



## Attachment 1 Stakeholder feedback template

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The GMRG strongly encourages stakeholders to use this template, so that it can have due regard to the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

### PART A Day-Ahead Auction of Contracted but Un-Nominated Capacity

	Questions	Feedback
<b>3.1</b>	<b>Transportation products auctioned</b>	
1.	<p>Do you agree with the proposal to include the following products in the auction:</p> <ul style="list-style-type: none"> <li>○ forward haul transportation services (with separate products offered in both directions on bi-directional pipelines)? If not, please explain why.</li> <li>○ compression services? If not, please explain why.</li> </ul>	<p>The Moomba to Adelaide Pipeline System (MAPS) is a bi-directional pipeline as gas can be receipted at both Moomba and near Adelaide at Pelican Point and delivered to delivery points on the pipeline system including Moomba.</p> <p>EESA agrees with the proposed products to be included in the auction. However, further clarification is required on what is meant by separate products for bi-directional pipelines and how this would be implemented.</p> <p>The MAPS treats bi-directional services as a single firm service. To separate these services for the purpose of the auction would not be consistent with how the MAPS is operated and how capacity is allocated. Key to this issue is how gas physically flows on a day and the impact this will have on the opposing service. A northern haul service may restrict available services for southern haul as to access certain delivery points, gas must be re-directed in a southerly direction. For example, this re-direction would include Angaston and Port Pirie laterals as well as the Adelaide STTM.</p> <p>For this reason, where bi-directional services are offered, they must be offered as a single product to avoid an overselling of services. It is anticipated that the point to point system discussed below would enable this to be accommodated.</p> <p>It is important to note that where bi-directional services are provided, consideration must be given to the available capacity which will be dependent on the net flow</p>



	Questions	Feedback
		<p>direction. To reverse the flow of a gas pipeline is not a simple task and requires substantial line pack flexibility. EESA seeks to limit the occurrence of pipeline reversal where there is limited long term benefit (for example where the pipeline is forecast to reverse for a single day) through be-spoke agreements with shippers. Where capacity must be published and is subject to auction, it is important that the pipelines ability to curtail services to avoid inefficient pipeline reversals is available.</p> <p>This could achieved through ensuring capacity auctioned as counter flow is interruptible which would enable pipeline operators to curtail supply to avoid the reversal issue. This recommendation is linked to further discussion on the priority of the auction product in question 3.</p> <p>EESA does not currently offer compression services for nomination or scheduling. As such, it could not offer these services in an auction.</p>
2.	<p>Do you agree with the proposal to include an interruptible backhaul service in the auction for single direction pipelines? If not, please explain why.</p>	<p>No, availability of backhaul services will not be known until all forward haul services are scheduled, including any forward haul services offered on the auction. It will add another level of complexity to the auction design and operation.</p> <p>EESA does not support the inclusion of backhaul service in the auction design. This issue is closely aligned to the points raised in question 1 above. Specifically:</p> <ol style="list-style-type: none"> <li>1. Backhaul services cannot be auctioned as a standalone product, as subject to delivery point gas can be re-directed in a forward haul direction. This will have an impact on forward haul services.</li> <li>2. In the experience of the MAPS, gas is rarely backhauled for the entire length of the pipeline which appears to be key to the assumption that backhaul reduces pipelines operating costs. Any change in operating costs will be subject to the actual product on the day,</li> <li>3. The availability of backhaul services on a day is subject to a number of factors including an available counter flow at desired receipt and delivery points.</li> </ol>



	Questions	Feedback
		<p>Backhaul services are not without risk and the pipeline operator is accepting a delivery obligation which increases the operational complexity on a day. There exists the potential for backhaul services to be curtailed intraday as a result of shippers reducing their forward haul nomination. This scenario can result in high levels of imbalance when deliveries have already been made, linked to the backhaul receipt quantity that is then no longer scheduled.</p> <p>Unlike firm forward haul services, backhaul services do not include any fixed revenue which will compensate the pipeline operator for the cost of the service and potential liability of accepting delivery obligations.</p> <p>For the above reasons, EESA does not consider it appropriate that backhaul services be included as an auction product.</p>
<b>3.2 Priority of the auction product</b>		
3.	<p>Do you agree with the proposal to adopt a second priority firm auction product? If not:</p> <ul style="list-style-type: none"> <li>○ please explain why you think this option should not be selected; and</li> <li>○ please set out the option you think should be adopted and why you think it is more consistent with the AEMC's recommendations and the assessment framework set out in section 2.3 than the second priority firm auction product.</li> </ul>	<p>Auction priority is the key decision which will have a material impact on the rights of primary shippers and the value of the auction product.</p> <p>Pipeline Operators develop services in conjunction with users to deliver specific outcomes to ensure all parties can operate effectively within the customer specific market such as electricity generation. It is important that the variance in these</p>



		<p>services is understood to enable decisions to be made on the appropriate priority of the auction product.</p> <p>EESA offers three primary transportation services on the MAPS Firm, Authorised Overrun and Interruptible.</p> <p>MAPS priority of scheduling (reverse order for curtailment) is:</p> <ol style="list-style-type: none"><li>1. Firm</li><li>2. Authorised Overrun</li><li>3. Interruptible</li></ol> <p>Firm services appear to be well understood, however clarity should be provided for the differentiating factors of authorised overrun and interruptible.</p> <p>Authorised overrun is a service which may be requested in addition to firm services up to a maximum daily quantity. EESA schedules authorised overrun after firm nominations, taking into account firm shippers with firm re-nomination rights. Once scheduled, authorised overrun is unable to be interrupted, meaning it can only be curtailed via an express right under the contract i.e. firm re-nominations will not enable the curtailment of authorised overrun. Authorised overrun services are generally linked with other firm rights such as maximum hourly quantities and will often include a minimum Bill detailing certain obligations on pipeline operators to make a minimum amount available within a year.</p> <p>Interruptible is a service which is requested by any shipper with the interruptible service up to a maximum daily quantity. This service may be curtailed at the discretion of the pipeline operator. Curtailment may be the result of firm re-nominations by other users, or potentially equipment failure such as the unexpected loss of a compressor which decreases available capacity.</p> <p>Authorised overrun services are typically utilised by electricity generators to supplement firm services without the added impost of the fixed firm service cost.</p>
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		<p>The authorised overrun service is a critical element of the electricity generation market as once schedule shortly after 3pm on Day – 1, the generator knows that the service is firm and National Electricity Market bids can be placed with increased certainty.</p> <p>The interruptible service may be used in a similar way. However, this is less common due to the reduced certainty of supply i.e. it is subject to firm re-nominations which creates risk in the generator being able to meet its market commitments throughout the day.</p> <p>It is significant to note that the proposed auction product will be curtailed by re-nominations. This is an important element of the design which cannot be changed as to do so would have a material impact on existing contractual arrangements and the markets ability to operate and meet unexpected demand fluctuations throughout the day.</p> <p>Authorised overrun is a key component of users' firm rights and the user's ability to meet the demand requirements of the market, and to ensure adequate supply of dispatchable electricity in the NEM. To place the priority auction product ahead of authorised overrun would have a material impact on the operation of the market and on existing contractual arrangements.</p> <p>EESA preference is for Option 3 to be selected, as the auction product should have the lowest priority. Pipeline services offered under existing primary GTA's and /or purchased via the Exchange Platform should take preference over the auction product.</p> <p>EESA acknowledges that Option 3 may not encourage utilisation of the auction product and may not encourage the desired outcome of trading on the capacity exchange platform. EESA would therefore consider a compromise position of Option 2 as a reasonable middle ground for all market participants noting that for EESA, as-available is the same product as Authorised Overrun and therefore for the MAPS the Priority would be:</p> <ol style="list-style-type: none"><li>1. Firm product</li><li>2. Authorised overrun</li></ol>
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	Questions	Feedback
		3. Auction product 4. Interruptible product.
4.	Are there any other tools that you think should be available to auction participants to manage curtailment risk?	<p>No – The majority of existing shippers will continue to have access to primary capacity. A reduction in charges for curtailed capacity will be sufficient to mitigate the impact of curtailment.</p> <p>If the auction user is exposed to any increased costs of curtailment of the auction capacity, then the user should seek to contract a firm service.</p>
<b>3.3 Other elements of the auction product</b>		
5.	Do you think the auction product should have: <ul style="list-style-type: none"> <li>○ the same MHQ factor as that specified in the service provider’s operational GTA? If not, please explain why.</li> <li>○ a ‘reasonable endeavours’ renomination right? If not, please explain why.</li> </ul>	<p>EESA agrees that auction capacity should include the same MHQ factor that is included in the service providers operational GTA, noting the limitation raised in question 10.</p> <p>Re-Nomination</p> <p>If capacity is bought on the auction it should be nominated in full otherwise the capacity could be used by another shipper or by a primary shipper. If the auction product was prioritised in accordance with our response to question 3, then a reasonable endeavours re-nomination right would be a workable outcome.</p> <p>If the auction is a second priority to firm auction product with reasonable endeavours re-nomination rights, then this increases the likelihood that shippers will acquire capacity on the auction at or close to \$0.00, for an option value that will rank higher than all other non-firm users. This will increase the value of the option and raises the potential for gaming by auction users.</p> <p>Gaming Option</p> <p>Under current design principles, users are capable of speculatively buying auction capacity at or close to \$0.00/GJ. This capacity may be acquired to hoard non-firm capacity and potentially re-sell the capacity to market participants at a premium to the</p>



	Questions	Feedback
		<p>extent market prices fluctuate during the day. An example of value fluctuation would be seen where there is any unexpected event such as failure of the SA/Vic interconnect, or there is an unexpected change in wind generation.</p> <p>Speculative buys will have a higher value product knowing that it is scheduled after firm capacity, including the potential for re-nominations to be accepted.</p> <p>This is not considered to be an appropriate outcome. It is EESA's view that this issue can be adequately managed in the following way:</p> <ol style="list-style-type: none"> <li>1. Market conduct provision to include the conduct of auction participants; and</li> <li>2. The priority of the auction product be downgraded as proposed in question 3 above.</li> </ol>
6.	<p>Do you think the auction product should have an imbalance allowance equivalent to that specified in the service provider's operational GTA?</p> <ul style="list-style-type: none"> <li>○ What, if any, effect do you think this would have on a MOS provider's ability to provide balancing services in the STTM? If you think it will be problematic, are there any measures that you think could be employed to address this issue, while also providing auction winners with some level of an imbalance allowance?</li> <li>○ Are there any other issues that the GMRG should be aware of in relation to this proposal?</li> </ul>	<p>No – Imbalance allowances should not be provided for the following reasons:</p> <ol style="list-style-type: none"> <li>1. Imbalance allowances within primary GTA are typically linked to Firm MDQ. If a portion of Firm MDQ is utilised by an auction participant, then the primary shipper will continue to have access to their full imbalance allowances and pipeline operators will be exposed to an increased imbalance position due to any allowance provided for in the auction product.</li> <li>2. It will be very difficult to manage and clear imbalances each day for the day ahead auction product. Imbalance, the difference between receipts and deliveries, are not known until Day +1, therefore any imbalance that occurred under the auction product will not be able to cleared until Day +1. There will be an</li> </ol>



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		<p>imbalance lag between Day -1, Day and Day +1. It is acknowledged that imbalances will exist due to the uncertainties of pipeline flows on a day. Imbalances can be traded to other participants on Day + 1 via the proposed imbalance trading platform (which EESA put a view in the capacity trading consultation paper).</p> <p>The key issue is to ensure auction users are incentivised to remove imbalances immediately upon notification. An imbalance tolerance does not provide for this incentive. It is envisaged that for the auction product, an imbalance charge will be required for any imbalance unless cleared by a set time early on Day + 1.</p>
<b>3.4 Contract path specification</b>		
7.	Do you think a zonal or point-to-point contract path approach should be employed in the auction?	<p>Assuming the auction product is prioritised second priority to firm, neither the point to point or zonal contract path will operate effectively without disadvantaging existing users who rely upon non-firm services to operate gas fired power generation.</p> <p>Firm capacity on the MAPS is currently scheduled in the following order:</p> <ol style="list-style-type: none"> <li>1. Firstly, receipt point or delivery point capacity is scheduled up to the capacity of the point based upon the contracted delivery point capacity of the user;</li> <li>2. Secondly, zonal capacity is allocated based upon the sum of delivery point capacity up to total modelled capacity within the zone; and</li> <li>3. Finally, pipeline capacity is allocated up to the total capacity of the pipeline.</li> </ol> <p>The above is important to note as the first and second level of capacity is allocated based upon delivery point MDQ, which the consultation paper discussed. This methodology would be effective for large multi-use delivery points such as the STTM markets where capacity is aggregated.</p> <p>This methodology is not effective for single user points where delivery point MDQ is allocated up to the total firm MDQ. As the delivery point is a single user with all Firm</p>



		<p>MDQ allocated, there will never be a scenario where contracted capacity exceeds nominated capacity and further demand exists for non-firm or auction capacity.</p> <p>If the single user of a delivery point is seeking non-firm capacity, they will not be able to access this capacity via the auction as no contracted but un-nominated capacity will exist. All auction capacity will be aggregated to the large multi-user delivery points such as the STTM. To gain access to non-firm capacity, these users will be required to wait until the auction process is complete to access non-firm. This is not considered practical as in the case of electricity generation, this will delay the time in which generators can confirm to AEMO what generation capacity is available for the next day. And this capacity may never become available as excess supply will exist which may be tactically or speculatively acquired at or close to \$0.00/GJ to gain a market advantage.</p> <p>The impact of this will be lower available capacity to legitimate market users who are serving a critical element of the SA electricity market.</p> <p>It should be noted that the auction of capacity at a pipeline capacity level will also not be practical due to the need to complete pipeline modelling for each transaction to ensure capacity can be allocated to desired delivery points.</p> <p>EESA acknowledges that to implement the auction one of the two options must be utilised. The solution must therefore accommodate critical market participants who seek to utilise non-firm capacity to their single user delivery points while ensuring auction capacity can be provided.</p> <p>It is recommended that consistent with previous recommendations, this outcome can be achieved by prioritising auction capacity below authorised overrun as discussed in question 3. This priority would enable pipeline operators to allocate capacity to firm shippers first, followed by authorised overrun users, with any balance being made available to auction participants.</p> <p>The Zonal option will be simple to implement and provide a more intuitive flexibility for auction participants.</p>
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	Questions	Feedback
8.	<p>If you think a point-to-point approach should be employed, do you have any concerns with:</p> <ul style="list-style-type: none"> <li>○ the proposal to use different approaches for the trading platform and auction? If so, please explain why.</li> <li>○ the potential for the publication of information on contracted but un-nominated capacity at delivery points servicing market generating units to adversely affect competition in the NEM? If so, please explain why and how you think this could be addressed.</li> </ul>	
9.	<p>Are there any other complexities associated with the point-to-point approach or technical requirements the GMRG should factor into its consideration of this issue?</p>	<p>Refer to question 7.</p>
<p><b>4.1 Calculation of auction quantity</b></p>		
10.	<p>Do you agree that the calculation of the contracted but un-nominated capacity will simply involve deducting the actual nominations from the reserved capacity for each product (e.g. at receipt points, delivery points, pipeline segments and compression), or are there other complexities that service providers will need to deal with that have not yet been identified?</p>	<p><u>MHQ Consideration</u></p> <p>It is important that MHQ be considered when determining available capacity to be included in the auction. In some cases, especially in a market such as South Australia, electricity generators have access to a fixed MHQ allowance based upon their MDQ as opposed to the more common standard of an MHQ based upon the gas actually scheduled on a day.</p> <p>This scenario is explained in the following example:</p> <p>Contracts vary with regards to their MHQ allowance due to the requirement to meet specific user demand. This is most prevalent in peaking power stations which typically operate at high rates for shorter periods of time. A firm shipper may have access to increased MHQ flexibility of 120% of 1/24<sup>th</sup> (as opposed to 110% of 1/24<sup>th</sup> as is proposed in the standardised operational GTA) and an MDQ of 20TJ. This</p>



		<p>flexibility can be provided via either Fixed MHQ or Variable MHQ. The outcomes are presented below where the user nominates 10TJ of the total 20TJ of available MDQ:</p> <p>Fixed MHQ – MHQ based on MDQ therefore <math>20TJ \text{ MDQ} / 24 \text{ hours} \times 120\% \text{ Flexibility} = 1TJ/\text{hour}</math>.</p> <p>Variable MHQ – MHQ based on schedule therefore <math>10TJ \text{ nominated} / 24 \text{ hours} \times 120\% \text{ flexibility} = 0.5TJ/\text{hour}</math>.</p> <p>Under the proposed method of determining auction quantity, 10TJ would be made available, being the difference between contract MDQ and nominated quantity. Due to the MHQ flexibility however, a lesser amount is actually available for auction without exceeding maximum pipeline capacity.</p> <p>As mentioned above, MHQ flexibility is a critical requirement in South Australia due to the increased demand for gas fired peaking power to serve as system security amongst renewable energy sources.</p> <p>In order to adequately protect against the risk of the pipeline capacity being exceeded on a day, EESA believes two options exist:</p> <ol style="list-style-type: none"><li>1. The definition of contracted but un-nominated capacity to include allowances for capacity which may not be nominated, but is in fact utilised due to the embedded MHQ flexibility. If this was included in the above example, the pipeline operator would not be required to include all of the contracted but un-nominated capacity (10TJ in this case) in the auction to ensure adequate capacity remains for delivery of MHQ flexibility.</li><li>2. As per question 3 above, the auction product priority be reduced to ensure pipeline operators have the discretion to interrupt the auction participants to the extent the capacity is required for the delivery of MHQ flexibility. This would increase the available capacity for auction, but enable the pipeline operator to make an assessment of risk throughout the day to ensure all firm shipper requirements are met.</li></ol>
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	Questions	Feedback
11.	Given your view on product design, do you think as available or interruptible nominations received prior to nomination cut-off should be included in the calculation of contracted but un-nominated capacity?	Yes. Refer to above discussion.
12.	If the auction product is defined as a second priority as available or interruptible product, do you think service providers should be required to employ a top down approach to scheduling these services, or are there technical reasons why this approach can't be employed?	Capacity should be allocated bottom-up. A limitation to top-down is where pipelines are fully contracted and there will be limited access to higher priority products which as discussed above, are critical to the operation of the market.
13.	Are there any other factors that service providers would need to take into account when calculating the auction quantity for each product?	<p>Pipeline services i.e. receipt and delivery points are provided for instantaneously. This means that gas receipt within an hour will be delivered within that hour if required by the user. This is despite the technical practicality that gas receipted will in the case of the MAPS take up to three days to travel from the receipt point to the delivery point. Pipeline operators manage this risk via the utilisation of line pack and the pressure of the gas at each zone to ensure demand for capacity on agreed terms can be met.</p> <p>The impact of this is after periods of sustained high demand, the pipeline may experience low line pack which impacts the ability of the pipeline to meet ongoing contractual requirements. Pipeline operators operate in this manner to ensure market demand can be met during periods of high demand, such as peak electricity demand in summer. This risk can be seen recently where the South Australian Government introduced the <i>Emergency Management (Electricity Supply Emergencies) Act 2017 (SA)</i> to ensure gas is supplied to generators during these high demand periods.</p> <p>As a result of this newly enacted statute, pipeline capacity may be reduced in post peak demand periods to enable line pack to be rebuilt in preparation for future firm demand. In a period of building line pack, pipeline operators will need the ability to limit auction quantity to ensure the pipeline can be setup to meet future firm shipper requirements.</p>



	Questions	Feedback
14.	Are there any specific calculation issues that the GMRG would need to consider if the point-to-point approach is used?	
15.	Do you think the method service providers are to use when calculating the auction quantity should be specified in the NGR, or do you think service providers should be able to develop their own method and have it approved by the AER?	A service provider should be able to develop their own calculation, as it is pipeline specific per comments above.
<b>4.2 Auction format</b>		
16.	Do you agree with the proposal to utilise a partial combinatorial auction? If not, please explain why?	
17.	<p>Do you think there is value in including the minimum requirement optional feature from market start, or do you think this could be added over time if required?</p> <ul style="list-style-type: none"> <li>○ If you think it should be included from market start, please outline the benefits you think bidders will derive from its inclusion and if you think these benefits will outweigh the costs and complexities of including this in the auction solver?</li> <li>○ If a minimum requirement is adopted (either from market start or later), which combination of minimum requirement (global or bid-specific) and allocation mechanism (option 1 or 2) do you prefer and why? The GMRG is particularly interested in stakeholders' views on the impact on bidders and efficiency as well as potential gaming opportunities with any of these combinations</li> </ul>	
18.	Do you think there is sufficient demand for substitutable routes to warrant the inclusion of the XOR set optional feature? If so, please explain why.	



Questions		Feedback
19.	Do you agree with the proposal to include the static backhaul optional feature? If not, please explain why.	Refer to backhaul services comments in question 2 above.  If backhaul services are provided, then to reduce complexity static, backhaul services would be the preferred option.
<b>4.3 Reserve price</b>		
20.	If compressor fuel is provided by a service provider, do you think the reserve price should be adjusted to reflect these costs, or do you think the costs should be recovered through the operational GTA?	Compressor fuel cannot be provided for by the service provider. Pipeline operators do not acquire gas and to do so would impose additional risk and cost on the service provider. To be a user of pipeline services, the user must already have title to gas and it is therefore assumed the user would have ready access to gas for the purpose of providing compressor fuel.
<b>4.4 Pricing rule</b>		
21.	Do you agree with the proposal to adopt a pay-as cleared pricing rule? If not, please explain why.	
22.	If you propose an alternative pricing rule, please provide details on how this rule could be implemented and whether or not the inclusion of minimum requirements and/or XOR sets would be problematic under this alternative rule.	
23.	Do you agree with the proposal to set the price at the lowest accepted bid if the lowest accepted bid is fully cleared? If not, please explain why. <ul style="list-style-type: none"> <li>o If you propose an alternative pricing rule, please provide details on how this rule could be implemented and whether or not the inclusion of minimum requirements and/or XOR sets would be problematic under this alternative rule.</li> </ul>	
24.	Do you agree with the proposal to use a random tie-break mechanism in those cases where there are more than one set	



	Questions	Feedback
	of prices that satisfy the pricing constraints imposed by the lowest accepted bids? If not, please explain why.	
<b>4.5 Method for determining winning bidders</b>		
25.	Do you agree with the proposal to determine winning bidders through the use of a profit maximising algorithm, which in this case reduces to a revenue maximising algorithm? If not, please explain why.	<p>The proposed profit maximising algorithm ignores any value attributable to shippers with firm transportation rights. For example:</p> <ul style="list-style-type: none"> <li>- 2 shippers are seeking to ship gas from Wallumbilla to Adelaide via the SWQP and MAPS.</li> <li>- The first shipper holds firm SWQP transport and seeks capacity on the MAPS via the auction.</li> <li>- The second shipper has no firm capacity and therefore seeks capacity on the SWQP and MAPS via the auction.</li> </ul> <p>The second shipper will be at an advantage as their ability to pay will include two pipelines, while the first shipper has already incurred on a cost on one pipeline.</p> <p>It does not seem appropriate that one party is disadvantaged when trying to acquire the same path due to an investment in firm pipeline capacity. EESA is not in a position to make a recommendation on this matter as it is not directly impacted.</p>
26.	Do you agree with the proposal to use a random tie-break rule to determine winning bidders? If not, please explain why.	
<b>4.6 Curtailment on the gas day</b>		
27.	Do you agree that auction winners should be able to try and procure primary capacity from the service provider if the curtailment arises as a result of a renomination and there is spare primary capacity available? If not, please explain why.	
28.	Do you think that auction winners should be able to choose whether they are only curtailed on the product for which there	



	Questions	Feedback
	is insufficient capacity or across all products? If not, please explain why.	
29.	Do you think that the pro-rating with compensation curtailment option should be employed as the project team has suggested, or do you think the pipeline wide valuation with or without compensation option should be employed? In addressing this question, please outline how significant you think the risks of curtailment are.	
<b>4.7 Allocation of the auction residue</b>		
30.	Do you agree with the proposal to allocate the auction residue to service providers based on the revenue achieved by individual products? If not, please explain why and set out what alternative approach you think should be employed.	
<b>4.8 Information to be provided to auction participants</b>		
31.	Do you agree with the proposal to: <ul style="list-style-type: none"> <li>o provide auction participants with information on the products to be auctioned and the auction quantities prior to the auction?</li> <li>o provide auction winners with information on their own winning bids and the clearing price for all the products sold through the auction?</li> <li>o publish information on auction quantities and the clearing prices on the BB website?</li> </ul>	
32.	Do you agree with the proposal not to publish the bid-stack in the initial stages of the auction's operation? If not, please explain why you think the gaming issues identified by NERA are unlikely to affect the robustness of the auction.	
<b>4.9 Auction timing</b>		



	Questions	Feedback
33.	Do you agree with the proposed timing offsets for the auction related D-1 activities? If not, how long do you think should be allowed for each activity?	<p>A one hour duration should be allowed for each task required to be performed by the service provider.</p> <ul style="list-style-type: none"> <li>• Service provider provides Auction Quantity to AEMO – 17:30. Agree, this allows one hour from the Scheduling cut off time, which is one hour after the Pipeline Nomination Cut Off Time at 15:30.</li> <li>• Service provider allocates Auction MDQ – 19:15. EESA seeks to amend, this should be 19:45 to allow one hour from the time when the details of the auction results are available at 18:45.</li> </ul>
34.	<p>What do you think should occur if:</p> <ul style="list-style-type: none"> <li>○ a service provider is unable to provide AEMO with the auction quantity within the required timeframe?</li> <li>○ AEMO experiences a system failure and is unable to conduct the auction within the required timeframe?</li> </ul>	
<b>5.2 Coverage of the auction</b>		
35.	Do you agree with the proposal to apply the auction to all the transmission pipelines (excluding the Declared Transmission System) linking major demand centres and supply sources in the east coast and contractually congested pipelines in regional areas? If not, please explain why.	
36.	Are there any other pipelines or compressors that you think should be added to the list of pipelines and compressors that could be subject to the auction in Table 5.2?	
37.	Do you think that the efficiencies associated with a broader application of the auction will outweigh some of the dynamic efficiency losses that could occur on individual pipelines? If not, are there any other measures that you think could be employed to ameliorate the effect of any such losses?	



	Questions	Feedback
38.	<p>Do you agree that exemptions should be available to:</p> <ul style="list-style-type: none"> <li>○ transportation assets that are not providing third party access? If not, please explain why.</li> <li>○ transportation assets that service a single facility? If not, please explain why?</li> </ul>	
39.	<p>Do you think an exemption should be available to pipelines that fall below a minimum size threshold if they are not contractually congested? Please explain your response.</p>	
40.	<p>Are there any other exemptions that you think should be provided for? If so, please explain what they are and why they are required.</p>	
<b>6.1 Auction platform and systems</b>		
41.	<p>Do you agree with AEMO's proposal to use existing systems and a modified version of the SRA algorithm? If not, please explain why.</p>	
42.	<p>Will service providers need to put any new systems in to calculate auction quantities or to deal with information transfers between itself and AEMO? If so, how long do service providers think this is likely to take?</p>	<p>The complexity, costs and schedule required to implement the systems and processes needed to support this service will vary depending on the final design of the service.</p> <p>EESA expects that it would take at least six months and up to 12 months to implement changes required to facilitate the services.</p>
<b>6.2.2 Settlement arrangements</b>		
43.	<p>Do you agree with AEMO's proposal to combine the settlement amounts for the GSH and day-ahead auctions? If not, please explain why.</p>	
<b>6.2.3 Credit risk management</b>		



	Questions	Feedback
44.	Do you agree with AEMO's proposal to combine the credit risk management arrangements for the GSH and auction products? If not, please explain why.	
<b>6.2.4 Cost recovery</b>		
45.	Do you agree with the proposal to recover AEMO's costs of implementing and conducting the day-ahead auction from auction and GSH participants? If not, please explain why.	
46.	Do you agree with the proposal to allow AEMO to determine, in consultation with auction and GSH participants, the fee structure that would apply to the day-ahead auction and secondary capacity trades? If not, please explain why.	
47.	Do you think the cost recovery provisions should be specified in the NGR?	
<b>6.25 Other contractual arrangements required by auction winners</b>		
48.	What changes do you think will need to be made to the Operational Code that was released for public comment in the <i>Standardisation Related Reforms and the Capacity Trading Platform Consultation Paper</i> to accommodate the auction product?	Detailed consultation will be required on the required amendments to the OTA once the final design of the auction paper is available. Key changes will include the definition of the product, the liability provisions associated with delivery and the rights of the service provider to curtail services within a day.
<b>7.2 Legal and governance framework for the day-ahead auction</b>		
49.	Are there any other changes that you think will be required to the legal and governance framework to give effect to the day-ahead auction that have not been identified in <b>Error! Reference source not found.</b> ?	



## PART B – Reporting Framework for Secondary Trades

	Questions	Feedback
<b>8.1</b>	<b>Types of trades to be reported</b>	
50.	<p>Do you agree with the proposal to specify that the reporting framework will apply to the following types of secondary trades:</p> <ul style="list-style-type: none"> <li>○ all exchange traded products listed on the capacity trading platform; and</li> <li>○ bilateral trades involving forward haul, backhaul, park, park and loan, and/or compression services that are given effect through either a bare transfer or an operational transfer?</li> </ul> <p>Or do you think that there are other types of secondary capacity trades that should be reported?</p>	
<b>8.2</b>	<b>Information to be reported</b>	
51.	<p>Do you agree that the information set out in Table 8.1 should be reported for exchange based capacity trades and bilateral capacity trades? Or do you think that:</p> <ul style="list-style-type: none"> <li>○ additional information should be reported? If so, please set out what additional information you think should be reported and why.</li> <li>○ less information should be reported? If so, please set out what information you don't think should be reported and why.</li> </ul>	
52.	<p>Do you think any additional measures are required to protect the anonymity of counterparties? If so, please explain what they are and how this would be consistent with the overarching objectives of the reporting requirements.</p>	
<b>8.3</b>	<b>Reporting obligation for bilateral trades</b>	
53.	<p>Do you agree that the obligation to report bilateral trades of secondary capacity should fall on the seller? Or do you think the obligation should fall on:</p> <ul style="list-style-type: none"> <li>○ the buyer? If so, please explain why.</li> </ul>	



	Questions	Feedback
	<ul style="list-style-type: none"> <li>○ both counterparties? If so, please explain why.</li> </ul>	
54.	Do you agree with the proposal that bilateral trades of secondary capacity should be reported by the earlier of one day after the trade is executed or the day prior to the trade commencing? Or do you think sellers require a longer period of time to report trades?	
55.	Do you agree that shippers should be given flexibility to engage someone to report on their behalf, or should all shippers be required to gain access in their own name to the reporting systems?	
<b>8.4 Where information should be published</b>		
56.	Do you agree with the proposal to allow AEMO to publish information on: <ul style="list-style-type: none"> <li>○ exchange based trades on the GSH and the BB website? If not, please explain why.</li> <li>○ bilateral trades on the BB website? If not, please explain why.</li> </ul>	
<b>9 Governance arrangements</b>		
57.	Are there any other changes that you think will be required to the governance arrangements that have not been identified in <b>Error! Reference source not found.</b> ?	