/2019 | 29/03/2019 14:56 | Firm - FH | X Receipt Point | X Delivery Point | 10 000 | 15 000 | 2 |
| Shipper 2 | XYZ Pipeline | 31/03/2019 | 30/03/2019 09:04 | Firm - FH | X Receipt Point | X Delivery Point | 20 000 | 15 000 | 2 |
| Shipper 2 | XYZ Pipeline | 31/03/2019 | 31/03/2019 11:20 | Firm - FH | X Receipt Point | X Delivery Point | 15 000 | 15 000 | 2 |
|  | Shipper 3 | ABC Pipeline | 31/03/2019 | 30/03/2019 HH:MM | TFSR | X Receipt Point | X Power Station | X | Y | 1 |
| Shipper 3 | ABC Pipeline | 31/03/2019 | 31/03/2019 HH:MM | TFSR | X Receipt Point | X Power Station | Y | Y | 1 |

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| \*Do not include all requested nominations, only nominations that have been approved or scheduled  NOTE: Nominations for receipt and delivery points do not need to be reported in a single row |

**Schedule 2: Form of renomination records for shippers**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Record Creator** | **Record timestamp (AEST)** | **Category** | | **Gas day** | **Time of event (AEST)** | **Time shipper noticed (AEST)** | **Auction Facility** | **Transportation Service[[11]](#footnote-11)** | **Description/reason(s) for renomination** |
| Name | HH:MM  DD/MM/YYYY | P | Plant or physical change | DD/MM/YYYY | DD:MM  HH:MM1 | DD:MM  HH:MM2 | EGP | Auction  Delivery Point  Receipt Point | **Background/context:**   * Longford supply constrained at HH:MM on DD/MM/YYYY.   **Reason for renomination and category:**   * Longford supply constrained affecting deliveries to NSW. Plant or physical change category as change directly impacted flows on pipeline X.   **Further guidance (if applicable):** N/A |
| Name | HH:MM  DD/MM/YYYY | M | Market Change | DD/MM/YYYY | DD:MM  HH:MM1 | DD:MM  HH:MM2 | MAPS | Firm – FH  Delivery Point  Receipt Point | **Background/context:**   * Ambient temperature hotter than forecast more GPG required at XX PS   **Reason for renomination and category:**   * Additional demand for gas from GPG customers. Market change category as additional demand driven by external factor of change in forecast weather.   **Further guidance (if applicable):**   * The GPG customer requested additional gas at HH:MM. We made the decision to make a renomination at HH:MM. The renomination was submitted at HH:MM. |
| Name | HH:MM  DD/MM/YYYY | MA | Market change identified or caused by AEMO | DD/MM/YYYY | DD:MM  HH:MM1 | DD:MM  HH:MM2 | EGP | Auction  Delivery Point  Receipt Point | **Background/context:**   * AEMO threat to system security notice on 19 July 2022 directed all market participants to cease purchasing gas from the DWGM for electricity generation.   **Reason for renomination and category:**   * AEMO direction influenced by rapidly depleting storage levels at the Iona storage facility. Market change caused by AEMO due to market dynamics.   **Further guidance (if applicable):**   * This AEMO threat to system security will remain until 30 September 2022. |
| Name | HH:MM  DD/MM/YYYY | E | Error | DD/MM/YYYY | DD:MM  HH:MM1 | DD:MM  HH:MM2 | MSP | Firm - FH  Delivery Point  Receipt Point | **Background/context:**   * Staff previously rebid/submitted at HH:MM the incorrect amount.   **Reason for renomination and category:**   * Error in previous rebid/submission. Error category as it was a mistake by staff.   **Further guidance (if applicable):** N/A |
| Name | HH:MM  DD/MM/YYYY | EO | Error made by third party | DD/MM/YYYY | DD:MM  HH:MM1 | DD:MM  HH:MM2 | MAPS | Firm – FH  Delivery Point  Receipt Point | **Background/context:**   * Customer X made an error when submitting information to a facility transport user. They mistakenly added an extra digit to their figure.   **Reason for renomination and category:**   * Error in previous rebid/submission. EO category as it was a mistake by third party X.   **Further guidance (if applicable):** N/A |

# Attachment A: Stakeholder feedback template

This template has been developed for stakeholders to provide their feedback on the proposed amendments outlined in the consultation paper, in addition to other concerns or issues that stakeholders have. The AER encourages the use of this template for submissions however stakeholders should not feel obliged to provide feedback on each question. The rationale for the proposed amendments can be found on Table A and Table B of the consultation paper.

**Stakeholder details**

|  |
| --- |
| Organisation: |
| Contact name: |
| Email: |
| Phone: |
| Date of submission: |

|  |  |  |
| --- | --- | --- |
| Question | Stakeholder submission | |
| General amendments that will impact routine requirements | | |
| 1. Do you think the requirement for facility operators and shippers to record time in a 24-hour format is appropriate? If not please state reasons? |  | |
| Amendments that will impact routine requirements – Transportation Facility Users (shippers) | | |
| 1. Do you think the proposed clarification of the time when the events(s) or other occurrence(s) took place that led to the renomination (HHMM1) and the time when the shipper became aware of the event(s) or other occurrence(s) (HHMM2) is clear and appropriate?   If not, what changes to the proposed wording would you recommend? |  | |
| 1. Do you think the proposed addition of a record creator reporting field will improve accountability when it comes to ensuring that records are accurate and verifiable? If not please indicate why not? |  | |
| 1. Do you think the addition of a record timestamp reporting field will improve shipper compliance to create contemporaneous records? If not please indicate why not? |  | |
| 1. Do you think the addition of two additional category field options (MA and EO) for the category reporting field is appropriate and will allow shippers to accurately record the reason for renomination? If not please indicate why not? |  | |
| 1. Do you think the additional requirement for shippers to record the delivery and receipt point of the transportation service that relates to the renomination is appropriate? If not please indicate why not? |  | |
| 1. Do you think the proposed requirement to include the following information in the description reporting field offers specific clarity for the AER to verify the specific reason for material renomination and ensure that there is sufficient detail?    1. Background/context explaining the events that led to the renomination;    2. Reason for renomination and why the specific category field option was chosen; and    3. If applicable, any other further guidance on the reason for renomination. |  | |
| General questions | | |
| 1. Do you think there are any impediments for facility operators and/or shippers to comply with the additional requirements set out in the consultation paper? |  | |
| 1. Do you think the proposed amendments to the Guideline are proportionate and appropriate to aid facility operator and shipper compliance with the NGR and the NGL?   If not, why not? |  |
| 1. What are the additional costs that may be incurred by facility operators and shippers in complying with the proposed amendments?   If you have identified additional costs, do you think that these costs are proportionate and appropriate? |  | |
| 1. Do you think the proposed amendments effectively addresses the issues raised in the rationale column in Tables A and B?   Are there more appropriate ways to address the issues raised in the rationale? |  | |
| 1. Do you have any additional concerns and/or comments that you would like to make? |  | |

1. The facilities are specified under the NGR in AEMO’s transportation service point register - <https://www.aemo.com.au/-/media/files/gas/pipeline-capacity/2019/transportation-service-point-register-march-2020.pdf?la=en> [↑](#footnote-ref-1)
2. NGR, cl.650(2) [↑](#footnote-ref-2)
3. NGR, cl. 664(1). [↑](#footnote-ref-3)
4. NGR, cl. 661(1). [↑](#footnote-ref-4)
5. NGR, cl. 661(2). [↑](#footnote-ref-5)
6. NGR, cl. 663(1). [↑](#footnote-ref-6)
7. The auction service priority principles are set out in the NGR in clause 651. [↑](#footnote-ref-7)
8. NGR, cl. 666(1). [↑](#footnote-ref-8)
9. <https://www.aer.gov.au/wholesale-markets/compliance-reporting/guidance-note-submitting-wholesale-energy-self-reports-to-the-aer> [↑](#footnote-ref-9)
10. <https://www.aer.gov.au/system/files/Pipeline%20Nominations-Portal-Guide.pdf> [↑](#footnote-ref-10)
11. If a transportation service cannot be determined, please specify that it is undetermined. We note the obligation for a shipper to record material renominations still remains. [↑](#footnote-ref-11)