

15 November 2018

Michelle Groves  
Chief Executive Officer  
Australian Energy Regulator  
Submitted to [AERGasMarketsPipelineCapacityTrading@aer.gov.au](mailto:AERGasMarketsPipelineCapacityTrading@aer.gov.au)

Dear Michelle

**Re: Day Ahead Auction Record Keeping Guideline (For Consultation)**

Stanwell Corporation Limited (Stanwell) welcomes the opportunity to provide comments to the Australian Energy Regulator (AER) on the *Day Ahead Auction Record Keeping Guideline* (Guideline).

Stanwell's interest in the gas market is as an industrial buyer and trader of gas (transportation facility user) for the gas fired Swanbank E and Mica Creek power stations. Stanwell is an active participant in the Brisbane Short Term Trading Market (STTM) and Wallumbilla hub.

We note the purpose of the Guideline is to set out the manner and form in which auction facility operators and transportation facility users must make, maintain and keep data and information to ensure compliance with the National Gas Rules (the Rules). Stanwell supports guidelines that are clear, practical and fit-for-purpose.

While we recognise that the Guideline has accounted for stakeholder feedback received from the AER's workshops and individual consultations, there are two elements that warrant further investigation to ensure effective industry compliance. These relate to the reporting requirements for transport facility users.

**Consistency between electricity and gas market rebidding guidelines**

The Guideline proposes renomination reasons to be categorised as either M (market), P (plant/ physical change) or E (renomination to address an error). Stanwell notes that these categories are similar, but not identical, to those required for electricity rebid reporting under the AER *Rebidding and Technical Parameters Guidelines*.

In the case of many gas-fired electricity generator participants including Stanwell, it is the same individuals who do both the gas and electricity market bidding. Therefore, to prevent confusion and reduce reporting errors, Stanwell suggests that, where possible, the Final Guideline adopts the same category fields and definitions as those applying to electricity rebids. Stanwell's suggestions are as follows:

Reason for rebid	Electricity rebidding and technical parameters market guideline	Proposed gas market guideline	Stanwell suggestion for gas market guideline
Rebids due to changes in market conditions	A	M	A
Rebids due to financial/ commercial change (including portfolio rebalance)	F	M	F
Rebids due to plant/physical change	P	P	P
Rebids to address an error	E	E	E

Further, Stanwell would like clarification as to whether there is a requirement for transport facility users to notify the AER whenever an E renomination has been submitted. This is a requirement under the electricity market guideline.

### Record keeping requirements for renominations

The new Rules will require a transportation facility user to make, maintain and keep a contemporaneous record of material renominations (defined by a 10% magnitude variance) of firm or auction services. The Guideline noted that the AER may request these records to substantiate and verify the reasons for a material renomination (upon written request to the shipper)<sup>1</sup>. However, we note that the AER also has the power to request information on non-material renominations on an ad hoc basis where there are concerns with compliance with the market conduct rules<sup>2</sup>.

Therefore, a more practical approach may be for the AER to require transportation facility users to make, maintain and keep a contemporaneous record for every renomination rather than only material renominations.

Thank you for your consideration of Stanwell's response to the *Day Ahead Auction Record Keeping Guideline* (Consultation Guidelines). If you would like to discuss any aspect of this submission, please contact Alicia Toohey on 07 3333 57209.

Yours sincerely

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 Energy Trading and Commercial Strategy

<sup>1</sup> Day Ahead Auction Record Keeping Guideline, Page 24

<sup>2</sup> Ibid, Page 13